A NEW DAWN ARISING

Annual Report and Financial Statements 2024

Bamburi cement

Part of you. From the start

THE GROWTH IN TURNOVER WAS ABOVE PRIOR YEAR

Which was mainly driven by our excellent commercial strategy execution focusing on delivery of value to our customers.

WELCOME TO OUR 2024 REPORT

WHO WE ARE

Bamburi Cement is an Industry captain.

As a leading clinker, cement and concrete producer in Eastern Africa, Bamburi Cement is at the forefront of innovative and sustainable building solutions.

VISION

To be the undisputed leader and the preffered partner by providing innovative solutions for nation buidling

Our Strategy: **BUILDING FOR GROWTH** based on 4 pillars

Growth
Grow faster than the market by capturing opportunities from the Big 4 agenda.

Performance
Be the best cash cost company in the country through innovation & operational excellence.

People
Become an agile, lean and perfomance focused organization by empowering our people.

Sustainability
Be the most respected company by all stakeholders by creating shared value with them.

Our communication strategy aims to provide shareholders with the highest standards of market disclosure and financial transparency

This Year's Report:

We've made some big changes to this year's report to give readers a clearer picture of how we're doing and what our plans are.

Elsewhere, we've expanded our KPI reporting, given more information on directors' pay, and embraced a number of new reporting requirements a year early.

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Bridging populations: The Dongo Kundu Bypass Highway was built using Power Crete, Power Plus and Duracem (for its durability attributes at the bridge area)

Following the conclusion of the takeover transaction, the new majority shareholder, Amsons Group acquired 96.54% shareholding ofthe business as at the end of the year.

3 SUBSIDIARIES

Bamburi Special Products Limited

The leading supplier of Readymix concrete and Precast concrete blocks with operations in Nairobi and Mombasa.

Lafarge Eco Systems Limited

The environmental arm of Bamburi Cement whose operations are in sustainable land use and quarry rehabilitation.

Diani Estates Limited

Diani's principal activity is management of land reserves on behalf of its parent company, Bamburi Cement.

OUR PLANTS

The Group operates 2 cement plants from where it serves the Kenya market as well as other export markets.

Operate 2 Plants in Kenya

- Integrated Plant (Clinkering and Cement) in Mombasa
- Grinding Plant (Cement) in Athi River

OUR BRANDS

The use of Duracem Cement in the construction of Makupa Bridge made a saving of 10 million kg of CO_2 as compared to Ordinary Portland Cements [OPC]

The 457m long Makupa Causeway Bridge links Mombasa City to the Kenyan mainland. It has been built using our sustainably produced Duracem Cement which reduces carbon emissions by 64%.

Eco Label is used to reflect lower carbon emissions when cement emits at least

30%

less CO_2 than the local industry average

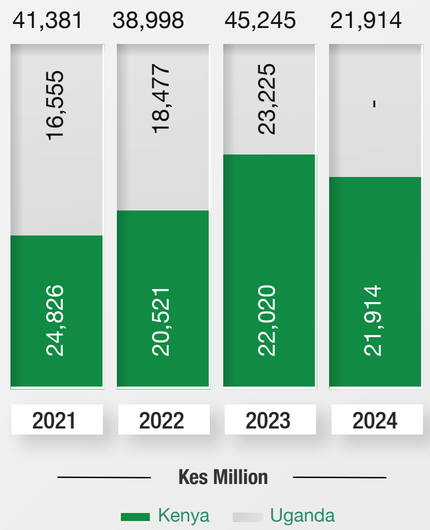
We have the ***widest range*** *of green cements for* ***specific applications*** *and* ***segments.***

01

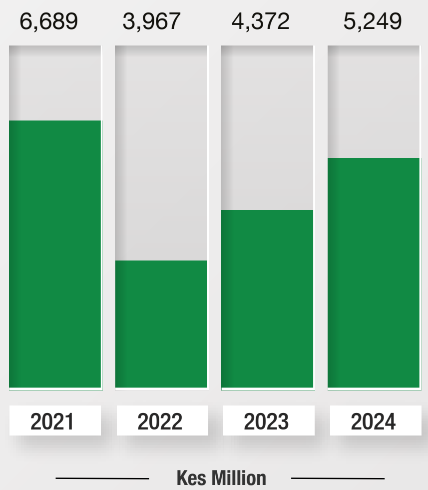
2024 Overview

FINANCIAL PERFORMANCE

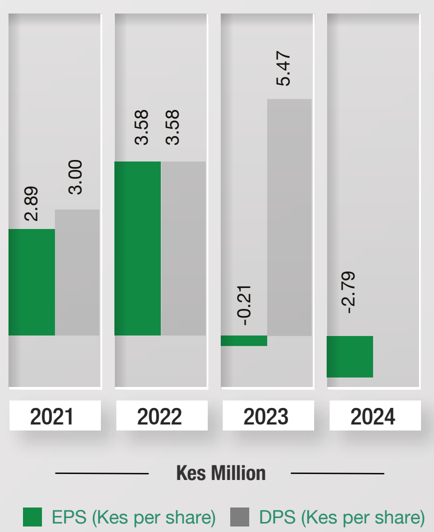
Group Turnover - Kes Millions

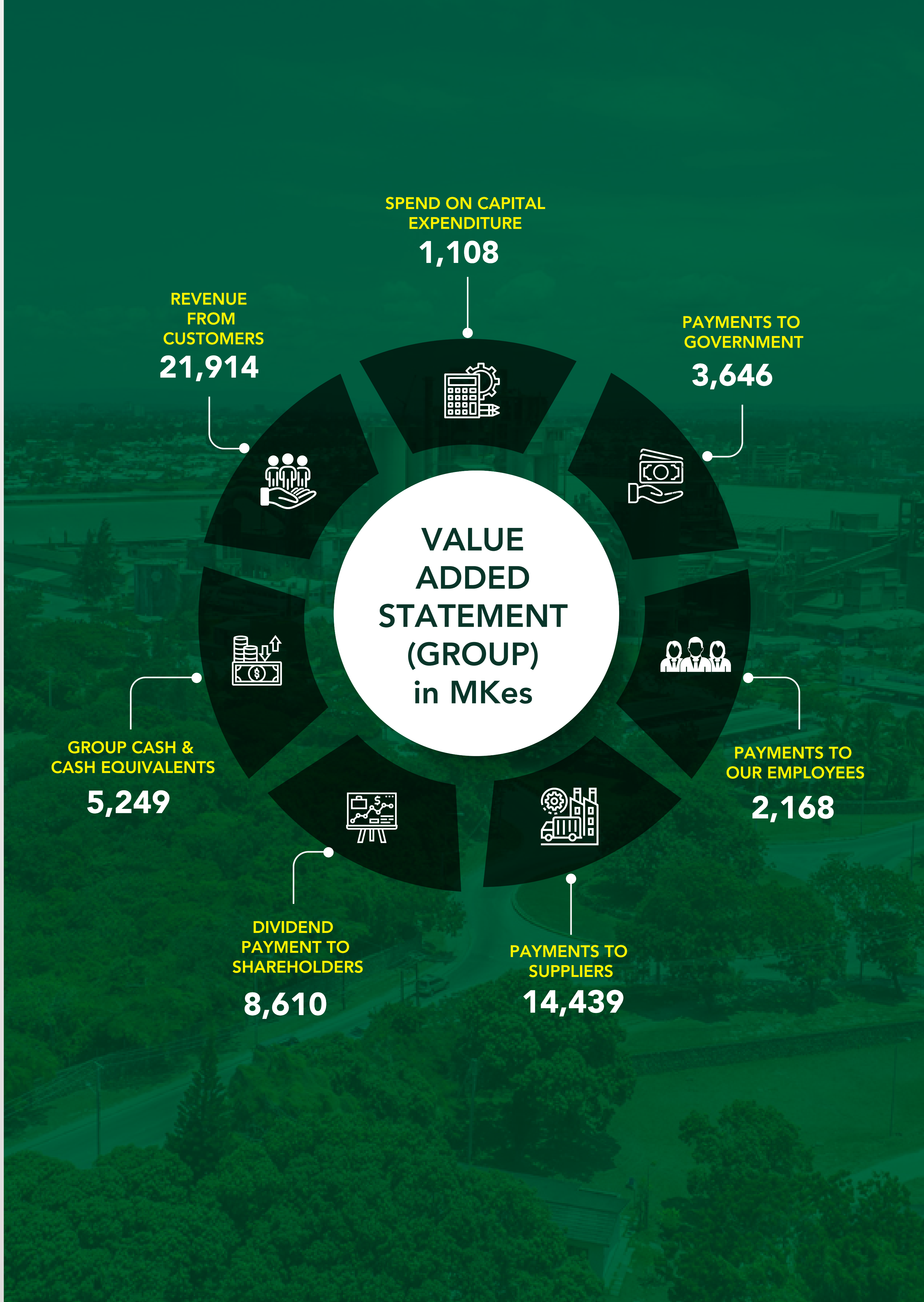


Group Cash and Cash Equivalents



Group Earnings/Dividend per Share





SUSTAINABILITY **DATA**

98%
Fossil fuel substitution rates in our grinding plants

20MW
SOLAR POWER PLANTS LARGEST BY A PRIVATE SECTOR COMPANY

15.6% in underrepresented groups among our suppliers.

30% of solar power for our plants.

IN 2024, BAMBURI CEMENT REMAINED COMMITTED TO CONTINUOUSLY PROMOTING INDUSTRY SUSTAINABILITY, ANTICIPATING MARKET NEEDS, AND DELIVERING INNOVATIVE, SUSTAINABLE SOLUTIONS THAT ADJUST TO CHANGING MARKET CONDITIONS.

30% in rail transport use

385,603 of waste recycled by Geocycle

36,000 individuals that benefitted from our free cervical cancer screening.

CHAIRMAN'S **STATEMENT**

The fiscal year 2024 also had significant takeover transaction with majority shareholder, Holcim divesting from our business in a deal that was closed on 20th December 2024. Following the conclusion of the takeover transaction, the new majority shareholder, Amsons Group acquired 96.54% shareholding of the business as at the end of the year.

We successfully executed of the solar power project with an aim to supply over

30%

of power requirements in both Mombasa and Nairobi Grinding Plants.

Our teams demonstrated enormous resilience with ability to deliver and grow profits solidifying our financial position evident in exceptional and solid performance.

Dear Stakeholders

On behalf of the Board of Directors, it is my privilege to present to you the 2024 integrated annual report & audited financial statements of the Group..

Overview

The year 2024 had many unprecedented challenges ranging from floods, unpredictable tax environment, introduction of levies, protests among others that hampered economic activities impacting construction sector. In addition, the year faced continuing global geopolitical pressures.

The economy recorded overall contraction in construction industry with national cement consumption dropping. The interest rates remained high compared with prior years impacting consumers ability to borrow to finance the new projects. However, the currency remained relatively stable throughout the year.

Despite these challenges experienced during the year, our teams demonstrated enormous resilience with ability to deliver and grow profits solidifying our financial position evident in exceptional and solid performance.

The fiscal year 2024 also had significant takeover transaction with majority shareholder, Holcim divesting from our business in a deal that was closed on 20th December 2024. Following the conclusion of the takeover transaction, the new majority shareholder, Amsons Group acquired 96.54% shareholding of the business as at the end of the year.

In another significant step by the business to achieve cost efficiency and consolidate its journey of decarbonizing operations and reduction of C02 emission, we successfully executed of the solar power project with an aim to supply over 30% of power requirements in both Mombasa and Nairobi Grinding Plants. The projects were commissioned end of the year under review.

The Group operating profit from continuing operations was adversely impacted by forex losses on cash held from sale of Hima Cement. However, the business remains focused and convinced on accelerating the growth trajectory with improved performance and profitability in the future driven by innovation, operations excellence, energy cost reduction initiatives pegged on the revamped business strategy and the expected recovery and stability of the economy.

On Sustainability, the company continued with adoption of sustainable business practices across all segments in order to ensure positive contribution to environmental protection and livelihood enrichment. During fiscal year 2024, the company accelerated the decarbonisation agenda within it's operations through solar project and other innovative and sustainable solutions across the value chain. This was achieved through usage of alternative raw materials, alternative fuels, energy efficiency, emission control and innovative products in an action-oriented strategy significantly reducing our CO2 emissions in 2024.

As per board's oversight role, we continue to ensure that the organisation's ESG strategy is aligned with its material risks, business objectives and drivers and that sustainability is strongly embedded in decision making. The business increased investments in projects that impact our ESG contributions and those driving our efficiency with eventual impact on costs. Key initiative in the year was the launch of a new solar plant that will deliver low emission targets while lowering energy cost at the same time. We will remain aggressive on actions that jointly fight against climate change and uphold our mandate to create sustainable corporate governance frameworks for business continuity.

Outlook

Looking forward, we remain confident and steadfast in our efforts to drive positive performance in 2025 and beyond by implementing our strategy and capitalizing on new opportunities. The Board affirms its confidence in our strategy and our commitment to delivering sustainable growth. The business is in a good position to achieve and sustain profitable growth across all its businesses, fuelled by sustainability driving actions, innovations and operational excellence.

Appreciation

On behalf of the Board, I express my sincere gratitude by appreciating our Board of Directors, Group Managing Director, Leadership Team, Employees, Customers, Partners, Shareholders, and all other Stakeholders for their invaluable contribution, dedication and support to our resilient and impressive performance in 2024. The Board will continue to provide management with the necessary oversight and support as they execute on their strategic priorities.

Dr. John Simba
Chairman

15 April 2025

The business increased investments in projects that impact our ESG contributions and those driving our efficiency with eventual impact on costs.

An **African Golden Weaver** takes a break from nest building activities to enjoy some sunshine at Haller Park

MANAGING DIRECTOR'S **STATEMENT**

The Kenya business delivered a strong performance in fiscal year 2024, despite challenges such as rain and floods disrupting logistics, washed-out railway tracks, market liquidity issues, supply chain complexities, protests & evolving regulations. However, the consolidated business performance was largely impacted by forex losses on cash held from sale of Hima Cement Ltd and loss on disposal of Hima Cement.

We made significant strides in cost efficiencies achieving record price-over cost im-provements coupled with re-duction of the logistics costs through increased usage of the rail transportation.

We remained committed to our strategic objectives capturing market opportunities delivering value to both consumers and stakeholders.

Our adaptability and innovation in line with changing market dynamics helped us to execute strategic actions to deliver solid performance.

Overview

It is an honor to present the Bamburi Group Annual Report for 2024, a year that was marked by strong financial performance despite significant macro-economic challenges. I am grateful to all our team members for going the extra mile to overcome the challenges that stood in our way, take advantage of opportunities, and push our business agenda forward. Thanks to the team, Bamburi remains the market leader with a suit of high-quality products and exceptional service.

Fiscal Year 2024 we delivered a robust performance during one of the most testing years filled with challenges of rains and floods disrupting logistics, washed-out railway tracks, market liquidity issues, supply chain complexities, protests, evolving regulations and the significant divestment transaction, the Bamburi team demonstrated remarkable resilience, focus, and determination.

During the fiscal year under review, we remained committed to our strategic objectives capturing market opportunities delivering value to both consumers and stakeholders. Among the numerous achievements of 2024, a few truly stand out:

MANAGING DIRECTOR'S **STATEMENT**

Margin and Profitability

With regular inflation increase and volatility, the business focused on protecting its margins with strategic micro markets pricing and market approach actions. We made significant strides in cost efficiencies achieving a record price-over cost improvements coupled with reduction of the logistics costs through increased usage of the rail transportation.

Operational Excellence

Industrial and supply chain excellence is essential to our success. We have undertaken several initiatives to enhance our industrial excellence, streamline our supply chain operations, and improve our overall efficiency to serve our customers. These efforts have not only reduced costs but also improved our ability to deliver high-quality products to our customers in a timely manner. Additionally, we successfully turn around our ready-mix business. Additionally, the launch and successful sale of our 3D-printed houses, marked an innovation milestone during the year.

A robust performance in the face of significant macroeconomic challenges.

Customer Focus

At Bamburi Group, we provide customized solutions tailored to our customers' unique requirements, ensuring their satisfaction and success. During the year under review, we continued our customer engagement with several initiatives to deepen customer experience. Some of these initiatives included week-long celebrations of the 2024 Customer Service Week, visits to retailers and distributors in all our markets, improved service delivery, personalized solutions, participation in industry events, and innovative marketing campaigns.

Sustainability

With sustainability at the core of our operations and a key pillar of our Strategy, I am immensely proud to share the remarkable strides made in our sustainability journey. Throughout the year, we reduced carbon emissions in our operations and demonstrated exemplary performance across all sustainability pillars.

Profitability

The operating profit from continuing operations was adversely impacted by forex losses on cash held from sale of Hima Cement. The RMX business and Lafarge Ecosystems reported a strong performance. Our adaptability and innovation in line with changing market dynamics helped us to execute strategic actions to deliver solid performance. Additionally, our industrial performance improvement across all Industrial Performance Benchmarks (IPB) contributed to the delivery of solid financial performance.

Cash Management

To achieve sustainable growth, the business focused on ensuring prudent working capital management and cash preservation with key focus put on optimizing inventory and better management of receivables.

The Group reported an improved cash generation from operations (+66% vs PY) as a result of strong business performance of continuing operations and optimal working capital management.

Future Outlook

Looking ahead, we are optimistic about the future and the prospects it holds. Our strategic priorities for this year and the coming year include strengthening innovation, deepening our markets, and continued investment in sustainability through going green initiatives. We are committed to driving growth, enhancing shareholder value, and solidifying our position as a market leader of superior quality products and solutions in the construction sector.

Finally, I would like to express sincere gratitude to the Board for its continued wise, considered and expert guidance. I would also like to thank our customers, the Kenyan government, and all our stakeholders for their continued support, input and insights. My appreciation goes to our employees, without whose commitment, loyalty and diligence we would not have achieved the excellent results. We look forward to continuing our partnership in the future.

Thank you.

Mohit Kapoor
Managing Director
15th April 2025

Thank you.

Our strategic priorities for this year and the coming year include strengthening innovation, deepening our markets, and continued investment in sustainability through going green initiatives. We are committed to driving growth, enhancing shareholder value, and solidifying our position as a market leader.

BOARD OF DIRECTORS

DR. JOHN SIMBA 79 years
NON-EXECUTIVE DIRECTOR | LLB, LLD(hc) EGH, MBS, OGW

John is an Advocate of the High Court of Kenya and Senior Partner at Simba & Simba, Advocates. Previously he has worked with the Attorney General's Chambers and also as Executive Director /CEO of Industrial & Commercial Development Corporation (now Kenya Development Corporation), Executive Director of the Technical Unit of the Parastatal Reform Program and Executive Chairman/CEO of National Bank of Kenya.

Additionally, he has previously served as Chairman; Federation of Kenya Employers, Kenya Bankers' Association, Retirement Benefits Authority, University of Nairobi Council and as President of the Rotary Club of Nairobi. Currently, he is Chairman of Sanlam Kenya Plc., Coca-Cola Beverages Kenya Limited, Choice Tea Brokers Limited, Funguo Investments Limited and Seta Holdings Limited. He also serves as a director in other companies including Almasi Beverages Limited, Carbacid Investments Limited and Africa Energy Group Ltd.

John is a member of the Law Society of Kenya, East African Law Society, and the Institute of Directors, Kenya. John has attended several Executive Management and Corporate Governance courses locally and abroad.

John is the Chair of the Board of Directors and previously Chair of the Nomination, Remuneration & HR Committee (NR&HRC). John was appointed to the Board on 29 November 2012.

MOHIT KAPOOR – CEO 53 years
EXECUTIVE DIRECTOR | Bsc. Electronic Engineering, MBA

Mohit Kapoor is the Company's Chief Executive Officer.

He has over 26 years of corporate leadership experience, having held several high level leadership positions within the Holcim Group, including as Readymix Qatar LLC & Aljabor Cement Limited's Country CEO in Doha, Qatar, Holcim India's Head of Growth and Innovation, Lafarge India's Managing Director of Readymix Projects, and Health & Safety Vice President - APAC.

He has a Master's degree in Marketing from India's FORE School of Management, a Supply Chain Management qualification from IIM-Ahmedabad, and a Bachelor's degree in Electronics Engineering from Nagpur University.

Mohit was appointed as an Executive Director of the Board on 1 April 2023.

DR HELEN GICHOHI 63 years
INDEPENDENT NON-EXECUTIVE DIRECTOR | OGW, MBS, PhD Zoology, MSc Bio of Conservation, BEd

Helen is currently the Conservation Ambassador for Africa for Fauna and Flora International, a global conservation organization that she joined in September 2018. From December 2012 to January 2017 she served as Equity Group Foundation's Managing Director. Prior to that, she led the African Wildlife Foundation (AWF) for 11 years having joined AWF as its first Director of the Heartlands Program in 2001 and rising to become the Vice President for Programs in 2002 and AWFs first President in 2007. Helen also worked at the Wildlife Conservation Society and African Conservation Centre, where she was the Managing Director.

She is a recipient of several international awards including the Charlotte Wyman Trust's Women in Conservation Progra and the Giai Environmental Award for 2012 at the WIFTs Foundation International Visionary Awards. She has also been honoured nationally for her contribution to wildlife conservation and development.

She is a fellow of the Aspen Institute's Energy and Environment Program and a McCluskey Fellow of the Yale School of Forestry and Environmental Studies.

She previously served on the boards of Equity Bank Kenya Ltd, the Kenya Wildlife Service and the African Wildlife Foundation. Her current board positions include Equity Group Holdings Ltd, Ol Pejeta Conservancy and the Nawiri Group.

Helen serves on the Nomination, Remuneration & HR Committee and the Audit and Risk Committee.

She was appointed to the Board on 9 March 2017.

BOARD OF **DIRECTORS**

RITA KAVASHE 59 years
INDEPENDENT NON-EXECUTIVE DIRECTOR | MBS, MBA, BEd

Rita is a captain of the automotive industry with over 20 years' experience and the Managing Director of Isuzu East Africa Limited (formerly General Motors East Africa), the largest motor vehicle assembler in East Africa. She joined General Motors in 1995 as a Direct Sales Executive and held several key roles in Sales & Marketing, both in Kenya and South Africa before her appointment as Managing Director in 2011.

She is the currently a member of the Advisory Council of the Kenya Private Sector Alliance (KEPSA), Advisory Board Member of the Palmhouse Foundation, member of the University of Eldoret Endowment Trust Board of Trustees and Chair of the Board of British American Tobacco Kenya plc.

She holds a Bachelor's degree in Education from Moi University - Kenya and a Master's degree in Business Administration (MBA) from the University of Nairobi. She is also an executive coach certified by the Academy of Executive Coaches (AOEC) UK. In 2017, she was awarded the Moran of the Order of the Burning Spear (MBS) for exemplary service to the Country as a business leader.

Rita serves on the Audit & Risk Committee.

She was appointed to the Board on 9 March 2017.

MBUVI NGUNZE 56 years
INDEPENDENT NON-EXECUTIVE DIRECTOR | BComm, FCA (England and Wales)

Mbuvi started his career in Audit and Consultancy working for Price Waterhouse in the UK and Kenya (1990-98), and then for Lafarge in various positions (1998-2011).At Lafarge, he was first Finance Director for Bamburi Cement in Kenya, Managing Director Hima Cement in Uganda, VP Group Internal Communications at the Lafarge HQ in Paris, and GM Mbeya Cement Tanzania. He then joined Kenya Airways in 2011 as Chief Operating Officer, before his appointment as Group Managing Director and CEO in 2014-2017.

He is currently a consultant and Senior Advisor on a PE fund where he sits on 2 of the funds Boards. He is Chairman of Safarilink Aviation Limited, Cannon General Insurance (K) Limited, and Sustainable Power Solutions (a Pan African solar company) . As part of his paying it forward, Mbuvi sits on the Board of Lewa Wildlife Conservancy, the foremost conservancy organisation in Kenya as Vice Chairman, and Chair of the Audit and Risk Committee and the Board of Northern Rangeland Trust. He is also Chair of the Board of St Andrews School Turi, Chair of the Kenya Association of Air Operators, and provides mentorship to scale up entrepreneurs with Endeavor Kenya.He has previously served on the Boards of Bamburi Cement, Hima Cement, Mbeya Cement, (all Lafarge majority owned companies), and served as Secretary to the East African Cement Producers Association. He also served on the Boards of Kenya Airways plc, Precision Air Tanzania and Jambojet, Chaired the Executive Committee of African Airlines Association (AFRAA), and was a member of Board of Governors of IATA.

Mbuvi was appointed to the Board on 30th August 2018 and serves on the Audit & Risk Committee, and is the Chair of the Nomination, Remuneration & HR Committee.

ALICE OWUOR 65 years
INDEPENDENT NON-EXECUTIVE DIRECTOR | OGW, MBA, BCom, FKIM

Alice is a career tax administrator having served the Kenya Revenue Authority for 31 years in various critical areas of tax administration and diverse locations in Kenya since joining in 1984 as an assessor and retiring as Commissioner, Domestic Taxes in 2016. She was part of the KRA transformation team leading in the automation revolution and shift from manual back office processes through iTax implementation together with restructuring of the domestic taxes department to support devolution.

Further to sitting in various committees in KRA, Alice has also been Audit Committee chair and Chair of the Kenya Institute of Management (KIM), Kenya liaison for Commonwealth Association of Tax Administrators and founder president of the Soroptimist International Club of Milimani. She is a Fellow of the KIM while also serving as a director of the Centre for Corporate Governance, Prudential Life Assurance Kenya, Crown Paints Kenya PLC and Moving The Goalposts.

Alice is the Chair of the Audit & Risk Committee and a member of the Nomination, Remuneration & HR Committee.

Alice was appointed to the Board on 9 March 2017.

EUGENE ANTERA 42 years
CHIEF FINANCIAL OFFICER, EXECUTIVE DIRECTOR | BCom, CPA

Eugene Antera is the Group Chief Finance Officer.

He is a dynamic business leader, with strong management and finance experience spanning over 15 years in manufacturing, transportation and banking. His wealth of expertise encompasses among others strategy development, business performance, operations, project management, internal controls management, process improvement, financial reporting, budgeting and forecasting.

Prior to his appointment, Mr. Antera was the Operations Controller of the Company. He joined Holcim Group in 2007 and has held several roles including Business Analyst, Sub Saharan Africa (Lafarge Middle East & Africa), Growth Controller, Supply Chain Controller and overall Country Controller (Kenya). Prior to that he worked with Rift Valley Railways as the Financial Planning & Analysis Manager and also at East African Portland Cement PLC as a Business Controller. He holds a Bachelor of Commerce degree (Finance) from the University of Nairobi and is a Certified Public Accountant. He is a member of the Institute of Certified Public Accountants of Kenya.

CLAUDIA ALBERTINI 53years
NON-EXECUTIVE DIRECTOR | Msc Econ & Com

Claudia is the Holcim Group's Chief Financial Officer Asia Middle East Africa Region. She has over 26 years' experience in Finance and Accounting.

She has held a broad spectrum of senior positions within the Holcim Group Services over the past 23 years, including Head of Business Services & Corporate Projects, Holcim Belgium & CEO and CFO, Lead Regional Controller Europe (excl UK), Regional Controller - UK, Spain, and Trading and Affiliates, among others.

She holds Master's Degree in Economics and Commerce from the Università Cattolica del Sacro Cuore, Milan, Italy and European Baccalaureate from European School of Varese, Varese, Italy. Claudia was appointed as a Non Executive Director of the Company on 20 July 2023.

Claudia resigned from the Board on 21 January 2025.

GRANT EARNSHAW 47 years
EXECUTIVE DIRECTOR | Msc Engineering

Grant is the Region Head responsible for Middle East & Africa at Holcim Group. He holds a Postgraduate Diploma in Business Administration from Edinburgh Business School, and is a Civil Engineer from the UK.

Grant has held several positions at Holcim over the last 25 year, including Senior Vice President & Head of Integration, CEO of Lafarge Iraq, Group Vice President Strategy, Development, Mergers & Acquisitions and Managing Director, Lafarge Middle East.

Prior to joining LafargeHolcim group Grant worked in Infrastructure Project Management for 10 years with Balfour Beatty Plc in the UK.

He is the Chairman of Holcim Liban S.A.L, Board member of Jordan Cement P.S.C, LafargeHolcim Morocco, Lafarge Africa PLC and is a Fellow of the Institute of Directors (UK).

Grant was appointed to the Board as a Non-Executive Director of the Company on 26 February 2024.

Grant resigned from the Board on 21 January 2025.

BOARD OF **DIRECTORS**

TITO DAVID KOROS 52 years
NON-EXECUTIVE DIRECTOR | BAEcon, MMPM

Mr. Koros is the current Managing Trustee/Chief Executive Officer of the National Social Security Fund (NSSF).

Prior to that, he was the Chief Executive Officer of the Local Authorities Provident Fund (LAPFUND), which handles retirement funds for all county government and water company employees. He also worked in investment management at Stanbic Investment Management (EA) Services Limited, CFC Financial Services, the Retirement Benefits Authority (RBA), and the Kenya Tourist Development Corporation (KTDC).

Mr. Koros has a Master's degree in Public Policy Management from Strathmore University, a professional certification in Public Policy Management from New York University, has attended various leadership programmes including the Global Leadership Programme from the Gordon Institute of Business Science (GIBS) at the University of Pretoria, and has a Bachelor of Arts in Economics from the University of Nairobi.

Tito David Koros was appointed as a Non-Executive Director of the Company on 7 December 2023

KASPAR THEILER 40 years
NON-EXECUTIVE DIRECTOR | M.A, HSG(Law) LL.M(Law), BA (Law), DAS(Law & Management)

Mr. Theiler is Holcim Group's Regional General Counsel, Asia, Middle East and Africa (AMEA). Prior to his current role, Mr. Theiler served as Holcim Group's Regional General Counsel for Middle East and Africa, Senior Legal Counsel and Holcim Trading General Counsel. Before joining the Holcim Group, Mr. Theiler worked as a Corporate/Mergers & Acquisitions Associate for two Switzerland law firms, as well as at the District Court of Zug and Firmenich SA in Geneva.

Mr. Theiler holds a Master of Arts in Banking, Corporate Finance and Securities Law from University of St. Gallen, Switzerland and a Master of Laws in Common Law from Chinese University of Hong Kong in the Hong Kong Special Administrative Region of the People's Republic of China. He holds a Bachelor of Arts in Law from the University of Lucerne, Switzerland.

Mr. Theiler is a member of the Board of Lafarge Africa Plc, Nigeria and MTE Meter Test Equipment Ltd, Switzerland. Mr. Theiler was appointed as a Non-Executive Director of the Company on 7 May 2024.

Kasper resigned from the Board on 21 January 2025.

SALEM BALLEITH 55 years
NON-EXECUTIVE DIRECTOR | FCCA-UK, CPA-TZ

Salem is a Chartered Certified Accountant (FCCA - UK) and Certified Public Accountant (CPA - TZ), with more than 30 years' experience.

Salem has extensive international experience in investments, financial institutions, industry, accounting, auditing and taxation, including strategy formulation and implementation, corporate governance and hands-on business management at both board and senior executive management levels.

He has worked for leading Saudi institutions SEDCO Group, Savola Group and Ernst & Young.

Salem serves as the Deputy Chairman of the Board of Directors of Tanzania's first fully fledged Sharia compliant bank, Amana Bank Limited, and Chairs its Audit, Risk and Compliance Committee. He is a member of the Board of the Dar es salaam Stock Exchange-listed Swala Oil & Gas Tanzania PLC, where he also Chaired the Audit Committee until early 2023. He served in the Board of Directors of Mbeya Cement Company Limited and also serves as a Member of its Audit Committee.

In August 2017, Salem became a Certified Director with the Institute of Directors Tanzania.

Salem joined the Board as a Non-Executive Director on 12 March 2025

JOYCE MUNENE
COMPANY SECRETARY | LLB, DipLaw, MBA

Joyce joined Bamburi Cement Plc in July 2023. She is an accomplished Governance, Legal and Compliance professional with broad career expertise in the financial services sector and Fast Moving Consumer Goods (FMCG) industry, as well as an Independent Corporate Governance Consultant. She was previously the Senior Legal Manager & Company Secretary at East African Breweries Limited, the Legal Services Manager & Assistant Group Company Secretary at Equity Bank Group, and Legal Officer at United Insurance Company.

She holds a Master's in Business Administration (Strategic Management) from Jomo Kenyatta University of Agriculture & Technology, Bachelor of Laws (LLB) from University of Pune, India and a Diploma in Law from the Kenya School of Law (KSL).

Joyce is a Certified Public Secretary, a Certified Governance Auditor and a Certified Legal & Compliance Auditor.

EXECUTIVE COMMITTEE **MEMBERS**

MOHIT KAPOOR
Group CEO

EUGENE ANTERA
Chief Finance Officer

MARTIN KARIUKI
Commercial Director

ROBERT MUHITA
Human Resources Director

MOSES WERE
Supply Chain Director

DEEPAK JASUJA
Plant Manager - Mombasa

02

Business Overview

MESSAGE FROM THE OUR COMMERCIAL DIRECTOR

This year, we focused on revitalising our customer satisfaction and experience with an ambition to consolidate and expand our customer base. Through regional roadshows of market visits, we have made significant progress in market penetration and customer satisfaction and are now well-positioned for future growth.

Martin Kariuki
Commercial Director

I'm pleased to report that our commercial division has achieved significant commercial success this year. We've seen solid growth despite market fluctuations and new regulations.

This success is a testament to the dedication and hard work of our team, and we are proud of the results we've achieved.

Further, we invested in continuous knowledge and skills building in the industry by expanding our seminar-based approach of the Builders Academy to a site-visit classroom session. More than 80% of masons, foremen and small contractors lack formal training in construction, which results in poor quality workmanship.

The curriculum, developed in conjunction with building experts covers; Pre and post construction basics, Occupational Health and Safety and Project Costing.

Significantly, we continued to impact the construction of Kenya's key infrastructure through our sustainable green cement. In the year under review, we have provided cement for the iconic Talanta Sports Stadia in Nairobi, Mwache Multi-Purpose Dam in Kwale County and Dongo Kundu Bypass linking Mombasa to Kwale Counties.

Our sales were positively impacted by our sustained attention to the product's technical features, such as market compliance to product integrity. To emphasize this, we conducted a market stakeholder campaign on cement quality, promoting strategic dialogue on the detrimental effects of substandard and adulterated cement on the market. Our campaign was successful in motivating regulatory action by raising awareness among stakeholders at several levels, including the Ministry of Trade and Industry, regulators, consumers, industry professionals, and the media audience.

Looking ahead, we're committed to innovating around and expanding our product portfolio as well as brand building in new markets across the border.

We are proud of the team's achievements and look forward to the opportunities ahead.

OPERATIONAL **REVIEW**

As the EAC community continues to offer attractive sales opportunities, we will continue to play a major role in supplying construction solutions for critical infrastructure projects such as rail, power, roads, ports and water.

The Kenya cement market contracted in 2024, owing primarily to a slow down in the construction sector in the first half of the year. The construction sector suffered its first contraction in nearly 11 years with cuts from the government on infrastructure projects. In the second half of the year, data shows a market contraction mainly due to prevailing inflation rates, slowdown in consumer credit growth.The cement market is not expected to grow in 2024, particularly in Q2 due to low demand from high inflation and reduced purchasing power. During the year, the market experienced disruptions, primarily due to Generation Z demonstrations.

Liquidity challenges and the over-capacity situation in the Kenyan cement industry continued to drive competitive market dynamics. The supply challenges experienced in the first half of the year caused costs of inputs of cement to soar. In this case, there was an increase in the Mining Levies in Q3 2024 for cement and clinker. Further, the Government introduced a new Mineral Development Levy which came into effect on 12 June 2024 which is based on 0.5% of the monthly Gross sales. This has significantly increased the costs.

The company continues to reassert its presence in the EAC cement manufacturing sector poised for growth in the coming years by utilizing its additional capacity to launch new products. The increased capacity ensures that the organization continues to provide construction materials solutions to all segments, especially infrastructure where the government's focus is.

The implementation of affordable housing by the government continues to provide much needed reassurance on its focus to Building for Growth by providing housing to the great populace where there still exists a huge gap.

The company continued to upgrade the easy to use lead retail app that offers customers the convenience of placing and tracking their orders, viewing account balances and performance from the comfort of their business premises or home. Bamburi cement continues to focus on Customer loyalty and the new route to market programs to further gain better control of our markets.

MARKETING **HIGHLIGHTS**

1.

Brand building

Pioneering sustainable construction through stakeholder engagement.

This year, stakeholder engagement took center stage as a medium to garner buy-in from relevant government and local agencies and companies to collaborate towards the promotion of product integrity quality products with lower carbon emissions and the elimination of substandard cement.

We embarked on stakeholder roadshows with contractors, architects, engineers, quantity surveyors, developers, agencies like the Kenya Green Building Society and government institutions like the National Construction Authority and Kenya National Highways Authority.

2.

Bamburi Golf Tournament

We organised twin-Golf tournaments at Karen Country Club and Nyali Golf & Country Club. Approximately 300 golfers joined members of our Board and staff.

The tournaments in Nairobi and Mombasa also affirmed our comeback to sports through supporting growing golf talent in the country.

3.

Approximately

300

Market Visists

Market visits

In 2024, we prioritised engagements with our customers across the different regions as a way to better understand our customers and prospective customers. Led by our CEO, Commercial Director, and sales teams, our visits focused on understanding their challenges and opportunities and their perspectives on quality cement and innovation. Overall, approximately 300 market visits were conducted throughout the year.

4.

Industry roadshows

Within the year under review, Bamburi Cement prioritised industry engagements on sustainable construction across the country. Through our subject matter experts, we strategically positioned our products, innovation, product quality and integrity in industry conversations.

5.

Masons benefit from Builders Academy

Over 420 masons from across the country benefitted from our tried-and-tested Builders Academy training programme to improve skills in the building and construction industry in Kenya.

Amid a spate of collapsing buildings across the country in 2024, we rolled out the free training seminars from across the country in a move aimed at improving construction quality standards in the country.

In the year under review, the training adopted a construction site-visits approach, a departure from prior classroom setup approach. It focused on masons' skills and professionalism, by offering them formal training, promoting safe construction and job creation in the country.

+420

Masons from across the country benefitted from our tried-and-tested Builders Academy training programme

MARKETING **HIGHLIGHTS**

Sustainable Solutions For Iconic Infrastructure

6. Talanta City

Bamburi Cement Plc is the preferred cement supplier for the ongoing construction sports infrastructure of Kenya's Talanta Sports City, expected to become another iconic piece of infrastructure.

Bamburi Cement has been supplying Powerplus Cement since April 2024 for the project's foundation work, and will subsequently begin providing Duracem Cement—the greenest cement in Kenya —for the remaining construction phases.

The $350 million sports complex includes a FIFA-accredited 60,000-seat stadium (intended for football and rugby) and athletic grounds built next to it. It is Kenya's biggest stadium project in 37 years.

When finished by December 2025, it will be a part of Kenya's host stadium for the 2027 Africa Cup of Nations, a tri-state host event that will take place in Kenya, Tanzania, and Uganda.

The project is being undertaken by China Road and Bridge Corporation (CRBC) under the supervision of the Kenya Defence Forces (KDF) and the Ministry of Sports.

Adding this magnificent sports infrastructure project to our portfolio of Kenya's infrastructure building contribution is another feather in our cap. It is proof of and validation of our tried-and-tested high-quality cement.

Bamburi Cement has been supplying Powerplus Cement for the $350 million sports complex stadium

The project will be finished by December 2025, it will be a part of Kenya's host stadium for the 2027 Africa Cup of Nations, a tri-state host event that will take place in Kenya, Tanzania, and Uganda.

Dongo Kundu

Bamburi Cement Plc made a significant contribution to the successful completion of Dongo Kundu Bypass Highway, an engineering masterpiece connecting Mombasa to Kwale County.

We provided high-quality cements, including Power Plus, Power Crete and notably, Duracem CEM III/B 42.5 cement for critical works due to its durability performance and environmental benefits, including its enhanced resistance to sea water chlorides and 64% reduction in CO_2 emissions compared to Ordinary Portland Cement (OPC).

The project's completion takes motorists 45minutes compared to the previous two-hours via the ferry.

Mwache Dam

Our Powerplus Cement is being used to construct the Sh.20billion Mwache Multipurpose Dam project (by the Kenyan government) in the village of Fulugani, Kwale County.

The dam covers an area of 250,000 hectares and features an 87.5 m high concrete gravity dam. It will retain 118 million m3 of water, increasing water security and climate resilience in Kwale, Mombasa, and Kilifi counties impacting over 2 million people.

118 million m3 — Mwache Multipurpose Dam water volume

MARKETING **HIGHLIGHTS**

Makupa Bridge

The Makupa Bridge is 457 metres long and 22 metres wide with a non-motorised traffic path.

It links Mombasa mainland and Mombasa Island and was mainly built from the supply of Duracem CEM III/B 42, 5 which was fronted because of its unique durability attributes and suitability for use in construction in marine environments.

The Bridge was mainly built from the supply of **Duracem CEM III/B 42, 5.**

Thwake Dam

The Sh. 82 billion Thwake Dam project is a rock-fill dam consisting of an embankment with a concrete wall face of approximately 87 metres high and 1.5 kilometres long with a 235 metres long spillway.

Upon completion, it is expected to have a reservoir capacity of approximately 688 million cubic metres with a potential to serve approximately 100,000 hectares of irrigated land, generate and inject 20 MW of electricity to the national grid. It will significantly mitigate the ravaging drought and famine in that part of the country towards conserving the flora and fauna.

We are proud of this project because it used one of our greenest cement's, Duracem, which reduces carbon emission and still maintains project durability and versatility in aggressive environments.

STRATEGY & **PROJECTS**

Bamburi Cement inaugurates a transformational journey to clean renewable solar energy.

We successfully commissioned and powered up the Mombasa Plant [14.5MW] Solar PV Plant and the Nairobi Grinding Plant [5MW] Solar PV Plant respectively by the end of 2024.

It is a historic moment for Bamburi Cement as we begin producing our own clean, renewable, and more inexpensive electrical energy with zero greenhouse gas and CO2 emissions, strengthening our commitment to the Net Zero target. Following the project launch, Bamburi has effortlessly and effectively used solar power during the day, validating the project charter's objectives.

The Mombasa Plant's 30-hectare solar farm, which has 30,968 rotating solar panels and a sustainable 3D printed main power station building, will supply roughly 35% of the MOM plant's electrical requirement, increasing to 100% at peak hours.

Nairobi Grinding Plants' 7-hectare solar farm, which has 12000 solar panels and a 3D printed main power station building, will meet 20% of the NAI plant's electricity needs, up to 80% during peak hours.

14.5MW

Commissioned and powered Mombasa Plant Solar PV

The Mombasa Plant's 30-hectare solar farm which has

30,968

rotating solar panels and a sustainable 3D printed main power station building, will supply roughly 35% of the MOM aplant's electrical requirement

12,000

Solar panels in Nairobi Grinding Plant and a 3D printed main power station building

MESSAGE FROM THE OUR HUMAN RESOURCES DIRECTOR

During the year, we made significant strides in enhancing employee engagement through the formation of niche-specific groups such as the Men's Council, Women's Council, and Youth Council. These platforms have played a pivotal role in fostering dialogue, driving inclusivity, and ensuring that diverse voices actively contribute to our company's growth.

Robert Muhita
Human Resources Director

At the heart of our business lies a deep commitment to our people. As a forward-thinking and people-centric organization, we continue to prioritize initiatives that create an inclusive, engaging, and safe workplace for all. We aim to foster a culture of belonging, growth, and recognition.

During the year, we made significant strides in enhancing employee engagement through the formation of niche-specific groups such as the Men's Council, Women's Council, and Youth Council. These platforms have played a pivotal role in fostering dialogue, driving inclusivity, and ensuring that diverse voices actively contribute to our company's growth.

Our approach to communication continues to evolve, with the introduction of quick and engaging channels that keep our teams informed and connected.

Most importantly, we have prioritized listening to our people, gathering feedback through structured platforms and acting on it to improve workplace experiences and well-being.

These efforts have translated into strong engagement scores and a workplace culture where individuals thrive.

As we look ahead, we remain committed to investing in our people, celebrating excellence, and building a high-performance culture anchored on shared values and mutual respect.

PEOPLE

Talent Growth

Building on the foundation of our People agenda built in the previous years, we remain steadfast in our commitment to prioritizing our employees. In the year under review, our People agenda focused on creating a world-class workplace where talent is nurtured, diversity is celebrated, and health and safety is paramount, all guided by our belief in People, Performance and Progress.

Employee Demographics as at 31st December,2024

STATION	TOTAL
Mombasa Plant	156
Nairobi Grinding Plant	53
Head office	109
Bamburi Special Products	29
Lafarge Eco-Systems	19
	366

Significantly, the number of employees abled differently grew to 7 in 2024, up from 3 in 2023.

People Capability Development

Investing in our people entails more than attracting top talent; it includes nurturing and developing that talent to its full potential. Our people capability development programs are intended to provide employees with the skills, knowledge, and experiences required to excel in their roles and contribute to the company's success. By fostering a culture of continual learning and growth, we empower our employees to become more effective, engaged, and adaptable, ultimately driving innovation and achieving our strategic goals.

FY 2024, key achievements include:

Overall

68% increase in training hours to

42,913

up from 25,552 training hours achieved in 2023

120 HRS

achieved per employee up from 50 hours achieved in the previous year.

PEOPLE

In the Maintenance Certification Program for Planners and Inspectors

1st Plant to be certified in 2024
1st Certified inspector in Holcim Group.
1st Plant in Holcim Group to have more than 1 planner certified.
2nd within Holcim Group to be certified in the program

In the Quality Certification Programs laboratory operators

5 out of 6 participants certified
Largest quality team to be certified in the Group.
Joint approach with NAI Plant to facilitate cross learning and team collaboration

Adoption of Generative Artificial Intelligence in Manufacturing Training

Recognizing the transformative power of emerging technologies, we piloted Generative AI training for our young talent specifically on prediction techniques and use of machine learning to diagnose failure events. The pilot program exposed them to skills and knowledge needed to thrive in a rapidly evolving technological landscape. By embracing Generative AI, we are equipping our workforce with the tools and capabilities to drive innovation and achieve operational excellence.

We also enrolled our teams into various programs to enhance their capability such as:

Future Plant Manager Program
Quarry Mastery Certification
Environment Manager Development
Maintenance Manager Development program
Preventive Maintenance Development Program

Seminars

MEA Plant Managers Seminar
Transport and De-dusting Systems

Leadership Development Programs

Early Career Leadership Development Program
Emerging Leadership Development Program
Participation in Holcim Group HSE Audit Programs

Our industrial training programs has proven to be a powerful driver of performance and efficiency within our plants. This is reflected in our integrated plant rating within the Holcim group, which climbed from 65th in 2022 to 22nd in 2023. We are confident that continued investment in training will further enhance our operational excellence and drive even greater success in the future.

PEOPLE

Industrial Relations

We closed out all our Collective Bargaining Agreement with Kenya Chemical Workers Union (KCWU) for Bamburi Special Products (BSP) and Bamburi Cement and are currently in negotiations with Kenya Plantation & Agricultural Workers Union (KPAWU) for Lafarge Ecosystem (LES).

RISK, INTERNAL AUDIT AND CONTROL

Risk Management

Risk management is a key process in the achievement of business objectives and strategy. The Board Audit and Risk Committee has a robust system of continuously identifying, evaluation, monitoring and controlling the risk exposures. A quarterly risk review is performed by the committee.

In 2024, a comprehensive risk assessment was undertaken where all business risks and opportunities were identified. Action plans to mitigate the identified risks were developed and risk maps, being the output of the risk assessment exercise were also developed.

In the Board's opinion, the system of business risk management in place provides reasonable assurance that business risk management for the group is adequate and sound.

The Board Audit and Risk Committee has a robust system of continuously identifying, evaluation, monitoring and controlling the risk exposures. especially infrastructure where the government's focus is.

Internal Audit and Internal Control

An effective and efficient internal controls system is a key objective of the management team. Management is continuously reviewing the internal control system to ensure that all risks are identified and mitigated.

Independently, the Internal Audit provides a risk based and objective assurance of the effectiveness and efficiency of the Internal Control System.

The Board Audit and Risk Committee developed an internal audit plan and tracked the implementation of the plan during the year 2024. Audit findings and recommendations developed during the year were presented to the Committee.

The Internal Control function ensured the Company adhered to the Group mandatory Minimum Control Standards (MCS). Testing of MCS was done to ensure compliance so as to assure the Board and Management of the reliability of the financial reports and statements.

In the Board's opinion, the Internal Controls system is in place and has been effective in 2024.

03

Sustainability Review

MESSAGE FROM THE SUSTAINABILITY DIRECTOR

Our sustainability journey is not defined by fleeting excitement but by continuous, deliberate efforts that have created lasting positive impacts on people and the environment.

Jane Wangari
Sustainability Director

In 2024, Bamburi Cement remained committed to continuously promoting industry sustainability, anticipating market needs, and delivering innovative, sustainable solutions that adjust to changing market conditions.

In addition to setting the standard for sustainable practices, we have been instrumental in nation-building and have helped Kenya development.

We firmly believe that sustained, intentional efforts that have produced lasting benefits for both people and the environment, define our sustainable journey. Sustainable value generation is the cornerstone of our success and the guiding concept for all facets of our operations.

By embedding this approach into our operations, we have achieved remarkable economic, ecological, and social outcomes, ensuring our business delivers value not just for today but for generations to come.

Our innovative mindset, fueled by the desire to create lasting and sustainable value, drives us to deliver exceptional value to stakeholders. Through product differentiation strategies, we continue to develop solutions that meet market demands while fostering sustainable business growth and creating shared benefits for all.

This year, 2024, has been one of transformational milestones and significant strides in our sustainability journey. Among our accomplishments are the installation and full commissioning of our 20MW solar power project, which now powers our Mombasa and Nairobi plants, 98% use of alternative fuel in our Nairobi plant, 50,000 people impacted through our social initiatives, achieved 30% of rail transportation use, achieved 100% pre-qualification of existing suppliers using the ESG/H&S qualification criteria and achieving 15.6% representation of underrepresented groups among our suppliers. These milestones are a testament to the strength of our sustainable value creation model, further reinforcing our unwavering commitment to innovation and sustainability.

What were once ambitious goals outlined in our 2027 strategy have now become tangible realities. It fills us with pride and joy to share these achievements with you, not just as a celebration of progress, but as inspiration to keep building on this momentum. Together, we look forward to reaching new heights and realizing even greater ambitions that align with our sustainability framework.

OUR 2024 ACCOMPLISHMENTS

Commissioning of our
20MW
solar power project, which powers our Mombasa and Nairobi plants

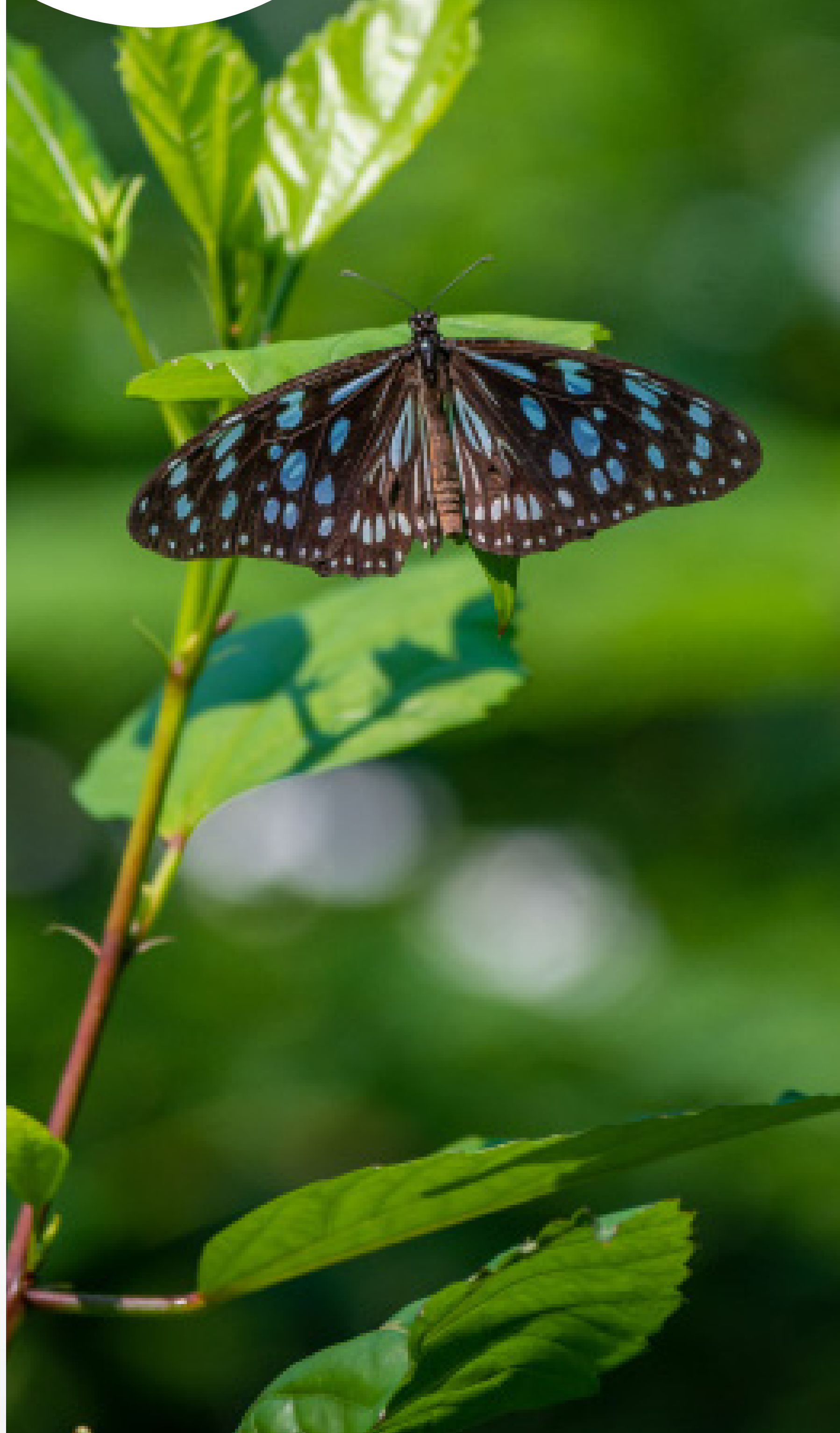
98%
Use of alternative fuel in our Nairobi plant

50K
People impacted through our social initiatives

Achieved
30%
of rail transportation use

Achieved
100%
pre-qualification of existing suppliers using the ESG/ H&S qualification criteria

Achieved
15.6%
representation of underrepresented groups among our suppliers.



SUSTAINABILITY **REVIEW**

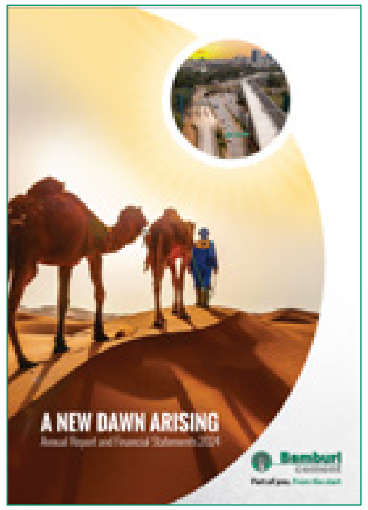
Our Sustainability Framework

- Our Sustainability Strategic Pillars, Targets and SDG Alignment
- Comprehensive Sustainability Reporting Approach
- Our Material Matters
- Our Stakeholders
- Highlights of our 2024 Pillar Performance

Sustainability Strategic Pillars, Targets and SDG Alignment

STRATEGIC PILLAR	OUR GOALS	SDG ALIGNMENT
Climate and Energy	• Reduce carbon emissions in manufacturing by 37%- Scope 1 • Substitute 30% grid power with solar - Scope 2 • Increase green mobility utilisation by 50%.	SDG 13
Circular Economy	• Increase in waste diverted from landfills; waste recycling by 200% incrementally year on year by 2030. • Preserve natural resources by use of alternative raw materials 10%.	SDG 12
Circular Economy	• Lower freshwater withdrawal by 44% • All mine sites to have Quarry Rehabilitation Plans (QRP) with financial provisions by 2025 • Achieve Net Positive Impact in 100% of the sites under rehabilitation • 100% implementation of Biodiversity Indicator and Reporting System (BIRS) in 4 biodiversity sites by 2024	SDG 6, SDG 15
Sustainable Procurement	• Achieve 100% integration of sustainable procurement, both sourcing and supplier relationship management. • Achieve 100% pre-qualification of existing suppliers using the ESG/H&S qualification criteria Achieve 100% closure of implemented remediation plans for suppliers with gaps identified • Direct 30% of our local addressable spend to underrepresented groups	SDG 17

STRATEGIC PILLAR	OUR GOALS	SDG ALIGNMENT
People and Human Rights	• People • Achieve gender diverse workforce of 30% by 2030. • Ensure safe working places by achieving zero LTIs and maintaining zero fatalities at our sites • Human Rights and Social Initiatives • Maintain 100% implementation of Holcim Human Rights Due Diligence • Maintain regular stakeholder engagement • Uplift livelihoods of the vulnerable and needy in our communities- 50,000 beneficiaries	SDG 3, SDG 8, SDG 11
Customer Product and Innovation	• Transition to 100% green cements by 2025 • Continually innovate green and sustainable products to meet our customer needs	SDG 9
	• Manage Bamburi Cement PLC with integrity and in compliance to the benefit of all stakeholders	SDG 17



Comprehensive Sustainability Reporting Approach

This report discloses our positive contributions and milestone achievements aligned with our sustainability goals across our pillars.

This report is outlined in accordance with the Global Reporting Initiative (GRI) Foundation 2021, the period from January 2024 to December 2024. Other periods have been referenced for contextual reasons

We appreciate the dynamic sustainability landscape on reporting and are well aware of the International Sustainability Standards Board Climate and Sustainability related draft disclosures, our sustainability report continues to align with the GRI. This is because GRI remains the most comprehensive sustainability reporting standard with a double materiality lens which supports our purpose.

It is a progress report on account of our membership at the UN Global Compact (UNGC) and the Global Compact Network Kenya (GCNK).

As a listed company, the NSE requires all listed companies to report publicly on ESG performance at least annually. This report is thereby prepared following the NSE ESG guidance manual 2021. Our materiality assessment was prepared using the provided framework by NSE, using the following list of fundamental ESG topics.

SUSTAINABILITY REVIEW

Sustainability Alignment with Global Goals

- Our reporting is guided by our goals and targets and the impact we have made on our sustainability pillars with respect to the aforementioned. Our sustainability goals are aligned with our priority UN Sustainable Development Goals (SDGs).

- As a responsible business, we uphold the UNGC ten principles in our day to day operations. We are committed to making visible growth in our women based initiatives as signatories of the UN Empowerment principles.

Our Material Matters

At Bamburi cement PLC, we consider our material matters to be priority topics within the broader environmental, social and governance framework provided the Nairobi Securities Exchange (NSE) and aligned with UN SDG goals. To ensure our notable commitment to the SDGs, we have integrated our priorities to the most relevant SDGs goals to showcase our endeavour to contribute to global sustainability goals.

These priority areas are aligned to our business relevant issues and operational practice, whose emphasis enables us to drive long term sustainable business value. They guide our strategic direction and focus areas in building a sustainable future to sieze opportunities while managing risks in a dynamic business environment.

We manage our material priority areas through continuous collaboration with senior leadership to consistently evaluate and ensure alignment between our business model and sustainability strategy, while taking into consideration the challenging operating environment and stakeholder interests. This helps to drive us into action oriented plans whose outcomes are constantly monitored and reported to ensure we consistently monitor our sustainability performance alongside our core business model.

Our materiality assessment process has enabled us to identify key material issues that are present global and local challenges and opportunities to deliver meaningful value to our stakeholders.The analysis was based on the principle of double materiality which incorporates both the impact of sustainability topics on business relevance, the society and the environment.We have continued to use our materiality assessment to examine how relevant different sustainability topics are for different stakeholder groups and the business.

Our material topics informs our sustainability reporting in compliance with the Nairobi Securities Exchange (NSE) and in accordance with the GRI reporting standards. These topics guide our reporting and are outlined below:

- Climate and Energy
- Circular Economy
- Nature and Water
- People and Human Rights
- Sustainable Procurement
- Customer Product and Innovation
- Governance

SUSTAINABILITY REVIEW

Our Stakeholders

Good cooperative relationships with various stakeholders in the society is key to maintaining business success and sustainability. We are committed to fostering partnerships through different engagement platforms as detailed in the overview. This enables us to attain collective impact across our sustainability pillars to extend our impact as well as receive feedback from stakeholders that allows us to grow and informs our sustainability strategy. In our engagements with stakeholders, we uphold transparency, accountability and integrity in order to create shared value.

Overview of Stakeholder Engagement

Stakeholder	Engagement Platform
Employees	• Periodic HSE stand downs • Employee experience survey • Open dialogues and meetings with leaders including town halls • HR teams and HR process platforms with Managing Director and Executive Committee • Newsletters • Educational Webinar
Our Customers	• Regular commercial events • Regular customer visits • Market Storms • Customer satisfaction surveys • Service centres and helplines • Social media engagements
Local Communities	• Ongoing dialogues with communities • Ongoing educational programs and training • Volunteering, and social investment initiatives • Co-creation of inclusive business programs
Associations	• Periodic meetings • Annual conferences • Ongoing working groups and research studies

Stakeholder	Engagement Platform
Shareholders & Investors	• Meetings, webcasts, and conference calls • Half year financial updates and guidance • Annual reports and mandatory filings • Ongoing website Updates and press releases
Government & Regulatory bodies	• Annual reports and conservation books • Company position papers • Ongoing public policy discussions • Long-term partnerships • Periodic plant visits • Events and conference
Suppliers	• Daily interactions • Ongoing training and capacity building programs • Health and safety and sustainability verification platforms
Academia	• Periodic meetings • Annual conferences • Ongoing working groups and research studies

We are committed to **fostering partnerships** through different engagement platforms, this enables us to attain **collective impact** across our sustainability pillars to extend our impact as well as receive feedback from stakeholders that allows us to **grow and informs** our sustainability strategy.

SUSTAINABILITY REVIEW

Stakeholder Groups Kenya

Our Commitments

Local communities

- Business Ambition For 1.5° C
- Science Based Targets Network
- World Business Council For Sustainable Development
- World Green Building Council

Lobby Groups and associations

Local communities

- Un Global Compact
- World Business Council For Sustainable Development
- Global Cement & Concrete Association
- Task Force On Climate-Related Disclosures
- Concrete Action For Climate
- Concrete Sustainability Council
- UN Women
- Global Reporting Initiative
- East Africa Business Council (EABC)
- Kenya Private Sector Alliance (KEPSA)
- Kenya Association of Manufacturers (KAM)
- Nairobi Securities Exchange

SUSTAINABILITY **REVIEW**

HIGHLIGHTS OF OUR 2024 PILLAR PERFORMANCE

CIRCULAR ECONOMY
385,603
ton of Recycled Waste in 5 years

CLIMATE AND ENERGY
Scope 1 CO2 Emissions-
513.3 KgCO2/ton

98% substitution of fossil fuels with green energy at Nairobi Grinding Plant

Commissioning of **20MW** solar project

HEALTH AND SAFETY
313,124
hours spent in the field through BoG programme in 4 years.

NATURE AND WATER
100% Quarry Rehabilitation Plans Implemented for all our quarries

100% waste water recycling at one BSP site

PEOPLE AND HUMAN RIGHTS
Social Initiatives

105,748
Beneficiaries in 2 years

DIVERSITY, EQUITY AND INCLUSION
58 women graduates from the Women on Wheels programme (KE)

SUSTAINABLE PROCUREMENT
Rail use- 30%

Consolidated spend on local underrepresented groups; 15.6%

100% pre-qualification of existing suppliers using the ESG/H&S qualification criteria

DIGITIZATION
Talk platform for customers (KE

INNOVATION
Class **60** sustainable concrete

Ultra-High Performance Concrete (UHPC)

Climate and Energy

Our Net Zero Pathway

The construction industry accounts for 37% of global $CO_{2}{}^{2}$ emissions, with 30% of life cycle emissions arising during the construction phase—primarily from cement—and 70% occurring during the building's operational life cycle, primarily due to heating and electricity generation.

In alignment with global climate commitments to keep temperatures below 2°C, we have committed to a Net Zero Pathway. Our targets are science-based and aligned with reductions at pivotal milestones as part of our low-carbon transition strategy.

Our decarbonization approach focuses on three broad categories: energy, materials, and carbon capture, with specific levers for each. These levers, which involve technological and process innovations, are key to reducing carbon emissions in our operations.

Decarbonization Levers

01 Green Formulations

Scope 1 emissions in our formulations arise primarily from process emissions, particularly the calcination of clinker. Our key decarbonization strategies include:

- Utilizing alternative raw materials in place of virgin materials.
- Replacing clinker with mineral industrial components.

These efforts have enabled us to produce the widest range of eco-labeled green cement with 30% lower process emissions compared to ordinary Portland cement.

02 Green Energy

For Scope 1 emissions related to combustion, we are reducing emissions by:

- Replacing high-carbon kiln fuels with alternative fuels, such as biomass.
- Improving energy efficiency in our production processes.

For Scope 2 emissions, we are transitioning to alternative clean energy sources, such as solar power.

Our decarbonization approach focuses on three broad categories: energy, materials, and carbon capture.

03 Sustainable Mobility

Our transportation-related decarbonization strategies include:

- Implementing backhauling of materials to enhance transport efficiency.
- Increasing the use of rail transport to supplement road use.

Planning for the adoption of electric vehicles in the future.

04 Carbon Capture Technology

Carbon Capture Utilization and Storage is different from Energy and Formulation in that this is an entirely new field in our industry, and it has the potential to abate (capture) the emissions from both energy and formulation through end-of-pipe technologies.

Today, while there are many profitable levers to decarbonize our energy and formulation, so far CCUS projects are only viable with significant subsidies and strong policies that support decarbonization.

05 Emission Monitoring

We track and disclose our emissions annually, guided by the Global Cement and Concrete Association (GCCA) principles of accountability, transparency, and efficiency.

Using digital and smart tools for continuous measurement, we have enhanced our process analytics and established sustainable processes for circular value creation. These measures have allowed us to:

- Maintain stack emissions such as SO_2 and NO_2 within regulatory limits.
- Monitor effluent gases and collect critical data for compliance and performance tracking.

By continuously monitoring emissions, we ensure that our environmental impact is minimized and that we remain at the forefront of innovation in emission reduction.

CO_2

Our key decarbonization strategies have enabled us to produce the widest range of eco-labeled green cement with

30%

lower process emissions

SUSTAINABILITY REVIEW

Circular Economy

01 Rethinking Waste with Geocycle

Geocycle revolutionizes waste management by turning waste into valuable resources, conserving natural reserves, and significantly reducing carbon emissions.

By employing scientifically proven, industry-standard practices, Geocycle provides sustainable solutions that maximize resource utilization through effective recycling.

These efforts play a vital role in advancing Bamburi Cement's sustainability goals and fostering a circular economy.

02 Protecting Natural Resources

Through innovative recycling and material recovery solutions, Geocycle minimizes the reliance on virgin raw materials, enhancing circularity in manufacturing processes. Sustainable resource use depends on recovery, reuse, and recycling to prevent the depletion of these critical yet limited natural assets. As Bamburi Cement's dedicated waste management brand, Geocycle collaborates with partners to extend product lifecycles by designing recycling solutions that ensure optimal material recovery and waste minimization.

03 Performance in Numbers: Delivering on Circular Economy Goals

At Bamburi Cement, measurable progress is at the heart of our commitment to a circular economy. By 2030, we aim to achieve a 200% increase in waste recycling year on year, with consistent growth each year. In 2024, we set a new benchmark with a 98% substitution rates of fossil fuel in our grinding plant, marking a record performance in our Kenya operations. Over the past five years, Geocycle has recycled an impressive 385,603 tons of waste , highlighting our dedication to sustainability through tangible results.

03 Carbon Black: A Milestone in Safe and Sustainable Transport

In 2024, we achieved a major milestone by adopting 100% enclosed bulker transportation for carbon black, a critical alternative non-biomass fuel stream. Previously, carbon black was transported in jumbo bags, posing environmental and safety risks due to emissions during handling. By transitioning to fully enclosed bulker systems, we eliminated these risks, creating a safer, more sustainable solution for our operations. This shift underscores our commitment to continuously improving environmental stewardship.

04 Leading in Sustainable Waste Management at Mombasa Plant

Bamburi Cement PLC, through Geocycle, remains steadfast in providing innovative waste management solutions to local industries while fostering a circular economy. In a recent demonstration of this commitment, the Mombasa Plant partnered with the government to sustainably manage 150 tons of wheat bran deemed unfit for human consumption. Geocycle facilitated the safe destruction of this waste, ensuring environmental protection and reinforcing our role as a leader in sustainable waste management.

The exercise was conducted under the watchful supervision of a multi-agency team comprising the National Environment Management Authority (NEMA), Kenya Revenue Authority (KRA), Kenya Ports Authority (KPA), Kenya Bureau of Standards (KEBS), Kenya Police, and representatives from the Bamburi Cement fraternity.

By 2030, we aim to achieve a **200%** increase in waste recycling year on year,

In 2024, we set a new benchmark with a **98%** substitution rates of fossil fuel in our grinding plant

Geocycle has recycled **385,603** tons of waste

SUSTAINABILITY REVIEW

Health, Safety & Environment

Health, Safety and Environment (HSE) are core values at Bamburi Cement plc. In 2024, our commitment to achieving zero harm to both people and the environment gained significant momentum through the execution of our Health, Safety & Environment Operating Model strategy which has three pillars:

01 **Critical Risk Management –** prioritizing the most important HSE risks

02 **Workforce Engagement –** involving all employees in promoting HSE

03 **Continuous Improvement –** clarifying how to improve HSE performance

Several capital expenditure projects were completed during the year to improve critical controls related to the structural integrity of our industrial facilities. Additionally, the Asset Image Improvement Project, initiated in 2023 to improve housekeeping in our cement and concrete plants, gained momentum in 2024, achieving significant progress in elevating the overall workplace environment and upgrading welfare facilities.

An external Health, Safety & Environment audit conducted in November 2024 at our Mombasa Plant highlighted remarkable progress in our management systems, with Level 1 findings significantly decreasing from 16 in 2019 to just 5, demonstrating our firm commitment to continuous improvement and operational excellence.

The performance on our worker engagement program, Boots on Ground (BoG), was exemplary with all key indicators scoring above the target in 2024.

The BoG program is a worker engagement initiative supported by a digital platform where managers and supervisors undertake shopfloor tours and engage workers in conversations on HSE topics around their work activities.

Our managers and supervisors dedicated a total of 73,143 hours in the field, actively engaging workers on HSE. This structured approach resulted in 13,654 recorded field interactions through our digital workforce engagement app.

In 2024, there was a heightened focus on improving the quality of engagements with shopfloor workers. As a result, the number of improvement actions increased by 28%, with a corresponding effort to ensure all actions were closed within the stipulated timeframe.

73,143 HRS

Dedicated by our managers and supervisors in the field, actively engaging workers on HSE.

13,654

recorded field interactions through our digital workforce engagement app.

28%

Increase in the the number of improvement actions

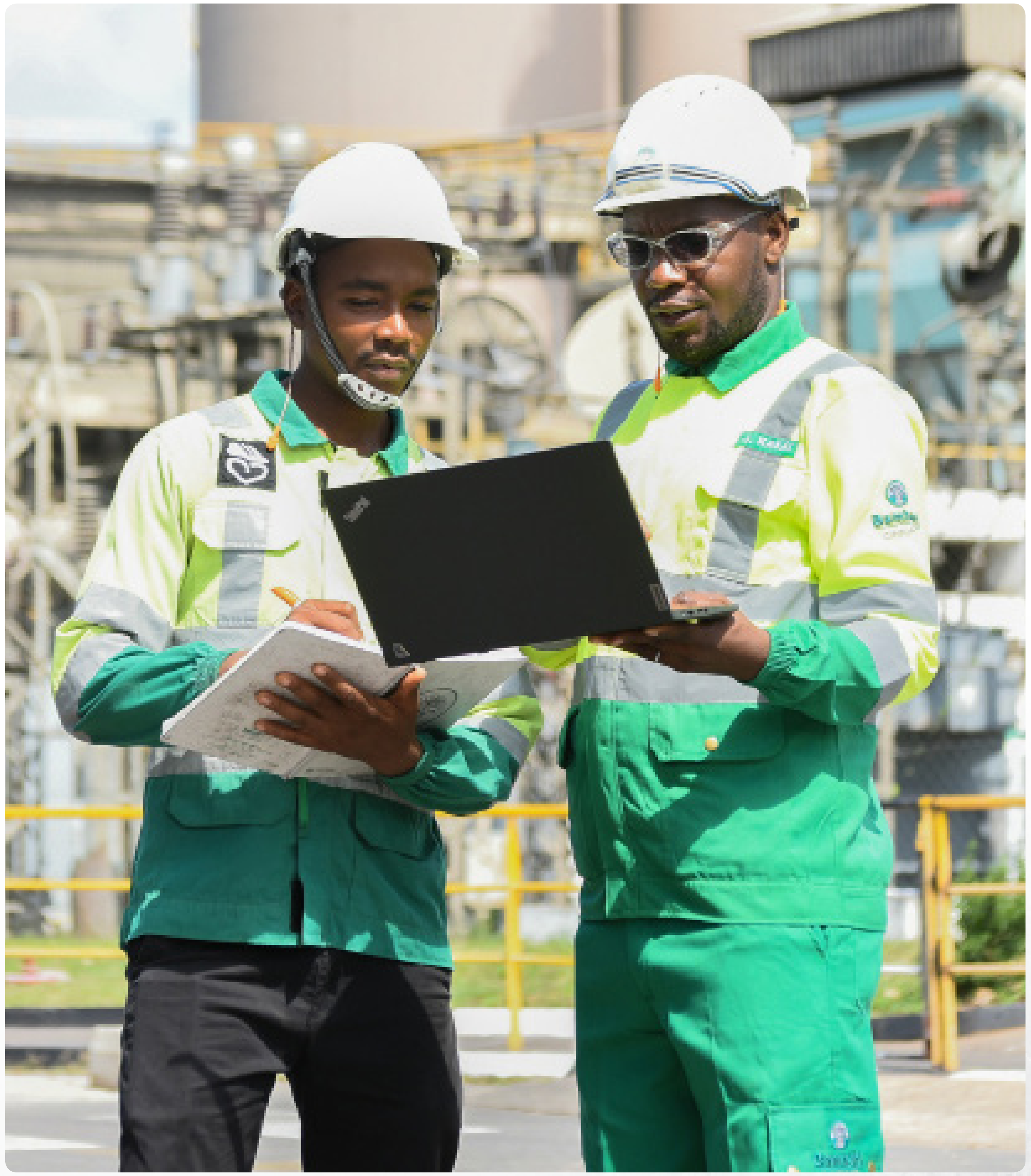
0.38

Our Lost Time Injury Frequency Rate (LTIFR) for employees and contractors in 2024.

With **75%** of our units reporting no Lost Time Injuries (LTIs).

During the year, Bamburi Special Products received an HSE Excellence Award for its outstanding Health, Safety and Environment performance , being one of the only five units in the Africa & Middle East region to receive this recognition.

In 2024 our Lost Time Injury Frequency Rate (LTIFR) for employees and contractors was 0.38 with 75% of our units reporting no Lost Time Injuries (LTIs).



SUSTAINABILITY REVIEW

74,100T
waste generated annually from avocado waste.

Successful Projects since 2024

Diverted
230
tons of avocado waste

Saved
330
tons of CO_2

Contributed
3,450 GJ
of thermal energy to our kilns

Avocado Waste Repurposed: Achieving Dual Benefits in Emission Control

The annual rise in global biomass waste averages 140 GT due to rising food consumption and population growth. The outcomes of our mapping study of Kenya's Biomass Production and Processing Sector [2023] shows that, out of the 170,000 T of biomass waste generated annually from eleven distinct biomass streams, 74,100T are generated from avocado waste.

The projected growth of avocado farming and processing has exacerbated waste production, while the absence of a sustainable waste management solution in Kenya's avocado processing industry has resulted in increased open dumping and greenhouse gas emissions.

With Kenya's National and Environmental Management Authority [NEMA], Bamburi Cement sought to develop a sustainable waste solution for the avocado sector while transforming our industrial energy mix. Several laboratory analyses [January 2024] showed that avocado waste generated an energy potential with a calorific value of 15 MJ/Kg.

Since May 2024 [the project's pilot phase], we have successfully diverted 230 tons of avocado waste, saved 331 tons of CO2 and contributed 3,450 GJ of thermal energy to our kilns; the findings have also been reported to GCCA. Furthermore, it reduced methane emissions if dumped in open landfills.

Nature and Water

Progressive Quarry Rehabilitation

Building on our successful rehabilitation practices, we continued to transform mined out areas into thriving ecosystems for biodiversity conservation and sustainable land utilization. In 2024, Bamburi Cement PLC conducted a review of its Quarry Rehabilitation and Biodiversity Management Plans. The review ensured that all actions and provisions were adhered to both the Environmental Management & Coordination Act of Kenya, 1999, and the Environmental Directives. The company maintained 100% implementation of its Quarry Rehabilitation Plans (QRP) across the mining sites

In Vipingo Quarry, 7 hectares of limestone quarry was rehabilitated where 17500 pioneer Casuarina equisetifolia trees were planted. More than 22 hectares of initial pioneer tree forest were maintained to support productive forest growth and ecosystem development. In South Quarry, 1 hectare of mined land was rehabilitated with 2500 Casuarina equisetifolia trees planted. An additional 50,000 indigenous trees were propagated along the wildlife migratory corridor enriching the site.

As part of the Bamburi's plantation maintenance program, selective thinning of Casuarina Forest was implemented through opportunistic harvesting of mature Casuarina trees as fuel wood or poles and indigenous trees were planted in North Quarry Casuarina forest to diversify the vegetation for biodiversity conservation.

Recognizing the rapid loss of wetlands in the region, Bamburi intensified efforts by planting over 500 mangroves and other wetland vegetation. The initiative was a climate change mitigation and a species-focused restoration strategy, incorporated into the rehabilitation plan for conservation of terrestrial and aquatic biodiversity.

7Ha
of limestone quarry was rehabilitated in Vipingo.

17,500
pioneer Casuarina equisetifolia trees were planted

1Ha
of mined land in South Quarry was rehabilitated

2,500
pioneer Casuarina equisetifolia trees were planted

Top: Paul Opere, Sr. Rehabilitation & Aquatics Officer, planting a Casuarina pioneer tree during the launch of 2024 pioneer planting at South Quarry.

Bottom: The Rehabilitation team assessing the health and growth rate of 2-year-old trees in a pioneer plantation in South Quarry

SUSTAINABILITY **REVIEW**

Top: *Curlew Sandpiper (small bird in the middle), IUCN threatened bird, wading in South Quarry open pools along with other migrants.)*

Bottom: *Paul Opere, Sr. Rehabilitation and Aquatics Officer and Linda Sogot, Sr. Biodiversity & GIS Officer during BIRS assessment*

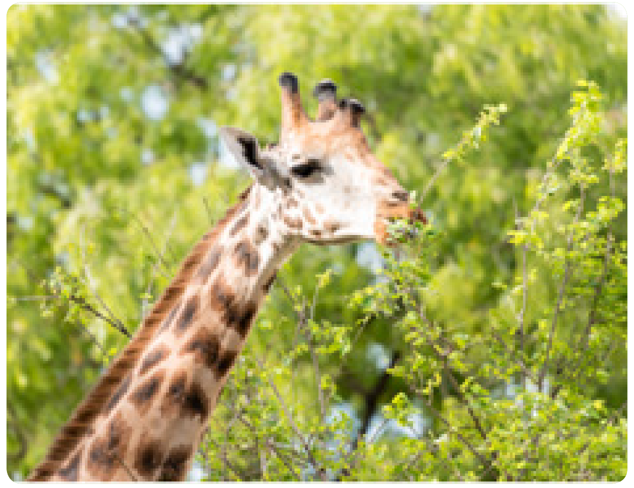
Bamburi committed to enhancing suitable habitats for waders by expanding its wetlands and safeguarding frequently visited ponds and water pools from further development or disturbances.

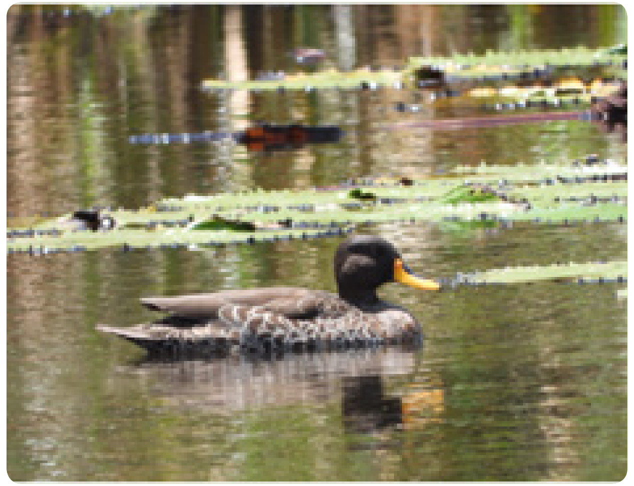
Restoration, Biodiversity Conservation and Monitoring

Bamburi continued to implement its Biodiversity Management Plan (BMP) across the sites. Biodiversity surveys were conducted to monitor key species like birds, mammals, butterflies, dragonflies, and vegetation. The identified species were checked against the IUCN Red List to determine their global conservation status, which was followed by species focused actions across the sites.

In 2024, Bamburi's flora and fauna included 4 Critically Endangered (CR), 11 Endangered (EN), 27 Vulnerable (VU), and 27 Near Threatened (NT) species. Out of 582 indigenous plant species, over 53 are considered threatened on the IUCN plant species list. This data helped to determine biodiversity actions for each group, species and habitat conservation. In 2024, Notable changes were observed in the conservation statuses of several migratory waterbird species. Some species previously classified as Least Concern have now been reassessed as either Near Threatened or Vulnerable. Specifically, the Curlew Sandpiper, previously listed as Near Threatened, is now categorized as Vulnerable. The Grey plover, once classified as Least Concern, is now Vulnerable, while Fischer's Lovebird and the Rudy Turnstone have shifted from Least Concern to Near Threatened. 2024 updates in the IUCN Red List review have increased the number of bird species recorded on -site and globally considered Threatened from 10 to 13. This highlights growing concerns about the population decline and conservation of these globally significant migratory birds.

In response, Bamburi committed to enhancing suitable habitats for waders by expanding its wetlands and safeguarding frequently visited ponds and water pools from further development or disturbances. Additionally, regular water quality monitoring was implemented to monitor biological and chemical pollution and maintain a safe environment for these birds.





Top: *A Rothschild Giraffe (Listed as Vulnerable in the IUCN Red List of Threatened Species) foraging in the rehabilitated woodland of South Quarry.*

Bottom: *Yellow-billed duck captured at Nguuni Reserveland . Photo credits Linda Sogot & Doris Schaule*

Water quality tests were done to determine the status of aquatic habitats and their impact on associated organisms.

Data-driven Conservation with BIRS

The Biodiversity Indicator and Reporting System (BIRS) was used to monitor our operations impact on biodiversity and the effectiveness of our biodiversity mitigation and habitat rehabilitation measures.

In 2024, BIRS was used to review biodiversity indices for Vipingo Quarry, North Quarry, South Quarry, and Nguuni Quarry sites. We conducted baseline biodiversity assessments at Bamburi's 4 Quarries in Mombasa and Nairobi. These quarries reserves are in Kikambala, Ngurunga and Katani, where the baseline biodiversity index was computed. Water quality tests were also done to determine the status of aquatic habitats and their impact on associated organisms. Threats to the site habitats and species were addressed on a site-specific basis.

The BIRS report has been used to inform site specific Quarry Rehabilitation Plans (QRP) and Biodiversity Management Plans (BMP),to aid in restoration, management and monitoring of impacts to biodiversity.

We conducted baseline biodiversity assessments at Bamburi's 4 Quarries in Mombasa and Nairobi. These quarries reserves are in Kikambala, Ngurunga and Katani, where the baseline biodiversity index was computed.

SUSTAINABILITY **REVIEW**

Sustainability Through Conservation Education and Awareness

Environmental Conservation Education and awareness are central to Bamburi Cement's mission. The two rehabilitated parks, Bamburi Haller Park and Bamburi Forest Trails, attract over 190,000 visitors annually, including tourists and school groups. These parks play a key role in environmental education and awareness creation on pertinent topics about mining, its impacts, biodiversity conservation and sustainable land utilization.

190,000

Number of visitors who vist Haller Park and Bamburi Forest

To ensure enhanced visitor's learning experiences and high standards of information, Bamburi, through Lafarge Eco Systems, held 10 monthly Environmental Conservation education lectures from March to December 2024. The lectures were used to train young graduate trainees, new education guides and all staff and enhance a culture of learning, to promote transfer of skills and delivery of uniform information.

Top: Lafarge Eco Systems Staff and Contractors after a training on Quarrying Process in Bamburi.

Bottom: Students of our neighbouring Bamburi Primary School in an educational session on waste management done by our scientist, Lawrence Kiptoo during the celebration of World Oceans Day. Photo credits. Faith Cheronoh & William Bokoro.

Lectures were given by specialists in the organization on topics related to Mining and Environmental Management Responsibility. Frontline employees and interns learned from experts in Bamburi and Lafarge Ecosystems. Experts from Mombasa Plant and LES covered topics in Quarry Rehabilitation, Wildlife Management, Ecosystem & Biodiversity Conservation, Butterfly Conservation, Professional Guiding Techniques, Aquaculture Management.

Top: Reptile Park team consisting of (from left) Ridginold Makhanu, Bakari Gona and Daniel Tuwei holding a threatened snake- Rock Python, that was rescued from the neighbouring community.

Bottom: Team from Kenya Wildlife Service handing over custody of a rescued Leopard tortoise

Bamburi Haller Park continued to shine as a vital wildlife rescue, Conservancy and Care Centre, housing IUCN threatened species like Aldabra and Star tortoises, orphaned Lesser Kudu, aging hippos Sally and Potty, venomous snakes and many other animals that may be harmful to local communities.

Working with Community to Reduce Human-Wildlife Conflicts

Demand for land for urban growth, development, and settlement continues to rise causing increase in encroachment upon natural habitats, leading to significant habitat loss. As the wild areas shrink, wildlife is often forced into nearby human communities in search of food, shelter, and hideouts, often leading to an increase in distress to both wildlife and residents. Bamburi Haller Park continued to shine as a vital wildlife rescue, Conservancy and Care Centre, housing IUCN threatened species like Aldabra and Star tortoises, orphaned Lesser Kudu, aging hippos Sally and Potty, venomous snakes and many other animals that may be harmful to local communities. In 2024, Lafarge Eco Systems responded to over 40 cases of wildlife rescues, including snakes, crocodiles, mongooses, and other species. These rescued and displaced animals from the community now live in our restored ecosystems, which have become safe homes for wildlife. Rescue operations provide an opportunity to also raise awareness in the local communities and schools on wildlife safety. This rescue program highlights the vital role of wildlife in habitat restoration and mitigation of human-wildlife conflict by supporting biodiversity conservation within Mombasa urbanized landscapes.

In 2024, Lafarge Eco Systems responded to over 40 cases of wildlife rescues, including snakes, crocodiles, mongooses, and other species.

SUSTAINABILITY REVIEW

Preservation of Mtopanga River

In 2024, we conducted 4 Mtopanga River clean ups. A total of 2184 kg of solid wastes were removed from the seasonal River, preventing pollution from reaching the Indian Ocean marine ecosystems. Preserving the Mtopanga seasonal River is a key action of Bamburi's Biodiversity Management Plan.

The seasonal drainage system runs through informal settlements in Bamburi area and crosses the rehabilitated ecosystem for 700 meters into the Indian Ocean where the protected Mombasa Marine Park resides. The river carries highly polluted water with solid and liquid waste through the ecosystem. Bamburi removes solid waste from the river, positively impacting the public beach where many Kenyans spend their weekends and holidays. Pollution from the Mtopanga River harms the marine ecosystem and human livelihoods


Lafarge Ecosystems team removing sold waste along Mtopanga River during one of the periodic river cleanups

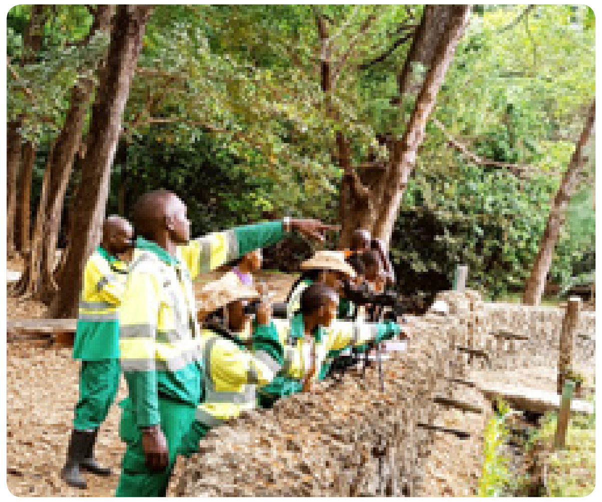
Bamburi removes solid waste from the river, positively impacting the public beach where many Kenyans spend their weekends and holidays.

2184kg

solid wastes were removed from the seasonal River

Mainstreaming Biodiversity Conservation through Citizen Science

In 2024, we involved over 100 community scientists, nature lovers, researchers, private and government institutions, in tree planting, bird monitoring, clean ups and commemorations of local and global events. Through the initiatives, our stakeholders gained a deeper appreciation of the value of restored ecosystems, motivating them to protect and preserve them. The engagement helped us monitor and safeguard habitats of IUCN-threatened species, while fostering long-term mutual trust with the communities we work in.




A team of citizen scientists including science students scanning for birds during the quarterly bird survey in South and North Quarry.

+100

Number of communities involved including scientists, nature lovers.

SUSTAINABILITY **REVIEW**

Forest EcoSafi: A Green Transformation

Global paper consumption is projected to reach 480 million tons by 2032, leading to environmental issues like energy consumption, waste, deforestation, and air pollution. Bamburi Cement's Ecosafi project digitized records, eliminating 13,000 tons of paper and creating a central repository. In partnership with E-Manage Africa and Kenya Seedballs, Bamburi planted 13,000 trees in Haller Park, named "Forest Ecosafi," and 600 more trees across other sites. This initiative supports rehabilitation, biodiversity, and net-zero goals. On World Environment Day, Bamburi youth walked 10km and planted the trees, each representing a box of paper saved, to demonstrate their commitment to ecosystem restoration and a greener future.

13,000
Number of tons paper eliminated by project Ecosafi digitised records

13,000
Number of trees planted in Bamburi Haller Park

600
Number of trees planted across others sites

Nature and Water

100% Waste Water Recycling at RMX Athi River Site

Waste water recycling is a key part of our water conservation strategy, particularly in our ready-mix operations, where concrete production demands significant water usage. While some of this water is incorporated into the final product, the majority is lost during truck cleaning.

To address this, we developed an efficient water recycling system. Used water flows through natural channels into a sedimentation tank, where solid particles settle. The treated water is then reclaimed and reused in concrete production, ensuring zero water wastage. The recycled water accounts for 23% of our the water used in production. This initiative represents a major step forward in our sustainability efforts, reinforcing our commitment to responsible resource management and environmental conservation.

SUSTAINABILITY **REVIEW**

People and Human Rights

Celebrating Motherhood in Bamburi Cement

To recognize Mother's Day on 12 May 2024, Bamburi Cement held special events at Mombasa and Nairobi sites. These gatherings provided an opportunity for employees to share personal stories and advice related to motherhood.

The celebrations highlighted themes of gratitude, resilience, and mutual support, with the intention of inspiring attendees.

Celebrating Employee Appreciation Day

We marked Employee Appreciation Day on 1 March 2024 by celebrating our exceptional team members across all locations. It was a pleasure to see everyone, including our CEO and managers, join together in recognition of our people. It was a strong reminder that our employees are the foundation of Bamburi Cement.

International Women's Day Series 2024

Ringing the bell for Inclusion

On 8 March 2024 International Women's Day (IWD), we joined the Nairobi Securities Exchange (NSE) and 75 other global stock exchanges in the annual "Ringing the Bell for Inclusion" ceremony. This event, organized in partnership with the International Finance Corporation, the UN Sustainable Stock Exchanges Initiative, the UN Global Compact, and UN Women, aims to raise awareness of the private sector's vital role in advancing gender equality and achieving the UN's Sustainable Development Goal 5.

Honoring Women Within: Our International Women's Day Celebrations

To celebrate International Women's Day 2024, Bamburi Cement organized events for its female colleagues across the Nairobi, Athi River, and Mombasa locations. These celebrations featured addresses by CEO Mohit Kapoor and an external moderator from the IFC, who spoke about strengthening inclusivity within the company and ensuring continued progress towards gender equality. foundation of Bamburi Cement.

Our employees are the foundation of Bamburi Cement.

SUSTAINABILITY **REVIEW**

Our Participation in DEI Advocacy and Thought Leadership

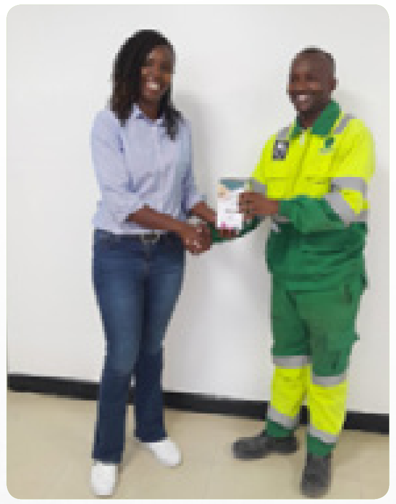
Bamburi Cement actively champions diversity, inclusion, and equity through participation in various industry and academic forums. Our Sustainability & Geocycle Director served as a panelist at a Safaricom PLC invitational event discussing women's inclusion in the marketplace. Additionally, the President of our Bamburi Cement Youth Council spoke at the University of Nairobi, highlighting our commitment to developing the next generation of engineers in construction. Furthermore, a representative of our company represented us at an Isuzu East Africa event, sharing the successful journey of our Women on Wheels Program, which empowers women drivers. These platforms reinforce our ongoing dedication to fostering a strong Diversity, Inclusion, and Equity policy and culture, as well as our signatory status to The Women's Empowerment Principles charter.

Mombasa team shinning in the Corporate football League

The Bamburi Cement Nguvu United team ranked second in the Mombasa Left Foot Corporate Football League. League matches are typically held on Saturdays every two weeks. The team comprises staff members and contractors from various departments, including Maintenance, Production, and Administration.

Celebrating our sustainability champions

Our sustainability team recently expressed their appreciation to everyone who shared their passion for sustainability by participating in our various challenges, from poetry to sustainable hacks.



Social Initiatives and Human Rights

01 | Bamburi Cement's Commitment to Social Impact Initiatives

Bamburi's commitment to the communities around our operations remains a priority for the business. We are dedicated towards effectively driving our human rights and sustainable social impact initiatives. Our programs are anchored on the people pillar within our sustainability strategy, focusing on building goodwill and securing our social license to operate.

Our social impact efforts concentrate on four key areas:

- Education
- Infrastructure
- Environment
- Health & Safety

02 | Participation Government Road Safety Policy

We were present at the National Transport and Safety Authority's (NTSA) launch of the National Road Safety Action Plan for 2024-2028 on Wednesday, April 17th. The plan aims to reduce road fatalities in Kenya by 50% by 2030, addressing current levels of trauma through a comprehensive approach and prioritized actions. Road safety is critical to our operations, and we look forward to continued collaboration with the NTSA on this important initiative. We found it a pleasure to meet like-minded professionals who share the vision of 'safe roads' outlined in the action plan.

The National Road Safety Action Plan aims to reduce road fatalities in Kenya by

50%

by 2030

03 | Health: Bamburi Cement Plc Health Camp: A Model for Community Well-Being

Recognizing the critical health challenges in Kenya, where cancer ranks as the third leading cause of death, Bamburi Cement is actively working to improve community well-being. We support the Bamburi Cancer Center at Coast General Teaching and Referral Hospital in Mombasa, providing essential funding for infrastructure to offer chemotherapy and other cancer treatments. This support has enabled over 400 patients, many of whom are at-risk women, to receive vital healthcare. Furthermore, our free cervical cancer screening clinics have served over 36,000 individuals, prioritizing early detection, particularly for underserved women and children with limited healthcare access. Through these initiatives, Bamburi Cement demonstrates its strong commitment to social welfare and addressing pivotal public health concerns

Bamburi Cement provided infrastructure funding for Bamburi Cancer Center at Coast General Teaching and Referral Hospital in Mombasa which provides chemotherapy and other cancer treatments.

This supports

400

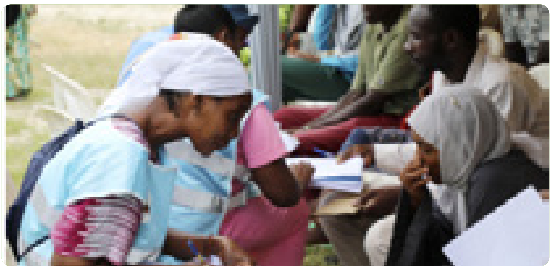
Patients who receive vital healthcare

SUSTAINABILITY **REVIEW**

Social Initiatives and Human Rights

04 | Free Medical Camp in Kwabulo Community

Bamburi Cement Plc's Mombasa Plant hosted a free medical camp for over 1,000 people in the Kwa Bulo community, offering general checkups, screenings for various conditions including HIV and TB, and health assessments. This was the first of several health roadshows planned for the Coast region. The initiative reflects Bamburi Cement's commitment to community health and well-being, which they see as crucial for thriving communities.



1000

Number of people attended to by Bamburi Cement Plc's Mombasa Plant's free medical camp

05 | Bamburi Cement Scholarship Program: Empowering Youth and Underprivileged Communities

Data from the United Nations Educational, Scientific, and Cultural Organization (UNESCO) indicates that Kenya has a high out-of-school rate for upper-secondary school-age youth, with poverty being a significant contributing factor. In response to this, Bamburi Cement, operating across five remote and vulnerable counties, has implemented a scholarship program under its Education Pillar. This program provides full tuition, educational costs, termly maintenance, and mentorship to bright yet underprivileged students who might otherwise be unable to attend high school. To date, the program has supported 107 students, alleviating financial constraints and positively impacting over 100,000 community members. It is anticipated that these students will become the first in their communities to obtain technical and vocational education certificates, college diplomas, and university degrees. Through this initiative, Bamburi Cement reinforces its dedication to community development and providing opportunities to those in need.

07 | Boda Boda Safe Riding Awareness Campaign: Empowering Riders, Saving Lives

With boda bodas (motorcycle taxis) involved in a third of Kenya's road fatalities, Bamburi Cement PLC launched the 'Bodaboda Safe Riding Awareness Campaign' to improve road safety. Recognizing the risk to riders on their delivery routes, the company partnered with authorities to train 700 riders in defensive driving and first aid, aiming to change their road safety attitudes and behaviors. The campaign, which also included providing helmets and reflective gear, led to a decrease in fatalities, safer driving habits, and increased risk awareness among riders in high-risk areas.

08 | Building the Future: Inspiring Tomorrow's Leaders

In 2024, Bamburi Cement hosted two groups of university students and one group of high school students from Moi Kadzonzo Girls Secondary School. First, 105 engineering students from the Technical University of Mombasa toured the plant to learn about cement production and sustainable practices. Second, public health students from Masinde Muliro University of Science and Technology (MMUST) visited to assess the company's Health, Safety, and Environment (HSE) framework and explore job prospects. Both visits highlighted Bamburi Cement's industry-leading practices and commitment to development.

105

Engineering students from the Technical University of Mombasa toured the plant to learn about cement production and sustainable practices.

SUSTAINABILITY **REVIEW**

09 | Cervical Cancer Awareness Walk

Bamburi Cement PLC partnered with the Ministry of Health, Mombasa County, Kenya Red Cross, USAID, and others to raise awareness about cervical cancer in Mombasa. The company donated medical supplies, participated in a Cervical Cancer Awareness Walk, and recently renovated and equipped the Bamburi Cement Cancer Center at Coast General Teaching and Referral Hospital, originally opened in 2017. This center provides specialized cancer treatment for patients. The initiative addresses the high prevalence of cervical cancer among women in Kenya and sub-Saharan Africa.

10 | Employee Voluntary Programme for Our Communities

To further our social impact, we engaged employees in our 2024 initiatives, which included mentoring KCSE scholarship recipients and participating in community donations.

11 | The Council's Donation Drive

The Bamburi Cement Youth Council and the Women's Council in Mombasa and Nairobi donated food, clothing, and other essential items to the Bondeni Children Rescue Centre and Wema Centre. This effort, which included mentorship, reflects the "Bamburi Way" of creating social impact.

Social Initiatives and Human Rights HIGHLIGHTS

NTSA
aims to reduce road fatalities in Kenya by
50%
by 2030

36,000
individuals benefitted from our FREE CERVICAL CANCER SCREENING

1,000+
Number of people attended to by Bamburi Cement Plc's Mombasa Plant's free medical camp

BAMBURI CEMENT SCHOLARSHIP PROGRAM
has supported 107 students and positively impacted over **100,000** community members.

105
Engineering students toured the plant to learn about cement production and sustainable practices.

OUR PROGRAMS ARE ANCHORED ON THE PEOPLE PILLAR WITHIN OUR SUSTAINABILITY STRATEGY.

BAMBURI CEMENT PLC PARTNERED WITH THE MINISTRY OF HEALTH, MOMBASA COUNTY, KENYA RED CROSS, USAID, AND OTHERS TO RAISE AWARENESS ABOUT CERVICAL CANCER IN MOMBASA.

We **ENGAGED EMPLOYEES** in our 2024 initiatives, which included mentoring KCSE scholarship recipients and participating in community donations.

BAMBURI CEMENT PLC HEALTH CAMP
has enabled
400+
patients to receive vital healthcare.

For
70+
Years, Bamburi has seen some of our transport and logistics business partners grow from the ground up, making us better, efficient and competitive.

SUSTAINABILITY **REVIEW**

Sustainable Procurement

At Bamburi Cement, sustainability is deeply embedded in our procurement strategy. We are committed to ensuring that our sourcing practices prioritize responsibility, sustainability, and ethical conduct. By fostering sustainable competitiveness, protecting human rights, and minimizing environmental impacts across our supply chain, we aim to create a positive ripple effect that benefits not only our business but also the communities and environments we operate in.

Through collaboration with our suppliers and stakeholders, we strive to build a resilient and sustainable supply chain that aligns with global best practices in responsible procurement.

ESG/HS Prequalification

In 2024, Bamburi Cement achieved a significant milestone by ensuring 100% of our suppliers were prequalified based on Environmental, Social, Governance, and Health & Safety (ESG/HS) criteria. This success reflects our dedication to embedding sustainability and safety within our supply chain processes.

Recognizing that some suppliers faced challenges meeting these rigorous standards, we prioritized capacity building and knowledge sharing. Tailored training sessions and hands-on support enabled suppliers to bridge gaps, empowering them to align with our sustainability goals. This achievement not only strengthened our supplier relationships but also reinforced our commitment to driving positive change throughout the supply chain.

Increasing Underrepresented Groups in Our Supplier Base

As part of our broader efforts to foster inclusivity and equity, Bamburi Cement has intensified its focus on supporting women-owned, youth-owned and people living with disabilities-owned businesses. By raising awareness, building capacity, and enhancing local industry participation, we aim to create more opportunities for women entrepreneurs to thrive in private sector procurement.

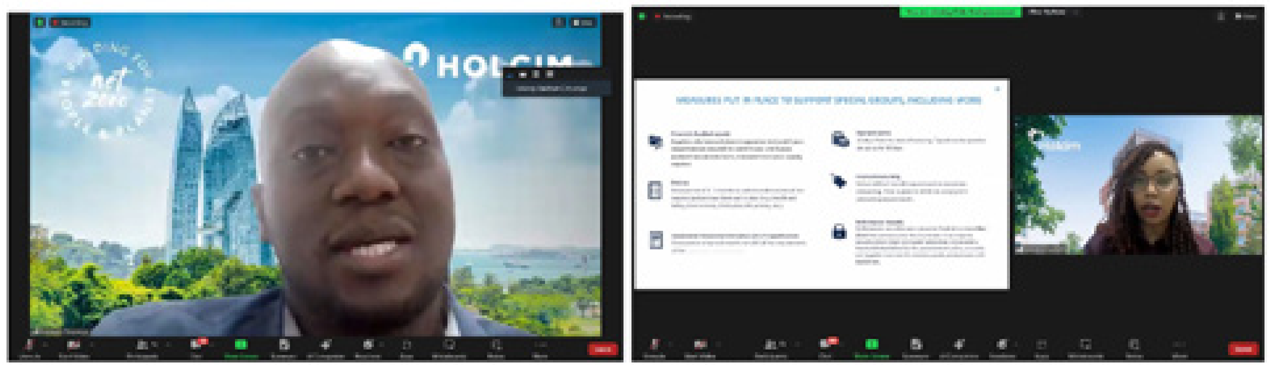
In 2024, we partnered with leading organizations, including the IFC/World Bank Group, IFC's Sourcing2Equal Kenya program, WEConnect International, and Strathmore University, to host a virtual training session. This session equipped participants with the knowledge and skills needed to navigate private sector procurement opportunities, understand procurement processes, and meet requirements.

These initiatives are part of our ambition to allocate 30% of our total procurement spend to special groups, including women-owned businesses. We are proud to report that in 2024, our procurement spend on this category increased to 15.6%, reflecting our ongoing commitment to building an inclusive and diverse supplier base.

Reducing our environmental footprint is a core pillar of Bamburi Cement's sustainability agenda. Our approach to green mobility focuses on lowering scope 3 emissions through strategic initiatives, including:

- **Frequent monitoring and emissions management:** Ensuring we identify and address emission sources proactively.
- **Increased use of rail transport:** Transitioning from road to rail transport, which has a lower carbon footprint. In 2024, 30% of our raw material transport was carried out via rail, significantly reducing emissions compared to road transport.
- **Promoting eco-driving practices:** Training our drivers in eco-driving techniques to minimize fuel consumption and emissions.

Looking ahead, we are exploring the adoption of electric trucks within our supply chain. This innovative step will further align our operations with global trends in green mobility, helping us achieve our decarbonization goals while demonstrating leadership in sustainable logistics practices.



Women on Wheels Programme - Empowering Women, Transforming Lives

In Kenya, women make up only 10% of the workforce in public transportation, but account for 85% of the labor in the public service vehicle sector. This is partly due to the perception that women are not as empowered or trained as males to perform as well. Additionally, some women might not be aware of the financial opportunities the transportation industry presents for them and their families. By offering training to help the women acquire the necessary skills, knowledge, and mentorship, the Women on Wheels initiative, in collaboration with Kenyan private sector entities with transport and logistical capabilities, aims to bridge this gap.

The initiative has trained 58 women in total so far, with 20% of them being employed by our transportation fleet and the remaining women obtaining commercial driving positions with other companies. Cumulatively, the initiative has provided women with life-changing income earning opportunities and a pipeline for mentorship in a comfortable learning environment. From feedback by the program partners, women drivers appear to be safer drivers than men which contributes to improved fuel consumption, less maintenance, and less vehicle wear and tear, saving expenditures in the long term.

Two of our drivers received awards at the Kenya Women in Logistics Gala Dinner. Graduates completed training in defensive driving and vehicle management.

SUSTAINABILITY **REVIEW**

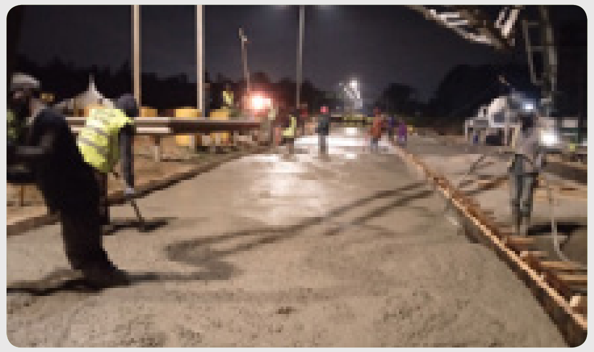
Customer, Product and Innovation

BSP supplied the first Class 60 Ready Mix Concrete in East Africa

In a leap forward for sustainable construction, Bamburi Special Products (BSP) recently pioneered the supply of East Africa's first C60 (high strength) Ready Mix concrete. This achievement underscores our commitment to innovation and pushing the boundaries of the industry.

Precision and Performance: Providing Solutions through Innovation

When the concrete pavement at the Southern Bypass weigh-in-motion axle load station failed, KeNHA faced a significant challenge. Previous repairs had been ineffective due to concrete quality issues. In response, KeNHA specified Jointed Plain Concrete Pavement (JPCP) using Ultra-High Performance Concrete (UHPC), a demanding standard. As the sole regional producer of CEM I 52.5N OPC, the crucial component of UHPC, Bamburi Cement innovated a state-of-the-art solution. This solution surpassed KeNHA's requirements, resulting in a resounding success. The repaired section of the Southern Bypass became a showcase, providing valuable testimonials and solidifying Bamburi Cement's reputation as a leader in cement and concrete solutions.



Record Delivery: BSP's Swift Completion of a Large-Scale Concrete Order

Bamburi Special Products (BSP) exemplified operational excellence and strict adherence to Health, Safety, and Environment (HSE) standards. Recently, BSP successfully produced and delivered 1668 cubic meters of Ultra Waterproofed Concrete to a client in Nairobi's Pangani area within 32 hours. This achievement was made possible through the utilization of BSP's extensive resources, including a fleet of 23 mixer trucks, two boom pumps, and a fixed pump, along with the operation of two batching plants. The order was fulfilled on time and in full due to meticulous logistical and operational planning, coupled with strong teamwork.

To ensure continuous operations and manage fatigue, reliever drivers, pump operators, batchers, and quality teams were deployed. This accomplishment was a testament to the dedication and efficiency of the BSP team.

BSP successfully produced and delivered

1668m^3

of Ultra Waterproofed Concrete to a client in Nairobi's Pangani area within 32 hours.

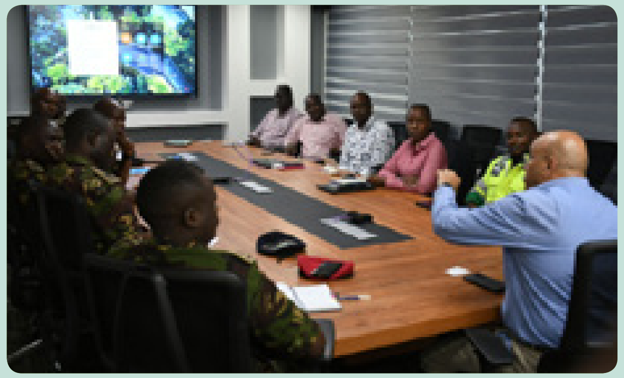
Advocacy

The Habitat Summit, India 2024

Bamburi Cement participated in the Habitat Summit in India. The summit united 45 experts from 28 global organizations to enhance worldwide conservation efforts. Bamburi showcased its environmental responsibility through quarry rehabilitation and biodiversity conservation, with our representative actively participating in discussions and presentations.

Bamburi Cement Hosts KDF for HSE Benchmarking

Bamburi Cement PLC recently hosted the Kenya Defence Forces (KDF) for a two-day HSE benchmarking exercise, with a focus on road and driver safety. Our team, led by the CEO, shared best practices in using data and technology for tracking and improvement. This visit highlights our dedication to safety as a core value, and we commend the HSE and Logistics teams for their continued diligence.



Strategic Dialogue: Bamburi Cement and KEBS on Cement Standards

Bamburi Cement PLC's Chairman, a Board Member, CEO, and Commercial Director met with the Kenya Bureau of Standards (KEBS) Managing Director and management. They discussed key issues in the cement sub-sector, including product quality, innovative products, testing challenges, sustainability, and areas for collaboration. The Cement Sub-Sector has benefited from KEBS audits of product integrity, inspections, raw material specifications, team qualifications, regulatory compliance, and customer complaints handling. Both parties expressed their commitment to furthering this strategic partnership, particularly regarding cement product integrity, quality infrastructure, and sustainability.

SUSTAINABILITY **REVIEW**

Growing Key Partnerships in 2024

We strategically focused on brand building through partnerships in 2024. Our CEO and directors met with KPA's Managing Director to discuss efficiency, collaboration, and the economic impact of shipping. We were committed to growing these partnerships.

Our leadership team met with NEMA's Director General in Nairobi to discuss environmental compliance, sustainability, and EPR plans. This meeting was part of our 2024 stakeholder engagement strategy.

Continuous Community Engagement

Continuous community engagement is key to business growth. In 2024, the Project Indigo team held a meeting with the Kenya National Human Rights Commission (KNHCR) at the Matuga Site. The Project team has continuously engaged the Human Rights team regarding the Mwachome Resettlement Action Plan. The meeting provided an opportunity for the team to share a progress update and identify ways in which the KNHCR can enhance their support for the project. The team's efforts on systematic RAP implementation, with a special focus on safeguarding the community's human rights in line with Kenyan and global guidelines, were lauded. KNHCR officials shared guidance on enhancing community collaboration

Bamburi Cement Meets with Kenya Power Leadership

To address power needs for our Nairobi and Mombasa operations, we met with Kenya Power's CEO and leadership. Discussions focused on energy actions, tariff understanding, and near-term sustainability partnerships. We emphasized the importance of cost-effective, reliable power for Kenya's manufacturing sector growth.

KEPSA Workshop: Advancing Extended Producer Responsibility (EPR)

We participated in a KEPSA workshop on EPR implementation, aimed at boosting awareness and compliance among businesses. The focus was on data and cleanup, and we engaged with NEMA, the County, and PROs to discuss challenges and collaboration. Mombasa's Deputy Governor highlighted PRO responsibilities. Bamburi Cement confirmed its compliance with waste management laws and reporting. The 100-participant workshop reinforced the drive for a sustainable future

International Construction Research Conference and Exhibition (ICoRCE)

At the International Construction Research Conference and Exhibition (ICoRCE) in Mombasa, organized by the National Construction Authority (NCA), our Commercial Director presented Bamburi Cement's sustainability vision. He highlighted our innovative green cement portfolio and its impact on infrastructure, while also emphasizing the dangers of substandard cements, including quality degradation, structural collapses, and unfair trade. We proposed a collaborative approach between public and private sector stakeholders to address substandard products and ensure market integrity.

SUSTAINABILITY REVIEW

French Chamber of Commerce

Our CEO Mohit Kapoor presented a Bamburi Cement Plc case study on Sustainable Construction to approximately 100 business leaders in private and public sector as well as Development Financial Institutions. The strategic dialogue highlighted the role of Bamburi Cement in industry decarbonisation including greening our operations, innovating through green cements, circular economy, sustainable procurement.

Honorable Mentions

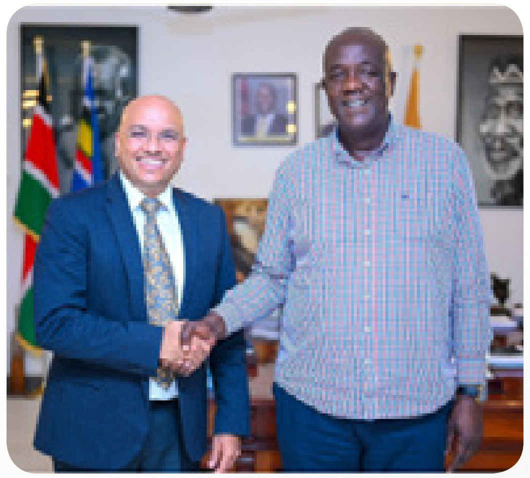
Supporting National Economic Strategy on Affordable Housing

Our CEO joined construction industry leaders at State House, invited by H.E. President Dr. William Ruto, to discuss the Affordable Housing Programme. Bamburi Cement PLC remains committed to supporting the national economic strategy through sustainable, high-quality cement for infrastructure development.

Lobbying and Collaboration for Development

Bamburi Cement's Board met with Mombasa Deputy Governor H.E. Francis Thoya to discuss the company's role in the city and its commitment to social transformation and collaborative development. The Deputy Governor welcomed the plan to utilize Bamburi's waste management systems and kilns for co-processing city waste.

Bamburi Cement's leadership met with Kilifi Governor H.E. Gideon Maitha Mungaro to discuss business, community initiatives, and decarbonization efforts. Kilifi County is central to our operations, including mining, partnerships, infrastructure projects, and the Mvule Gardens 3D-printed housing project



SUSTAINABILITY **REVIEW**

Strengthening Ties: Bamburi Cement Engages with Machakos County

To enhance stakeholder engagement, our leadership team met with Machakos County Governor H.E. Wavinya Ndeti to discuss collaboration on business, social impact, environmental and safety matters, decarbonization, and inclusion. Machakos County houses our Nairobi Grinding Plant and Bamburi Special Products sites.

Awards

The **KENYA CHAMBER OF MINES** recognized us with the ‘**PRIVATE SECTOR SUPPORTER OF THE YEAR’** Award.

EAST AFRICAN ECONOMIC EMPOWERMENT OVERALL WINNER and the Best Listed Company for Economic Empowerment by **THE AFRICA & MIDDLE EAST GENDER MAINSTREAMING AWARDS.**

FIRE (FINANCIAL REPORTING) AWARDS: 2nd place in the competitive **ESG REPORTING-GRI AND MANUFACTURING CATEGORIES.**

HOLCIM GROUP HSE EXCELLENCE AWARDS, Bamburi Special Products unit- Outstanding performance in **CRITICAL RISK MANAGEMENT, CONTINUOUS IMPROVEMENT, AND WORKFORCE ENGAGEMENT**.

Features and Recognition

We got featured in the Sanlam ESG Barometer Report. The Report was a demonstrable case study of JSE and Kenyan-listed companies actively enhance include and implement ESG in business strategy, becoming more resilient and attractive for investment.

Our Head of Legal & Compliance & Company Secretary, **Joyce Munene**, was recognised andfeted at the annual Legal 500 GC Powerlist Series: East Africa 2024 Awards held in Nairobi, Kenya.

Our Human Resource Partner Beatrice Kirubi was a two-time winner in 2024. She was named the winner of the DIAR Award for C-suite Executive at the National Diversity and Inclusion Awards & Recognition (DIAR) hosted by Daima Trust and was a finalist in the Inclusive Leader Award 2024 at the Africa & Middle East Gender Mainstreaming Awards.

04

Corporate Governance

NOTICE OF THE ANNUAL GENERAL **MEETING**

NOTICE IS HEREBY GIVEN that the 74th Annual General Meeting of the Shareholders of Bamburi Cement Public Limited Company (the 'Company') will be held physically at the Nairobi Grinding Plant, Athi River on Thursday, 12 June 2025 at 2.30 P.M. for purposes of transacting the following business:

Ordinary Business

1. To receive, consider and if approved, adopt the Company's Audited Financial Statements for the year ended 31 December 2024 together with the Reports of the Chairman, Group Managing Director, Directors and Auditors thereon.
2. To note that the Company does not recommend payment of a final dividend for the financial year ended 31 December 2024.
3. To re-elect Directors:
   a) In accordance with Article 105 of the Company's Articles of Association, Alice Owuor retires by rotation and being eligible, offers herself for re-election.
   b) In accordance with Article 105 of the Company's Articles of Association, Rita Kavashe retires by rotation and although being eligible, does not offer herself for re-election.
   c) In accordance with Article 110 of the Company's Articles of Association, Mr. Salem Balleith and Mr. Karim Anjawalla having been appointed by the Board since the last Annual General Meeting, retire from the Board and being eligible, offer themselves for re-election.
   d) Pursuant to the provisions of Section 769 of the Companies Act 2015, Alice Owuor, Mbuvi Ngunze, Dr. Helen Gichohi, David Koros and Salem Balleith being members of the Board Audit & Risk Committee, be elected to continue to serve as members of the said Committee.
4. To approve the remuneration of Directors and the Directors' Remuneration Report for the year ended 31 December 2024.
5. To reappoint Messrs Ernst & Young as Auditors of the Company by virtue of Section 721(2) of the Companies Act 2015 and to authorize the Directors to fix their remuneration for the year ending 31 December 2025.
6. To consider any other business of which due notice has been received.

By order of the Board

Joyce Munene
Company Secretary
21st May 2025

CORPORATE GOVERNANCE **STATEMENT**

Overview

The Board of Bamburi Cement Public Limited Company (the 'Company') firmly believes that good corporate governance is critical for the sustainability and long term success of Bamburi Group and to ensure sustainable returns for various stakeholders including Customers, Shareholders, Creditors, Suppliers, Employees and the Communities where the Company operates.

Corporate Governance refers to the structure, rules, systems, processes and principles used to direct and manage a company. The ultimate goal of effective Corporate Governance is long-term value creation and strengthening of a company's reputation. The Board is committed to ensuring that the highest standards in corporate governance and ethics are maintained across the organization as these form a sound bedrock for sustainable growth.

This Corporate Governance Statement is prepared to provide shareholders with necessary information to evaluate how the Company has applied the principles of the Capital Markets Act (CMA) Code of Corporate Governance Practices for Issuers of Securities to the Public 2015. The Company also complies with other laws and their regulations such as the Capital Markets Act, Companies Act 2015 and ethical standards such as the Holcim Code of Business Conduct. The statement should be read together with the wider corporate governance report on the Company's website: www.bamburigroup.com

Additionally, and in line with the guidelines issued by the CMA, the Company reviewed its governance structures, business model and supporting systems to ensure their continued relevance, effectiveness and flexibility to deal with the ever-changing business environment.

The findings of past governance audits were considered and implemented as deemed necessary.

Except where otherwise indicated, this Corporate Governance Statement reflects the Company's performance as at 31 December 2024.

The Board

Mandate

The Board's main role is providing strategic leadership and stewardship for Bamburi Group. Its operations are governed by the Company's Articles of Association, the Code of Business Conduct, the Board Charter, the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, the Board annual work plan and statutory provisions under the laws of the Republic of Kenya.

To clarify its mandate and obligations to all, the Board has developed a Schedule of Matters Reserved for the Board, which are matters handled only by the Board or its Committees. Any issues outside these, are delegated to Management through the Schedule of Matters Delegated by the Board.

This Corporate Governance Statement is prepared to provide shareholders with necessary information to evaluate how the Company has applied the principles of the Capital Markets Act (CMA) Code of Corporate Governance Practices for Issuers of Securities to the Public 2015.

CORPORATE GOVERNANCE **STATEMENT**

Key responsibilities of the Board include:

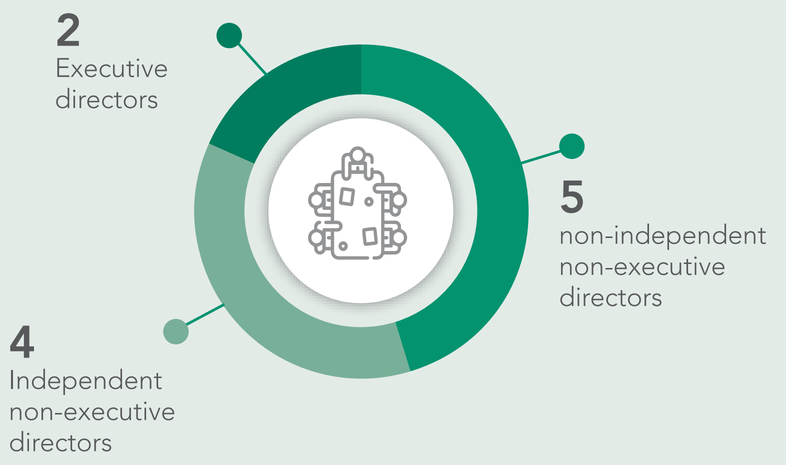
- Defining the Company's mission, vision, its strategy, sustainable goals, risk policy, plans and objectives;
- Approving the Company's annual budget which is usually done in November of each year;
- Overseeing the Company's management and operations, management accounts, major capital expenditure, performance and strategies;
- Identifying the business opportunities and principal risks in the Company's operating environment and regularly reviewing the adequacy and integrity of the Company's internal control systems and risk management framework;
- Developing an appropriate staffing and remuneration policy for senior management and the Board;
- Reviewing the Company's property acquisition and divestitures and management information systems;
- Monitoring the effectiveness of the agreed corporate governance practices and ensuring compliance with the Code of Business Conduct and applicable laws, regulations, rules and guidelines. The Board receives an update on all Code related issues, the outcome of investigations, proposed remediation actions and any disciplinary action taken;
- Reviewing and agreeing Board succession plans and approving Non-Executive Director appointments;
- Reviewing and approving the appointment of executive directors; and
- Establishing and implementing a system that provides necessary information to the shareholders and other stakeholders. The Board has ensured that the Company issues press releases/announcements with necessary information from time to time, publishes an annual report and sustainability report, and updates material on its website for shareholder and stakeholder appreciation.

The Board has set up two standing committees to perform its delegated functions i.e. the Audit & Risk Committee and the Nomination, Remuneration & Human Resource Committee.

The Board Charter and terms of reference for each committee are reviewed at a minimum once every two (2) years and updated to ensure that they remain dynamic and relevant. Both Committee charters will be reviewed this year and updated to reflect the changing business/regulatory environment and published on the Company's website.

Composition and Size

During the year ended 31 December 2024, the Board was composed of a total of eleven (11) directors with nine (9) being non-executive directors. The Board composition was as follows: Four (4) independent non-executive directors, five (5) non-independent non-executive directors and two (2) executive directors, representing different nationalities and diverse professional backgrounds.



In line with the Company's Articles of Association and shareholding structure for the year ended 31 December 2024, 4 out of the 8 non-executive directors were shareholder nominees i.e. three (3) nominated by the Holcim Group and one (1) by the National Social Security Fund.

Since the last report, the following changes were noted on the Board:-

- Grant Earnshaw, Claudia Albertini and Kaspar Theiller resigned as non-executive directors effective 21 January 2025.
- Salem Balleith was appointed as a Non-Executive Director effective 12 March 2025.
- At the Annual General Meeting held on 13 June 2024, Shareholders re-elected Dr John Simba and Mbuvi Ngunze who had retired by rotation.

With over 70% comprising of non-executive directors, the Board is able to effectively provide independent oversight on strategy, give appropriate leadership and direction to management, leverage on its network of outside contacts for the Bamburi Group's benefit while ensuring proper risk management within the acceptable parameters.

For the year under review, the Directors are satisfied with the effectiveness of the Board and its Committees and have put in place a plan to consistently close actions from the previous board evaluations.

Operations

With the support and assistance from the Chief Executive Officer and the Company Secretary, the Chair is responsible for the operations of the Board including, without limitation, providing leadership and guidance, setting the agenda and presiding over meetings.

The Board's operations are guided by an Annual Work Plan as well as any demands that may arise from time to time. The annual work plan for the year 2024 was reviewed and approved in a board meeting held in November 2023.

To adequately cover the Board's annual work plan, meeting dates for the full calendar year are agreed in November of the preceding year. In 2024, the Board held seven (7 meetings (virtual and hybrid) to enable it to cover the planned activities for the year.

CORPORATE GOVERNANCE STATEMENT

The Board attendance report for the year under review is set out below:

DIRECTOR	CATEGORY	BOARD MEETINGS ATTENDED	BOARD MEETINGS ELIGIBLE TO ATTEND	AGM	EGM
Dr John Simba	Non-Executive	7/7	7/7	1/1	1/1
Mohit Kapoor	Executive	6/7	7/7	1/1	1/1
Eugene Antera	Executive	7/7	7/7	1/1	1/1
Jean-Michel Pons*	Non-Executive	2/2	2/2	1/1	1/1
Alice Owuor	Independent Non-Executive	7/7	7/7	1/1	1/1
Dr Helen Gichohi	Independent Non-Executive	6/7	7/7	1/1	1/1
Mbuvi Ngunze	Independent Non-Executive	7/7	7/7	1/1	1/1
Rita Kavashe	Independent Non-Executive	6/7	7/7	1/1	1/1
Rajesh Surana* (Resigned on 12/02/2024)	Non-Executive	0/0	0/0	0/0	0/0
Claudia Albertini	Non-Executive	6/7	7/7	1/1	0/1
David Koros	Non-Executive	5/7	7/7	0/1	1/1
Grant Earnshaw**	Non-Executive	7/7	7/7	1/1	0/1
Kaspar Theiller**	Non-Executive	5/5	5/5	1/1	1/1

NOTE: The numbers show attendance/number of meetings a director was entitled to attend.
**Represents directors who were appointed during the period.

While the Bamburi Group does not specify a time requirement that each director must dedicate for Company business, directors are expected to attend all meetings of the Board and the Committees on which they serve and to devote sufficient time to the Company to perform their duties. With Board papers and other documents circulated at least one week in advance, Directors are expected to be sufficiently prepared for and fully participate in all meetings.

The Chairman and Chief Executive Officer meet at least once a month, wherein the Chief Executive Officer updates the Chairman on any matters that require the Chairman's attention. Further, the Chairman and/or the Chief Executive Officer hold discussions with the directors, individually or jointly, to keep all directors updated and provide opportunity for the directors to raise any issues or concerns in between the meetings.

During the year, the Independent Non-Executive Directors also held closed discussions in the absence of Management.

Director Compensation

Director compensation is reviewed bi-annually by the Board and approved by the Shareholders at the Annual General meeting. The details of the Directors compensation are contained in the Directors' Remuneration Report which is on page 108-112 of this Annual Report. The Board reviewed the non-executive director annual fees effective 1st July 2024, as approved by shareholders in the Annual General Meeting held on 13th June 2024.

The Executive Directors and the Holcim Group nominees do not receive any additional compensation for their service on the Board.

Separation of Roles

In line with good governance, the roles of the Chairman of the Board of Directors and that of the Chief Executive Officer are held by two different individuals with each having clear and distinct responsibilities.

The responsibilities of the Chairman include providing leadership to the Board, management of Board affairs, Corporate Governance, Board performance evaluation, acting as the intermediary between the Board and Management as well as representing the Bamburi Group in interactions with stakeholders.

The Chief Executive Officer is responsible for the day-to-day running of the operations, ensuring the strategy approved by the Board is implemented within the defined risk matrix and that the objectives set are met.

TRAINING & EVALUATION

Induction and Training

The Board has set the principles on induction, development and training for the Directors.

The Company Secretary is responsible for the induction of new Board members within these principles ensuring that each induction plan is tailor made to suit the individual's skillset, existing and required knowledge and role.

Continuous development training requirements are determined by the Board, based on the changing business environment, business needs, feedback from board evaluations and/or regulatory changes.

In line with requirements to ensure that each Director undergoes at least twelve (12) hours of training on corporate governance matters, the directors attended various training interventions on corporate governance. The Company Secretary tracks compliance with the above training requirement.

Information

Together with their letters of appointment, incoming directors are provided with access to all information on corporate, business and legal obligations they should be aware of. The board manual includes documents such as the Board & Committee Charters and work plans, Company's Articles of Association, Schedules of matters reserved for and those delegated by the Board, Board policies together with corporate governance regulations.

For the year under review, directors received timely, accurate and complete information on all matters for which the Board is responsible. Board and Committee packs are circulated electronically seven (7) days in advance to give directors ample time to review the content and request clarification before any meeting. The documents are circulated via an electronic Board platform which allows real time access and updates as well as annotation of documents by the directors.

CORPORATE GOVERNANCE **STATEMENT**

This has enriched discussions as the directors can easily track their concerns when reviewing the documents, which Management addresses prior to and during the meeting.

Further, the Chair, Chief Executive Officer and the Company Secretary are available to the Board members at all times for any additional inputs. The Board can also seek independent professional advice at the Company's expense and have access to any internal resources that may be required.

Performance Evaluation

To ensure that its operations are sustainable and value adding, the Board regularly reviews its performance, which evaluation covers the board mandate, size, composition, meetings, stakeholder/shareholder relations, independence, induction & training, management relations and legal & ethical duties. The Board also annually reviews the efficiency and effectiveness of its Committees.

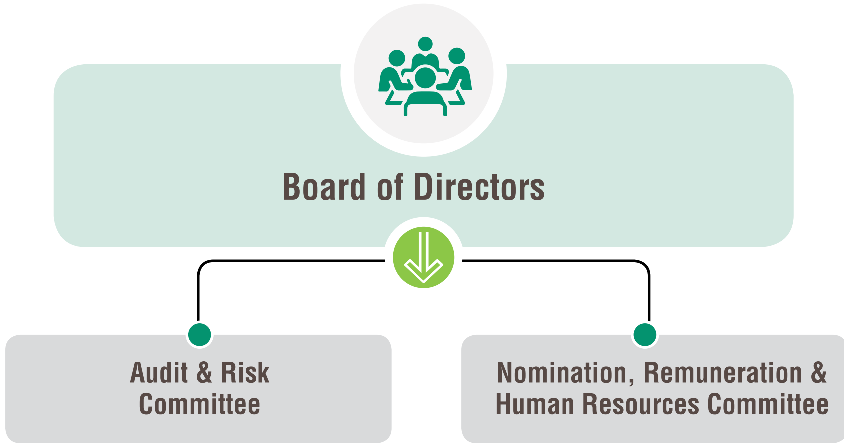
The evaluations are undertaken by each director, the Chair, the Chief Executive Officer and the Company Secretary and include director self-assessments. On completion of the assessment the Chair holds a feedback session with each individual director, each Committee Chair, the Company Secretary and with the full Board.

The 2024 Board evaluation was conducted by Carol Musyoka Consulting, an independent third-party service provider. The findings from the Board evaluation exercise were discussed and noted for implementation.

The Board is pleased to confirm that each board member continues to perform effectively and to demonstrate full commitment to their role. The Board annually assesses the independence of its non-executive directors and was satisfied that four (4) non-executive directors met the criteria for independence.

The Board regularly reviews its performance, which evaluation covers the board mandate, size, composition, meetings, stakeholder/shareholder relations, independence, induction & training, management relations and legal & ethical duties.

BOARD COMMITTEES



Each Board Committee is governed by a charter approved by the Board. The Charters are reviewed after every two years and set out the parameters of responsibility as well as the operational elements of each Committee.

The reports of the Audit & Risk Committee and the Nomination, Remuneration & HR Committee are tabled before the Board for adoption. The Board and the Committees are satisfied that the Committees met their mandates in 2024 as provided for in the respective Charters.

Audit & Risk Committee

The Audit & Risk Committee comprises at least three (3) independent non-executive directors including a member with accounting qualification and in good standing with the respective professional association, in compliance with the CMA Code.

The current membership of the Committee was appointed by the shareholders at the 2024 Annual General Meeting on 13 June 2024.

The Committee invites the Chief Executive Officer, Chief Finance Officer and the Internal Audit Director to attend all its meetings. Other members of the Board can also attend the meetings while members of Management are invited to present any reports required for the Committee to discharge its duties.

The Committee held five (5) meetings in 2024, to review the Group's financial interim and annual reports, the Management Letter arising from the external audit, litigation and contingent liabilities, Kenya Revenue Authority claims, internal audit work plan, special audit reports, sustainability reports, and the status reports on integrity line and other ethical issues.

The Committee also met with the external auditors in the absence of Management.

The Committee reviewed several related party transactions and also reviewed and was satisfied with the independence, expertise and effectiveness of the external auditors (Ernst & Young) to carry out their audit mandate.

The charter of the Audit & Risk Committee is available at: **https://www.bamburigroup.co.ke/board-committees-charters.**

CORPORATE GOVERNANCE **STATEMENT**

The Board Audit & Risk Committee attendance report for the year under review is set out belowe:

DIRECTOR	CATEGORY	BOARD MEETINGS ATTENDED	A&RC MEETINGS ELIGIBLE TO ATTEND
Alice Owuor	Independent Non-Executive	5/5	5/5
Dr Helen Gichohi	Independent Non-Executive	4/5	5/5
Mbuvi Ngunze	Independent Non-Executive	5/5	5/5
Rita Kavashe	Independent Non-Executive	5/5	5/5
David Koros	Non-Executive	4/5	5/5
Claudia Albertini	Non-Executive	5/5	5/5

Nomination, Remuneration & Human Resources Committee (NR&HRC)

The NR&HRC is responsible for nomination of candidates for appointment to the Board and its Committees, succession planning for the Board, review of compliance with respective governance requirements, and receiving reports from the Company's staff retirement benefits scheme.

The Committee is composed of four (4) members, three of whom are independent non-executive directors, thus complying with the requirements of the CMA Code to have a majority of independent members.

In 2024, the Committee met three (3) times. They reviewed staff remuneration including validation of the 2023 bonus achievements and remuneration proposals for 2024 for Kenya.

They also received quarterly reports (on performance and compliance with the governance guidelines) from the Bamburi Cement Limited Staff Retirement Benefit Scheme.

The Committee also reviewed executive succession planning for members of the Executive Committee and key senior roles, assessed the independence of the non-executive directors, reviewed the composition of Board Committees, led the board evaluation and closed any open actions from past audits (governance and legal & compliance audits). The outcome of the evaluation and skills review provided insight into the Board's skill strengths and focus development areas. It will be used to support succession planning and director training plans.

The charter of the NR&HRC is available at:

https://www.bamburigroup.co.ke/board-committees-charters

The Board Nominations, Remuneration & Human Resources Committee attendance report for the year under review is set out below:

DIRECTOR	CATEGORY	NR & HRC MEETINGS ATTENDED	NR & HRC- MEETINGS ELIGIBLE TO ATTEND
Mbuvi Ngunze	Independent Non-Executive	3/3	3/3
Dr John Simba	Non-Executive	3/3	3/3
Alice Owuor	Independent Non-Executive	3/3	3/3
Dr Helen Gichohi	Independent Non-Executive	3/3	3/3

Independent Committee of The Board

In July 2024, the Company received an offer from Amsons Industries (K) Limited to acquire 100% of the shares of the Company. Consequently, the Board of Directors constituted an Independent Committee of the Board to review the offer documents and oversee the transaction. The Committee was mandated to ensure that the Company complies with the Capital Markets Regulations and appoint transaction advisors to guide the board on the transaction.

The Independent Committee's attendance report is as set out below:

DIRECTOR	CATEGORY	INDEPENDENT COMMITTEE OF THE BOARD BOARD MEETINGS ATTENDED	INDEPENDENT COMMITTEE OF THE BOARD MEETINGS ELIGIBLE TO ATTEND
Dr John Simba	Independent Non-Executive	11/11	11/11
Alice Owuor	Independent Non-Executive	11/11	11/11
Dr Helen Gichohi	Independent Non-Executive	8/11	11/11
Mbuvi Ngunze	Independent Non-Executive	11/11	11/11
Rita Kavashe	Independent Non-Executive	10/11	11/11
David Koros	Independent Non-Executive	10/11	11/11

CORPORATE GOVERNANCE **STATEMENT**

COMPANY SECRETARY

The Company Secretary is appointed by the Board and acts as Secretary to the Board as well as to all Board Committees.

The Company Secretary is the custodian of the Board's documents and is responsible for advising the Board on all legal and governance matters, Board induction and training, timely and appropriate dissemination of information/board papers, together with compliance with statutory and regulatory requirements. She also coordinates the governance audit, the legal and compliance audit and ensures that resultant actions are monitored and closed.

The Company Secretary is available to give detailed practical support and guidance to the directors, individually and collectively.

THE EXECUTIVE COMMITTEE

The day-to-day business and operations of Bamburi Group are delegated to the Executive Committee (ExCo) whose members are appointed by the Chief Executive Officer. The Committee consists of individuals responsible for the key business sections of Finance, Supply Chain, Procurement & Logistics, Plant Operations, Sales & Marketing, Human Resources and Legal & Compliance.

The ExCo meets monthly or as frequently as necessary and the agenda focuses specifically on delivery of performance objectives approved by the Board. For the year under review, the ExCo was instrumental in driving delivery of agreed company and functional targets and implementing Board resolutions to yield the strong performance set out in the Company's financial statements.

POLICIES

Code of Business Conduct (Integrity Line) & Speak Up Directive

Bamburi Group, through its Code of Business Conduct, emphasizes its commitment to ethics and compliance with laws, sets forth basic standards of behaviour for its employees, agents and directors when dealing with clients, suppliers, competitors and the general public, provides reporting mechanisms for known or suspected breaches while also ensuring prevention and detection of wrong doing.

During the year 2024, Holcim Group had put in place a global reporting system known as the 'Integrity Line' through which any person could report any violation of the Code of Business Conduct. The reporting channels included a toll free telephone line 0800 733255 (Global identifier code 77084), via email or through online reporting at https://integrity.holcim.com. Reporting could be done anonymously or otherwise and was followed by an assessment of the report by Holcim Group Investigations team and subsequent investigation as required. Remediation of any misconduct established through an investigation and strengthening of internal controls was managed by the applicable business function, with legal and other cross functional advice. Disciplinary action was taken as deemed necessary in line with Company policy.

All integrity line reports are reported to the Audit & Risk Committee meeting, with clear details of each report, findings and remediation actions taken, if any. In this way, the Board ensures that risks arising from any ethical issues are identified and mitigated appropriately. Management has also set up an Ethics & Compliance Committee which reviews reports on all integrity line and compliance concerns.

During the year, the Group carried out training (elearning/ face to face) for all staff on the Code of Business Conduct, sanctions management and compliance with the gift, hospitality, entertainment and travel policy

During the year, the Group carried out training (elearning/face to face) for all staff on the Code of Business Conduct, sanctions management and compliance with the gift, hospitality, entertainment and travel policy to reinforce the principles in the CoBC, promote declaration of potential conflicts of interest, familiarize management on the changing sanctions environment and familiarize all individuals with the available modes of reporting/ whistleblowing on matters of concern.

Conflicts of Interest

The Board has put in place procedures for managing compliance with the conflict of interest provisions of the Companies Act 2015 and the CMA Code. The Board may authorize situational conflicts under the Company's Articles of Association.

Directors are required to declare any conflicts of interest in advance to the Chair or the Company Secretary. All such declarations are captured in the conflicts of interest register and considered at the next Board meeting. Declaration of conflicts of interest is an agenda in all Board and Committee meetings prior to discussion of the substantive agenda items. Directors who have an interest in a matter are excluded from certain actions tied to the matter under discussion including voting on that matter.

For the year under review, the Board noted a potential conflict of interest in that the Holcim nominee directors on the board of Bamburi are employees of Holcim, who had received a takeover offer of all their shares in Bamburi Cement. To manage the conflict, an adhoc committee of the board was formed to oversee the takeover offer. Members of the adhoc committee included the board Chairman and the Independent Directors.

Risk Management

As part of the Holcim Group during the year 2024, the Company benefited from access to many years of built-up expertise in a risk management process structured around several coordinated approaches and subject to continuous improvement. The Company's risk management approach is set out on page 43 of this Annual Report.

Risks were identified and assessed according to significance and likelihood. The full risk spectrum from market, operations, finance, legal, environmental and sustainability, to external risk factors of the business environment were reviewed, including compliance and reputational risks. Key risks were analyzed more deeply regarding their causes, and risk mitigating actions were defined. Risk transfer through insurance solutions and the internal control system forms an integral part of the risk management process.

Risks are monitored and their status reported to the Audit & Risk Committee quarterly. Independent assessments of the effectiveness of mitigating actions and controls are performed by the Company's Internal Audit & Controls function.

In 2024, a detailed quarterly review and analysis of the Company's risk map was carried out by the Audit & Risk Committee leading to implementation of appropriate mitigating actions.

Internal Control & Internal Audit

The Company's Internal Control function primarily aims to provide the Board and the Executive Committee with reasonable assurance on the reliability of the Company's financial reporting and statements, compliance with laws and regulations and the protection of assets. The Company has a set of Minimum Control Standards and a continuous reporting system on the existence and effectiveness of these controls and the status of any action plans.

On the other hand, the Company's Internal Control function works to provide the Board with an independent, risk-based, and objective assurance on the effectiveness and efficiency of the governance, risk management and internal control system of the Company.

CORPORATE GOVERNANCE **STATEMENT**

The Committee reviewed, approved and tracked implementation of the Internal Audit plan, which captured the year's audit focus areas. It also reviewed the Internal Control action plan and report on sufficiency of internal controls (including compliance with the Holcim Group Minimum Control Standards). The main observations, findings observed and recommendations made during the audit/review assignments were reported periodically to the said Committee.

IT Policy

During the year 2024, the Board adopted the Holcim Group IT policy. The Policy aimed to create value as an innovative business enabler and an efficiency driver and included three domains - IT Security, IT Service Management and other IT processes. The Policy sets out the areas of IT responsibility, its processes and a governance model. The IT framework was designed and maintained on a regular basis to keep the approach on an appropriate level of governance and to ensure efficient and secure IT processes.

The Company continued with a digitization project dubbed Project Ecosafi to identify additional opportunities for sustainability and cost reduction through automation of business processes, improving archiving of physical/soft copy documents and reducing printing.

Procurement Policy

The Bamburi Group Procurement Policy, aims at providing complete management from strategy definition to execution. It ensures that procurement creates value by leveraging size and volumes, efficient processes and systems together with combined global expertise with a consistent focus on the lowest total cost of ownership/services.

The Procurement Policy provides for supplier sustainability compliance, adherence to the Bamburi Group's Health, Safety & Environment Standards as well as applicable laws and regulations as integral parts of any sourcing decisions.

Related Party Transactions Policy

The Policy applies to any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions.

In the year under review, the Board through the Audit & Risk Committee reviewed the recommendations on each new and ongoing related party transaction and noted the amounts spent/received in these transactions. These related party transactions are declared in the audited financial statements as required.

Insider Dealing

The Company's Insider Trading & Market Disclosure Policy guides on market disclosures and matters to do with insider dealing. The policy is available on the Company's website at https://www.**bamburigroup.co.ke/investor-relations.**

Before the end of each year, the Company Secretary communicates the blackout periods during which the Directors and identified relevant employees are not authorized to trade in the Company's shares. A second notice on the second blackout period is issued prior to 30 June annually.

To the best of the Company's knowledge, there was no insider dealing in the 2024 financial year.

Legal & Compliance Audit

The CMA Code, requires the Board of a listed Company to subject the Company to a legal and compliance audit to establish the level of adherence to applicable laws, regulations and standards.

In compliance with this requirement, for the year 2024 the legal & compliance department retained the firm of Kiptiness & Odhiambo Associates LLP to undertake an internal review of all its licenses and permits to ensure that the business has all the requisite licenses and permits as required under the law. The Company remains largely compliant with prevailing laws and has put in place controls and measures to ensure its continued compliance.

The auditor's opinion is included in page 113 of this Annual Report.

Governance Audit

In line with requirements of the CMA Code, the Board has adopted the practice of conducting an independent governance audit once every two (2) years by a governance auditor accredited by the Institute of Certified Secretaries, Kenya. Findings from the governance audits are also used to prepare remedial actions on any identified aspects of non-compliance to strengthen the Company's internal governance framework. A governance audit was conducted during the year 2023 and a follow up audit will be conducted this year.

COMMUNICATION

The Board's communication strategy aims to provide shareholders with the highest standards of market disclosure and financial transparency. The Board announces its achievements and prospects to shareholders by way of interim and full year financial results and press releases. Significant matters are disseminated to the market through announcements to the regulators, publication in the newspapers and posting on the Bamburi Group's website: **https://www.bamburigroup.co.ke/investor-relations.**

The Group values the opinions of private investors and continued to engage them throughout the year. In 2024, the Group Chief Executive Officer and Chief Finance Officer met with and received feedback from analysts and institutional shareholders directly and through these sessions.

The Bamburi Group encourages individual shareholders with enquiries to forward them, which are then managed by the Board Chair, the Group Chief Executive Officer and/or the Company Secretary.

Annual General Meeting

The Company held its Annual General Meeting (AGM) virtually on 13th June 2024. Other than the Shareholders, the Directors were also present and used the opportunity to meet and interact online with the Shareholders who were in attendance.

The meeting was also attended by a representative from the external auditors (Ernst &Young) who presented their audit opinion.

The documentation including minutes, resolutions passed and 2023 annual report are available on the Company's website: **https://bamburigroup.com.**

Financial Results

The Company announces its financial results every six (6) months. The half year and full year results are released through publication in daily newspapers and the Company's website. The Company also releases a Q&A paper with each set of financial results to enable a deeper understanding of the results while also anticipating and responding to any questions relating thereto.

Shareholders also get a copy of the annual report, which contains the full year results, other reports and information on the Company. In 2024, the Company also received questions/comments from shareholders which were responded to in writing or at the AGM on 13th June 2024. There was also an investor briefing session to apprise on developments in the company's performance and operational strategy.

DIRECTORS' REMUNERATION **REPORT**

The Bamburi Cement's Board has developed a Remuneration Policy, which forms the basis of remuneration for members of the Board of Directors (both executive and non-executive) and the Bamburi Group as a whole. The Remuneration Policy was guided by the Holcim Group's and by extension Bamburi Group's guiding principles on remuneration i.e.:

- *Pay for Performance:* To focus on providing the opportunity to achieve a higher level of overall remuneration while delivering short and long term performance which is directly linked to the Company's strategy; and,
- *Consistency and Transparency:* To reward all employees and directors across the business in a fair and transparent way, differentiating only by performance, value creation and market conditions.

This Report is compiled in compliance with Division 9 of the Kenyan Companies Act, 2015 and in accordance with the Tenth Schedule of the Companies (General) Regulations 2015. Where required and as indicated, the Report has been audited by the Company's external auditor i.e. Ernst & Young LLP.

The Nomination, Remuneration & Human Resources Committee (the 'Committee') is charged with the responsibility of overseeing entrenchment of the above principles in the Company's remuneration practices. The Committee actively undertook its mandate in 2024 and is pleased to present the Directors Remuneration Report for the year ended 31 December 2024.

Board Changes

The following changes were noted on the Board since the last report:

- Rajesh Surana & Jean Michel Pons resigned as Non-Executive Directors effective 12 February 2024 and 07 May 2024 respectively; and
- Grant Earnshaw & Kaspar Theiller were appointed as Non-Executive Director's effective 26 February 2024 and 07 May 2024 respectively;
- Grant Earnshaw, Claudia Albertini & Kaspar Theiller resigned as Non-Executive Director's effective 21st January 2025;
- Salem Balleith was appointed as a Non-Executive Director effective 12th March 2025.

The remuneration contained in this report is pro-rated to reflect the actual time served.

Executive Directors and Holcim Group Nominee Directors

In line with provisions of Article 94 of the Company's Articles of Association, any shareholder with shareholding above 25% is permitted to nominate two (2) persons for appointment as non-executive directors of the Company.

On appointment, the Holcim Group policy provides that executive directors and any non-executive directors so appointed to the Board of Directors of any Group Company will not receive any payment by virtue of their membership on the board. The Holcim Group has nominated three (3) non-executive directors who were appointed by the Board.

As a result, executive directors only receive remuneration based on only what is provided for under the Remuneration Policy covering remuneration for salaried/management employees.

Non-Executive Directors

Pursuant to the Company's Remuneration Policy, non-executive directors are remunerated in the form of fees which do not include any pension, bonus or long-term incentives. The remuneration covers a director's participation in the Board, any Board Committee(s) and any other identified Company related activities.

The fees are comprised of a fixed annual base fee. The Chair of the Board is paid a fee for attending to Company business or events outside of regular meetings.

The key principles forming the basis for the remuneration of non-executive directors are that:

- The fees must be sufficient to attract, motivate and retain high calibre non-executive director talent at a cost acceptable to shareholders;
- The fees must be consistent with market rates for comparable companies (confirmed through appropriate market surveys/checks); and,
- The fees and increment rate must be approved by the Company's shareholders at a general meeting.

Remuneration Outcomes 2024: Executive Directors

Terms of Employment

The Executive Directors are employed under service contracts that are either fixed term or open ended. The dates of these contracts are set out below:

NAME	DURATION	NOTICE PERIOD
Mohit Kapoor	Open Ended	3 Months
Eugene Antera	Open Ended	3 Months

Some of the contracts have an indefinite term while others are for the indicated fixed term, both of which may be terminated by either party by giving the indicated notice.

There were no significant changes to the remuneration in respect of pension or allowances during the year.

The Company does not offer any long term incentives or share option schemes to its executive directors however the Holcim Group offers long term incentives for its expatriate staff posted to various jurisdictions.

Salary Review

The executive director salary review was undertaken in line with the overall company salary review. The salary review reflected the organisational performance and made consideration of the impact of national inflation.

The increases awarded when compared to the average salary increases for salaried staff are as shown below:

NAME	2024	2023
Mohit Kapoor	3.5%	0,0%
Eugene Antera	15%	15%
Average staff salary increase	7%	5.4%

DIRECTORS' REMUNERATION **REPORT**

Performance Bonus 2024

All employees participate in the Bamburi Group short term incentive programme where the bonus paid is discretionary and based on Company and individual performance. For the Group Chief Executive Officer and Group CFO, executive committee members and specific Profit and Loss or Band D employees, the short term incentive programme also includes Holcim Middle East Africa region objectives. As such the bonus paid in 2024 for 2023 is inclusive of regional performance measures. Overall company bonus performance for Kenya in 2024 was 100% which includes Kenyan subsidiaries which independently performed at 98% for Bamburi Special Products and 99.3% for Lafarge Ecosystems.

The performance bonuses were paid to the Company's employees and the executive committee in March 2024. The executive directors received remuneration as set out below.

	SALARY		BONUS		ALLOWANCES		NON CASH BENEFITS		NON CASH BENEFITS		TOTAL	TOTAL
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000
Mohit KAPOOR	58,854	49,188	15,372	-	9,719	16,606	5,921	6,895	4,895	3,315	94,760	76,004
Seddiq HASSANI	-	11,371	-	3,166	-	8,400	-	1,570	-	4,371	-	28,878
Vasileios KARALIS	-	9,788	3,529	1,615	-	2,890	-	1,295	-	978	3,529	16,567
Eugene ANTERA	12,747	4,819	2,560	-	3,233	1,893	1,527	500	1,549	585	21,615	7,797
Jean MICHEL	-	58,306	-	1,956	-	9,170	-	12,123	-	3,260	-	84,815

1 Includes, where applicable, school fees, home travel, insurance covers, house, car and driver.

Remuneration Outcomes: Non-Executive Directors

Terms of Employment

The non-executive directors (including the Chair of the Board) are appointed by letters of appointment, which do not contain a fixed term period. This appointment is subject to performance review and re-election by the shareholders at the Company's annual general meetings in line with the Company's Articles of Association and the Board Charter.

The dates of the letters of appointment are set out below:

NAME	2024	2023
Dr John P.N. Simba	29 November 2012	12 years 1 month
Alice Owuor	10 March 2017	7 years 9 months
Dr Helen Gichohi	10 March 2017	7 years 9 months
Rita Kavashe	10 March 2017	7 years 9 months
Mbuvi Ngunze	30 August 2018	6 years 4 months
David Koros	7 December 2023	1 year
Claudia Albertini	20 July 2023	1 year 6 months
Grant Earnshaw	26 February 2024	10 months
Kasper Theiller	7 May 2024	8 months

Apart from their service contracts, no director has had any material interest in any contract with the Bamburi Group.

In the Annual General Meeting held on 13 June 2024, shareholders approved that directors should fix the remuneration of non-executive directors.

The fees paid to non-executive directors in 2024 were as follows:

Non-Executive Director Remuneration						
Name	Annual Fees	Sitting Allowance1	Total 2024	Annual Fees	Sitting Allowance1	Total 2024
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Dr John Simba	1,980	2,726	4,706	1,913	2,750	4,663
Rita Kavashe	920	1,855	2,775	888	1,393	2,281
Alice Owuor	920	2,333	3,253	888	2,350	3,238
Dr Helen Gichohi	920	2,213	3,133	888	2,110	2,998
Mbuvi Ngunze	920	2,333	3,253	888	2,350	3,238
Austin A.O. Ouko	-	-	-	-	1,435	1,435
David Koros	-	1,496	1,496	-	-	-
National Social Security Fund	920	-	920	888	198	1,086
Total Fees	**6,580**	**12,956**	**19,536**	**6,353**	**12,586**	**18,939**

1 Must be read together with the attendance register for purposes of the sitting allowance

DIRECTORS' REMUNERATION **REPORT**

The Directors' travel is fully facilitated by the Company and therefore no travel and related expenses are incurred by the individual directors. However, in the unlikely event that this happened, the Company reimbursed the cost.

There is no formal requirement that the Directors hold shares in the Company and there is no share option scheme that applies to the above non-executive directors.

The non-executive directors in the above table are not members of the Holcim Group pension scheme by virtue of sitting on the Board.

Voting on the remuneration report at the 2024 Annual General Meeting and engagement with shareholders

During the 2024 AGM, held on 13 June 2024, 99.66% of the votes cast (310,279,138) were in favour of the Directors' Remuneration Policy and Directors' Remuneration Report. The number of votes cast against the resolution was 0.001% (3737 votes) and 0.335% being 1,042,251 votes abstained.

Directors' Shareholding

As at 31 December 2024, none of the Directors of Bamburi Cement PLC held shares in the Company.

Senior Management Shareholding

As at 31 December 2024, none of the employees forming part of the Company's senior management held shares in the Company.

On behalf of the Board,

Mbuvi Ngunze

Chair - Nomination, Remuneration & HR Committee

18 March 2025

LEGAL **OPINION**

KO Kiptinness & Odhiambo Associates LLP | A MEMBER OF: CITADEL LAW AFRICA

Kiptinness & Odhiambo Associates LLP
Address 4th Avenue Towers ,4th Ngong Avenue
14th Floor, P. O. Box 42713-00100
Nairobi, Kenya.
Phone +254 743 770 692 I +254 20 271 3977
Email info@koassociates.co.ke

UNQUALIFIED INDEPENDENT AUDIT OPINION FOR THE LEGAL AUDIT OF LICENCES AND PERMITS FOR BAMBURI CEMENT PLC FOR THE YEAR ENDING 31ST DECEMBER 2024.

The firm of Kiptiness & Odhiambo Associates conducted a legal audit of Bamburi Cement PLC (the "Company") for the financial year ended December 31, 2024. The primary objective of this audit was to evaluate the Company's compliance with all applicable legal and regulatory requirements governing the acquisition, maintenance, and timely renewal of operational permits and licenses required for its business operations. This audit formed an integral part of the Company's broader regulatory compliance framework and was undertaken to support ongoing efforts to ensure full alignment with statutory obligations applicable to its licensed activities.

The scope of our review was matters directly related to the Company's operational permits and licenses. In the course of our review, we undertook a thorough examination of all relevant documents and records made available to us by the Company. These included, but were not limited to, permit application forms and supporting materials, initial approvals, renewal documentation, and official correspondence with regulatory bodies and licensing authorities at both national and county levels, In addition, we engaged in interviews and discussions with key personnel from the Company's legal, regulatory affairs, department heads and compliance teams to obtain further insights into internal processes and compliance measures.

Based on our review

- All critical permits and licenses required for the Company's operations during the year under review were found to be valid, current, and compliant with legal requirements.
- The Company demonstrated adequate internal procedures to manage and renew operational licenses in a timely manner.
- No material breaches or non-compliance issues were identified in relation to the legal requirements governing permits and licenses.
- Communications with regulators and licensing authorities were appropriately documented and consistent with regulatory expectations.
- The Company's governance and compliance framework reflects a strong culture of regulatory adherence and proactive risk management.

Based on the audit procedures performed, the documentation reviewed, and the information obtained during the course of our engagement, it is our considered and professional opinion that, for the financial year ended December 31, 2024, Bamburi Cement PLC was in material compliance with all applicable legal and regulatory requirements relating to the acquisition, maintenance, and renewal of its operational permits and licenses. This compliance has been maintained in a manner consistent with the Company's continued operation as a going concern.

17th April 2025
Kiptinness & Odhiambo Associates LLP

Yours Sincerely,

Ken Rutere
Partner

KO Associates LLP is a Limited Liability Partnership

Partners: Stephen Kiptinness, Crispine Odhiambo, Ken Rutere, Brian Odongo, Mohamed Maulid
www.koassociates.co.ke

REPORT OF THE **DIRECTORS**

The directors have the pleasure of presenting their Annual Report together with the audited financial statements of Bamburi Cement Public Limited Company (the "Company" or "Bamburi Cement PLC") and its subsidiaries (together the "Group") for the year ended 31 December 2024, in accordance with Section 653 (1) of the Kenyan Companies Act, 2015 which disclose the state of financial affairs.

1. PRINCIPAL ACTIVITIES

The Group is primarily engaged in the manufacture and sale of cement and cement related products. The Group also owns and maintains a world-class nature and environmental park created from rehabilitated quarries.

2. DIVIDENDS

The Board of the Company, does not recommend payment of final dividend in respect of the year ended 31 December 2024. (2023: KES 5.47 per ordinary share amounting to KES 1,985m). Additionally, a special dividend of KES 18.25 per share amounting to KES 6,625 million, relating to Hima Cement disposal was paid during the year 2024.

3. DIRECTORS

The directors who served during the year and up to the date of approval of this report are disclosed on page 123. The following changes took place in the Board of Directors since the last Annual General Meeting.

- Grant Earnshaw, Claudia Albertini and Kaspar Theiller resigned as non-executive directors effective 21st January 2025 after successful conclusion of the takeover transaction between Holcim and Amsons International (K) Limited.
- Salem Balleith was appointed as a Non-Executive Director effective 12th March 2025.

4. BUSINESS REVIEW

The Group's business review and the discussions of the principal risks and uncertainties facing the Group are discussed under chairman's statement, the Group Chief Executive Officer's statement, the operational review and financial risk management in note 37 to the financial statements.

5. STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR

With respect to each director at the time this report was approved:

- There is, so far as the director is aware, no relevant audit information of which the Group's auditor is unaware; and,
- The director has taken all the steps that the director ought to have taken as director so as to be aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

6. AUDITORS

Ernst & Young LLP, having expressed their willingness, continue in office in accordance with the provisions of Section 719 (2) of the Kenyan Companies Act 2015 and being eligible, offer themselves for re-election in accordance with provisions of Section 721 of the said act. The directors monitor the effectiveness, objectivity and independence of the auditor and also approve the annual audit engagement contract, which sets out the terms of the auditor's appointment and the related fees.

By Order of the Board

Joyce Munene

Company Secretary

SHAREHOLDER **PROFILE**

Top 10 Shareholders as at 31 December 2024

Shareholder	No. of Shares	% Shareholding
Amsons Industries (K) LTD	349,690,210	96.34%
Standard Chartered Nominees A/C 1256B	593,724	0.16%
Standard Chartered Nominees A/C 9660B	392,252	0.11%
Kenya Reinsurance Corporation Limited	371,543	0.10%
Thuthuma Limited	290,167	0.08%
Wamunyuah, Njoroge	285,900	0.08%
Standard Chartered Nominees Non Resident A/C 9280	280,600	0.08%
Stanbic Nominees Ltd. A/C R35501	214,025	0.06%
Gandhi Smarak Nidhi Fund	200,779	0.06%
Kenya Commercial Bank Nominees Limited A/C 771B	148,994	0.04%
Shares selected	**352,468,194**	**97.11%**
Others (3,660 Shareholders)	10,491,081	2.89%
Total shares issued	**362,959,275**	**100.00%**

Share Analysis by Domicile as at 31 December 2024

Domicile	No. of Shareholders	No. of Shares	% Shareholding
Foreign Institution	9	336,591	0.09%
Foreign individuals	65	366,531	0.10%
Local institutions	243	354,069,246	97.55%
Local individuals	3,353	8,186,907	2.26%
Total	**3,670**	**362,959,275**	**100.00%**

Share Analysis by Volume as at 31 December 2024

Volume	No. of Shareholders	No. of Shares	% Shareholding
1 - 500	1,932	334,324	0.09%
501 - 5000	1,336	2,533,811	0.70%
5001 - 10000	188	1,342,863	0.37%
10001 - 100000	196	5,262,602	1.45%
100001 - 1000000	17	3,795,465	1.05%
Above>1000000	1	349,690,210	96.34%
	3,670	**362,959,275**	**100.00%**

STATEMENT OF DIRECTORS' RESPONSIBILITIES
AS AT 31 DECEMBER 2024

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of their profit or loss for that year. It also requires the directors to ensure that the Group and the Company keeps proper accounting records that: (a) show and explain the transactions of the Group and Company; (b) disclose, with reasonable accuracy, the financial position of the Group and Company; and (c) enable the directors to ensure that every financial statement required to be prepared complies with the requirements of the Kenyan Companies Act, 2015.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

(i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;

(ii) selecting suitable accounting policies and applying them consistently; and

(iii) making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the Group's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Group's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the Board of directors on 15 April 2024 and signed on its behalf by:

Dr. John P.N. Simba
Chairman

Mohit Kapoor
Group Chief Executive Officer

05

Financial Statements

CORPORATE **INFORMATION**

FOR THE YEAR ENDED 31 DECEMBER 2024

DIRECTORS	**EXECUTIVE**		
	M Kapoor	(Indian)	Group Chief Executive Officer
	E. Antera	(Kenyan)	Group Chief Finance Officer
	J.M Pons	(French)	Resigned 7 May 2024
	NON-EXECUTIVE		
	Dr. J. Simba	(Kenyan)	Board Chair
	A. Owuor	(Kenyan)	
	Dr. H. Gichohi	(Kenyan)	
	R. Kavashe	(Kenyan)	
	M. Ngunze	(Kenyan)	
	R Surana	(Indian)	Resigned 19 February 2024
	C. Albertini	(Italian)	Resigned 21 January 2025
	D. Koros	(Kenyan)	
	G. Earnshaw	(British)	Appointed 26 February 2024 Resigned 21 January 2025
	K. Theiller	(Swiss)	Appointed 7 May 2024 Resigned 21 January 2025
	S. Balleith	(Tanzanian)	Appointed 12 March 2025
SECRETARY	**Joyce Munene** Certified Public Secretary (Kenya) LR No 209/6208, Kitui Road P.O. Box 10921 - 00100 Nairobi, Kenya		
REGISTERED OFFICE	**LR No 209/6208, Kitui Road,** P.O. Box 10921 - 00100 Nairobi, Kenya		
REGISTRARS	**Custody & Registrars Services Limited** IKM Place, 1st Floor, Tower B Fifth Ngong Avenue P. O. Box 8484 - 00100 Nairobi, Kenya		
AUDITORS	**Ernst & Young LLP** Kenya-Re Towers, Upper Hill, Off Ragati Road P.O. Box 44286 – 00100 Nairobi, Kenya		
PRINCIPAL BANKERS	**Citibank N A** Citibank House, Upper Hill P. O. Box 30711 - 00100 Nairobi, Kenya		
	Standard Chartered Bank Kenya Limited Chiromo Branch, 48 Westlands Road P. O. Box 30003 - 00100 Nairobi, Kenya		
	Equity Bank (Kenya) Limited Equity Centre, Upper Hill P.O. Box 75104 - 00200 Nairobi, Kenya		

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LLP/2015/52

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF BAMBURI CEMENT PLC

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion
We have audited the consolidated and separate financial statements of Bamburi Cement Plc (the "Company") and its subsidiaries (together with the Company, the "Group"), which comprise the consolidated and separate statements of financial position at 31 December 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 128 to 210

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and the Company as at 31 December 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by Kenyan Companies Act, 2015.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report.

We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) and other independence requirements applicable to performing audits of the financial statements of the Group and Company and in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and Company and in Kenya. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The key audit matters apply equally to the audit of the consolidated and separate financial statements.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF BAMBURI CEMENT PLC (Continued)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Expected credit losses (ECL) on trade receivables</td></tr>
<tr><td colspan="2">See Notes 1 (o), 2, 21 and 35 to the consolidated and separate financial statements</td></tr>
<tr><td>As disclosed in Note 21(a), as at 31 December 2024, the Group and the Company had impairment losses (allowance for expected credit losses (ECL)) on trade receivables, carried at amortised cost, of Kes 152 million (2023: 456 million) and Kes 127 million (2023: 282 million), respectively.

The expected credit losses are based on a forward-looking approach that recognises impairment loss allowances in accordance with IFRS 9 Financial Instruments. The estimation of expected credit losses requires the Group and the Company to make significant judgements. and estimation as follows:

• The loss allowance is calculated on a modelled provision matrix (historical loss rates) which incorporates observable data, assumptions, and estimations. The development and execution of these models requires significant management judgement, including estimation of the probability of default (PD); exposure at default (EAD) and loss given default (LGD) together with determining the period over which the observed historical loss rates are appropriate.; and,
• Adjusting the historical loss rates with forward looking macro-economic factors.
• Assessment of significant increase in credit risk
For certain individual trade receivables, who has had a significant increase in credit risk since initial recognition, the loss allowance is measured based on their credit information, including forward-looking macroeconomic information.

The determination, recognition and disclosures of ECL has been considered a key audit matter due to the inherent estimation uncertainty and the significant judgments made by management in arriving at the ECL amounts recognised in the financial statements. The complexity and forward-looking nature of the inputs required in making these estimates necessitate special audit focus in their review. Also, management is required to make disclosures in the financial statements to explain the judgements, key inputs and assumptions made in the determination of the ECL and its recognition in the financial statements.

The disclosures are included in Note 2 of the consolidated and separate financial statements for significant accounting judgements, estimation and assumptions. Also refer to notes 1(o), 21 and 35 (ii) that provides details on the estimated expected credit loss disclosures.</td><td>Our audit procedures included, but were not limited to:

• Reviewing the accounting policies for compliance with IFRS 9 requirements.
• Reviewing the ECL models including whether the assumptions applied, and the functioning and application of the models were in accordance with IFRS 9 requirements.
• Assessing whether forecasted macroeconomic variables were appropriate.
• Assessing whether the period over which the observed historical loss rates was appropriate in developing the expected loss rates.
• Testing the data used in the ECL calculation for accuracy and completeness.
• Reviewing the individually assessed provisions, on a sample basis, and challenged management's forward-looking economic assumptions of the recovery outcomes identified.
• Evaluating completeness of the Group and the Company's disclosures in respect of the judgement and assumptions used in the valuation are in line with IFRS 9 Financial Instruments</td></tr>
</table>

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF BAMBURI CEMENT PLC (Continued)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Other Information

The directors are responsible for the other information. The other information comprises of the Report of the Directors, as required by the Kenyan Companies Act, 2015, Corporate Information, Group Chairman's statement, Group CEO's Statement, Operational Review, Corporate Governance Report, Shareholder Profile, the Statement of Directors' Responsibilities and the Directors' Remuneration Report, other than the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon, other than that prescribed by the Kenyan Companies Act, 2015, as set out below.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and or the Company or to cease their operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Shape the future with confidence

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF BAMBURI CEMENT PLC (Continued)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER MATTERS PRESCRIBED BY THE KENYAN COMPANIES ACT, 2015

As required by the Kenyan Companies Act, 2015 we report to you, based on our audit, that:

i) in our opinion, the information given in the report of the directors on page 51 is consistent with the consolidated and separate financial statements.
ii) in our opinion, the auditable part of the directors' remuneration report on pages 47 to 50 has been properly prepared in accordance with the Kenyan Companies Act, 2015.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Denis Mugisha, Practising certificate 2773.

For and on behalf of Ernst &Young LLP

Nairobi, Kenya

29 April 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
Continuing operations	Notes	**Kes'million**	Kes'million
Revenue from contracts with customers	4	21,914	22,027
Cost of goods sold	5	(16,243)	(16,969)
Cost of transport service	5	(1,214)	(1,928)
Gross profit		**4,457**	**3,130**
Other income	7(i)	233	58
Other gains and losses	8	(1,652)	(190)
Marketing and selling expenses	9(i)	(411)	(314)
Administration expenses	9(ii)	(1,941)	(1,604)
Impairment of PPE and Intangible assets	9 (iii)	(15)	(33)
Net impairment losses on financial assets	21 (b)	29	(25)
Operating profit		**700**	**1,022**
Finance income	7(ii)	310	89
Finance costs	7(iii)	(39)	(51)
Finance income/(costs) – net		271	38
Profit before income tax	**11(a)**	**971**	**1,060**
Tax charge	12(a)	(897)	(390)
Profit for the year		**74**	**670**
Profit for the year from continuing operations		**74**	**670**
Discontinued operations			
Profit/(loss) from discontinued operations	**17(b)**	355	(1,069)
Loss on disposal of subsidiary	**17(c)**	(1,334)	-
Loss from discontinued operations		**(979)**	**(1,069)**
Loss for the year		**(905)**	**(399)**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Actuarial gains	27	3	61
Fair value gain on investments in equity instruments designated as at FVTOCI	18(b)	255	13
Other comprehensive income from discontinued operations	17(b)	-	731
Income tax on comprehensive income not to be reclassified to profit or loss		(1)	123
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**257**	**928**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of discontinued operations	17(b)	(1,457)	3,042
Exchange difference reclassification on disposal of foreign subsidiary	17(b)	(635)	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(2,092)**	**3,042**
OTHER COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR, NET OF TAX		**(1,835)**	**3,970**
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(2,740)**	**3,571**
Profit for the year attributed to:			
Owners of the parent Company		(1,012)	(78)
Non-controlling interest	17(b)	107	(321)
		(905)	(399)
Other comprehensive income attributed to:			
Owners of the parent Company		(1,398)	2,838
Non-controlling interest	17(b)	(437)	1,132
		(1,835)	3,970
Total comprehensive income attributed to:			
Owners of the parent Company		(2,409)	2,760
Non-controlling interest	17(b)	(331)	811
		(2,740)	**3,571**
Earnings per share – basic and diluted	13	(2.79)	(0.21)
Earnings per share – continuing operations	13	(3.47)	1.85

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 Kes'million	2023 Kes'million
Revenue from contracts with customers	4	20,795	21,178
Cost of goods sold	5	(15,367)	(16,263)
Cost of transport service	5	(1,131)	(1,885)
Gross profit		**4,297**	**3,030**
Other income	7(i)	6,868	563
Other losses	8	(326)	(86)
Marketing and sales expenses	9(i)	(379)	(291)
Administration expenses	9(ii)	(1,901)	(1,548)
Impairment of property, plant and equipment	9(iii)	(15)	(26)
Net impairment losses on financial assets	21(b)	31	(35)
Operating profit		**8,575**	**1,607**
Finance income	7(ii)	135	98
Finance costs	7(iii)	(37)	(43)
Finance income/(costs) - net		98	55
Profit before tax	11(a)	**8,673**	**1,662**
Tax charge	12(a)	(818)	(362)
Profit for the year		**7,855**	**1,300**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Fair value gain on investments in equity instruments designated as at FVTOCI	18(b)	255	13
Actuarial gains	27	3	53
Income tax on other comprehensive income not to be reclassified to profit or loss in subsequent periods	12(b)	(1)	125
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		257	191
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**8,112**	**1,491**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 Kes'million	2023 Kes'million
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	15(a)	23,039	23,525
Intangible assets	16(a)	10	12
Equity investments	18(a)	345	90
		23,394	23,627
CURRENT ASSETS			
Inventories	20	2,394	3,244
Trade and other receivables	21(a)	1,872	1,374
Corporate tax recoverable	12(d)	97	112
Cash and cash equivalents	22(a)	5,249	4,372
		9,612	9,102
Disposal group's assets held for sale	17(b)	-	28,439
		9,612	37,541
TOTAL ASSETS		33,006	61,168
EQUITY AND LIABILITIES			
EQUITY			
Share capital	23	1,815	1,815
Asset revaluation reserve	24(a)	12,666	14,649
Translation reserve	24(b)	-	1,655
Fair value reserve	24 (c)	143	-
Retained earnings		10,601	18,125
Equity attributable to owners of the Company		25,225	36,244
Non-controlling interests		-	5,042
Total equity		25,225	41,286
NON-CURRENT LIABILITIES			
Deferred tax liability	25	2,796	3,051
Provisions	26	164	86
Employees' defined benefit liabilities	27	164	202
		3,124	3,339
CURRENT LIABILITIES			
Provisions	26	88	84
Employees' defined benefit liabilities	27	109	89
Trade and other payables	28	4,277	3,335
Corporate tax payable	12(d)	183	-
		4,657	3,508
Liabilities directly associated with disposal group's assets held for sale	17(b)	-	13,035
		4,657	16,543
TOTAL EQUITY AND LIABILITIES		33,006	61,168

The financial statements on pages **128 to 210** were approved and authorised for issue by the Board of Directors on **15 April 2025** and were signed on its behalf by:

Dr John P.N Simba
Chairman

Mohit Kapoor
Group Chief Executive Officer

COMPANY STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 Kes'million	2023 Kes'million
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	15(b)	22,392	22,899
Intangible assets	16(a)	10	12
Investments in subsidiaries	17(a)	1,809	1,809
Loan to subsidiary	32(d)	306	350
Equity investments	18(a)	345	90
		24,862	25,160
CURRENT ASSETS			
Inventories	20	2,252	3,114
Trade and other receivables	21(a)	2,245	1,986
Loan to subsidiary	32(d)	76	105
Cash and cash equivalents	22 (a)	4,402	3,693
		8,975	8,898
TOTAL ASSETS		**33,837**	**34,058**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	23	1,815	1,815
Asset revaluation reserve	24(a)	12,666	13,058
Fair value reserve	24(c)	143	-
Retained earnings		12,183	12,432
Total equity		26,807	27,305
NON-CURRENT LIABILITIES			
Deferred tax liability	25	2,794	3,109
Provisions	26	163	86
Employees' defined benefit liabilities	27	156	194
		3,113	3,389
CURRENT LIABILITIES			
Provisions	26	87	82
Employees' defined benefit liabilities	27	106	85
Trade and other payables	28	3,541	3,197
Corporate tax payable	12 (d)	183	-
		3,917	3,364
TOTAL EQUITY AND LIABILITIES		**33,837**	**34,058**

The financial statements on pages **128 to 210** were approved and authorised for issue by the Board of Directors on **15 April 2025** and were signed on its behalf by:

Dr John P.N Simba
Chairman

Mohit Kapoor
Group Chief Executive Officer

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 DECEMBER 2024

Year ended 31 December 2024	Attributable to the equity holders of the parent							
	Share capital Kes'million Note 23	Asset revaluation reserve Kes'million Note 24(a)	Translation reserve Kes'million Note 24(b)	Fair valuation reserve Kes'million Note 24(c)	Retained earnings Kes'million	Total Kes'million	Non-controlling interests Kes'million	Total equity Kes'million
At 1st January 2024	1,815	14,649	1,655	-	18,125	36,244	5,042	41,286
Profit/(Loss) for the year	-	-	-	-	(1,011)	(1,011)	106	(905)
Other comprehensive income for the year	-	-	(1,655)	143	114	(1,398)	(437)	(1,835)
Total comprehensive income for the year	-	-	(1,655)	143	(897)	(2,409)	(331)	(2,740)
Transfer of excess depreciation (net of tax)	-	(392)	-	-	392	-	-	-
Reclassification of revaluation on disposal of subsidiary	-	(1,591)	-	-	1,591	-	`-	-
Elimination of non controlling interest on disposal	-	-	-	-	-	-	(4,711)	(4,711)
Dividends (note 14(b)):								
Final dividends for 2023 declared and approved	-	-	-	-	(1,985)	(1,985)	-	(1,985)
Special dividends paid	-	-	-	-	(6,625)	(6,625)	-	(6,625)
	-	-	-	-	(8,610)	(8,610)	-	(8,610)
At 31st December 2024	**1,815**	**12,666**	**-**	**143**	**10,601**	**25,225**	**-**	**25,225**

The reserve accounts included in the statement of changes in equity are explained below:

- The asset revaluation reserve represents the net cumulative surplus arising from revaluations of property, plant and equipment - Note 24(a).
- Retained earnings represent accumulated profits retained by the Group after payment of dividends to the shareholders.
- The translation reserve represents the cumulative position of translation gains and losses arising from conversion of net assets of the foreign subsidiary Company to the presentation currency - note 24(b). The foreign subsidiary company has been classified as a disposal group as at 31 December 2024 as disclosed in note 17 (b).
- Fair value reserve represents the cumulative represents the cumulative gains and losses arising from revaluation of available for sale investments (other equity investments) from cost to fair value based on the market values of equities ate the end of the reporting period – Note 24(c)

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY** (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023

Year ended 31 December 2023	Attributable to the equity holders of the parent						
	Share capital Kes'million Note 23	Asset revaluation reserve Kes'million Note 24(a)	Translation reserve Kes'million Note 24(b)	Retained earnings Kes'million	Total Kes'millio n	Non-controlling interests Kes'million	Total equity Kes'million
At 1 January 2023	1,815	14,839	(475)	17,865	34,044	4,231	38,275
Loss for the year	-	-	-	(78)	(78)	(321)	(399)
Other comprehensive income for the year	-	512	2,130	196	2,838	1,132	3,970
Total comprehensive income for the year	-	512	2,130	118	2,760	811	3,5713
Transfer of excess depreciation (net of tax)	-	(702)	-	702	-	-	
Withholding tax paid on Subsidiary's dividend payout	-	-	-	(74)	-	-	(74)
Dividends payout to non-controlling interest	-	-	-	(214)	-	-	(214)
Dividends (note 14(b)):							
Final dividends for 2022 declared and approved	-	-	-	(272)	-	-	(272)
At 31 December 2023	**1,815**	**14,649**	**1,655**	**18,125**	**36,244**	**5,042**	**41,286**

The reserve accounts included in the statement of changes in equity are explained below:

- The asset revaluation reserve represents the net cumulative surplus arising from revaluations of property, plant and equipment - Note 24(a).
- Retained earnings represent accumulated profits retained by the Group after payment of dividends to the shareholders.
- The translation reserve represents the cumulative position of translation gains and losses arising from conversion of net assets of the foreign subsidiary Company to the presentation currency - note 24(b).

COMPANY STATEMENT OF **CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 DECEMBER 2024

Year ended 31 December 2024	Share Capital Kes'million Note 23	Asset revaluation reserve Kes'million Note 24(a)	Fair valuation reserve Kes'million Note 24(c)	Retained earnings Kes'million	Total equity Kes'million
At 1 January 2024	1,815	13,058	-	12,432	27,305
Profit for the year	-	-	-	7,855	7,855
Other comprehensive income for the year	-	-	143	114	257
Total comprehensive income for the year	-	-	143	8,112	8,112
Transfer of excess depreciation (net of tax)	-	(392)	-	392	-
Dividends: (Note 14(b))					
Final dividends for 2023 declared and approved	-	-	-	(1,985)	(1,985)
Special dividend declared and approved	-	-	-	(6,625)	(6,625)
	-	-	-	(8,610)	(8,610)
At 31 December 2024	**1,815**	**12,666**	**143**	**12,326**	**26,807**

The reserve accounts included in the statement of changes in equity are explained below:

- The asset revaluation reserve represents the net cumulative surplus arising from revaluations of property, plant and equipment - note 24(a).
- The retained earnings represent accumulated profit retained by the Company after payment of dividends to the shareholders.
- Fair value reserve represents the cumulative represents the cumulative gains and losses arising from revaluation of available for sale investments (other equity investments) from cost to fair value based on the market values of equities at the end of the reporting period – Note 24(c)

Year ended 31 December 2023	Share capital Kes'million Note 23	Asset revaluation reserve Kes'million Note 24(a)	Retained earnings Kes'million	Total equity Kes'million
At 1 January 2023	1,815	13,645	10,626	26,086
Profit for the year	-	-	1,300	1,300
Other comprehensive loss for the year	-	-	191	191
Total comprehensive income for the year	-	-	1,491	1,491
Transfer of excess depreciation	-	(587)	587	-
Dividends: (Note 14(b))				
Final dividends for 2022 declared and approved	-	-	(272)	(272)
At 31 December 2023	**1,815**	**13,058**	**12,432**	**27,305**

The reserve accounts included in the statement of changes in equity are explained below:

- The asset revaluation reserve represents the net cumulative surplus arising from revaluations of property, plant and equipment - note 25(a).
- The retained earnings represent accumulated profit retained by the Company after payment of dividends to the shareholders.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	**2024 Kes'million**	2023 Kes'million
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	31	4,680	2,896
Interest received	7(ii)	310	89
Interest paid on borrowings		-	(6)
Net foreign exchange losses			(74)
Tax paid	12(d)	(954)	(259)
Net cash generated from operating activities		4,036	2,646
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	15(a)	(1,108)	(1,087)
Proceeds from disposal of subsidiary		8,186	-
Proceeds from disposal of property, plant and equipment		15	278
Dividend received from disposal group		-	425
Net cash from/(used in) investing activities		7,093	(384)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to shareholders	14(b)	(8,610)	(272)
Net cash generated used in financing activities		(8,610)	(272)
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,077	1,990
MOVEMENT IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the year		4,372	2,387
Net increase in cash and cash equivalents during the year		3,077	1,990
Effects of exchange rate changes on cash held in foreign currencies		(1,642)	(5)
Cash and cash equivalents and at end of the year	22(b)	5,249	4,372

COMPANY STATEMENT OF **CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 Kes'million	2023 Kes'million
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	31	4,788	2,770
Interest received	7(ii)	135	93
Net foreign exchange loss		-	(73)
Tax paid	12(d)	(951)	(208)
Net cash generated from operating activities		3,972	2,582
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	15(b)	(1,058)	(1,064)
Loan to subsidiary		-	(500)
Dividends received from subsidiary and disposal group	7(i)	6,635	505
Proceeds from disposal of property, plant and equipment		15	55
Net cash from/(used in) investing activities		5,592	(1,004)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to the shareholders	14(b)	(8,610)	(272)
Loan repayments		73	45
Net cash used in financing activities		(8,537)	(227)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,027	1,354
MOVEMENT IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the year		3,693	2,344
Net increase in cash and cash equivalents during the year		1,027	1,354
Effects of exchange rate changes on cash held in foreign currencies		(318)	(2)
Cash and cash equivalents at the end of the year	22(b)	4,402	3,693

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of the financial statements of Bamburi Cement Plc (the "Company") and its subsidiaries (together, the "Group") are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of preparation

The consolidated and separate financial statements have been prepared on historical cost basis of accounting except for certain items of property, plant and equipment, equity instruments and financial assets that have been measured at fair value (fair value through other comprehensive income), and except where otherwise stated in the accounting policies below.

The financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB), and in the manner required by the Kenyan Companies Act, 2015. The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are presented in millions of Kenya Shillings (Kes' Million), which is the functional currency of the parent Company, and the presentation currency for the consolidated financial statements.

For the purpose of reporting under the Kenyan Companies Act, 2015, the balance sheet in these financial statements is represented by statement of financial position and the profit and loss account is represented by the statement of profit or loss and other comprehensive income.

b) New and amended standards and interpretations

New and revised IFRS Standards effective for the year ended 31 December 2024

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The new standard and amendments are as below: -

New and amendments to Standards	Effective date on annual periods beginning on or after
Amendments to IAS 1: *Classification of liabilities as current or non-current and non – current liabilities with covenants*	1 January 2024
Amendments to IAS 7 and IFRS 7: *Supplier finance arrangements*	1 January 2024
Amendments to IFRS 16: *Lease Liability in a Sale and Leaseback*	1 January 2024

Amendments to IAS 1 – *Classification of liabilities as current or non-current and non-current liabilities with covenants*

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period and specify that classification is unaffected by expectations or events after the reporting date.
Classification of a liability as current or non-current is only affected by covenants with which the company must comply with as at the reporting date and specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period additional disclosures are required to enable users of financials to understand the risk of the liabilities becoming repayable within twelve months after the reporting period.

The amendments had no impact on the Group's consolidated financial statements

Amendments to IAS 7 and IFRS 7: *Supplier finance arrangements*

The amendments add a disclosure objective to IAS 7 requiring an entity to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities, cash flows and exposure to liquidity risk.

As a result of implementing the amendments, the Group has provided additional disclosures about its supplier finance arrangement. Please refer to Note 28 and Note 35 (ii).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

b) New and amended standards and interpretations (continued)

New and revised IFRS Standards effective for the year ended 31 December 2024 (continued)

Amendments to IFRS 16 Leases*: Lease liability in a sale and leaseback*

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments had no impact on the Group's consolidated financial statements

New and revised IFRS Standards in issue but not yet effective for the year ended 31 December 2024

New and amendments to Standards	Effective date on annual periods beginning on or after
Amendments to IAS 21: *Lack of exchangeability*	1 January 2025
IFRS 18: Presentation and disclosure in financial statements	1 January 2027
IFRS 19: Subsidiaries without public accountability	1 January 2027

Amendments to IAS 21 – *Lack of exchangeability*

The amendments specify how entities should determine whether a currency is exchangeable into another currency and how determine the spot exchange rate to use when exchangeability is lacking. The amendments add disclosure requirements that enable users of its financial statements understand how lack of exchangeability affects the entities performance, financial position and cashflows.

The amendments are not expected to have an impact on the Group's consolidated financial statements

IFRS 18 Presentation and disclosure in financial statements

IFRS 18 replaces *IAS 1 presentation of financial statements.* It introduces new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users.

IFRS 18 introduces new requirements; Present specified categories and defined subtotals in the statement of profit and loss and provide disclosures on management-defined performance measures in the notes to financial statements. Additionally, amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest.

The directors of the Group are currently assessing the impact of the new standard on the group's financial statements in future periods

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits eligible subsidiaries of parent entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. A subsidiary is eligible for reduced disclosure if at the end of the reporting period it does not have public accountability, and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

The Group's equities are publicly traded, IFRS 19 does impact presentation of the Group's consolidated financial statements

At the date of authorization of these financial statements, the Group has not applied the new and revised IFRS standards that have been issued but not yet effective

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

A list of the subsidiaries in the Group is provided in Note 17(a).

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and/or
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

When the proportion of the equity held by non-controlling interests changes, the Group adjusts the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the Group. The Group recognises directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attributable to the owners of the parent.

Disclosures of non-controlling interests are included in Notes 17(b).
All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.
A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised in profit or loss in accordance with the IFRS. If the contingent consideration is not within the scope of IFRS 9, it is measured at each reporting date and changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to the cash generating units expected to benefit from the synergies of the business combination. Cash generating units to which goodwill has been allocated are tested for impairment annually. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of the goodwill allocated to the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal.

Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

e) Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The condition is considered to be met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Non-current assets (or disposal groups) are measured at the lower of their carrying amount and fair value less costs to sell,

When the group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

Property, plant and equipment and intangible assets are not depreciated or amortised while they are classified as held for sale. However, interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented separately in the statement of profit or loss.

Additional disclosures are provided in Note 18 (b). All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

f) Translation of foreign currencies

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

f) Translation of foreign currencies (Continued)

ii) Translation of foreign operations

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated into Kenya Shillings using exchange rates prevailing at the end of the reporting period;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised under other comprehensive income and accumulated in a separate heading, translation reserve, in the consolidated statement of changes in equity.

When a foreign operation is sold, the cumulative amount of the exchange differences relating to that foreign entity, recognised in other comprehensive income and accumulated on the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

g) Revenue recognition

The Group recognises revenue from contracts with customers the following major sources:

- Sale of cement and cement products
- From transport services

Transport revenue is the surcharge to customer by the Group and Company for arranging delivery of cement and cement products to the customer.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Sale of cement and cement products

The Group recognizes revenue when it satisfies a performance obligation by transferring promised goods to a customer (which is when the customer obtains control of the goods). The amount of revenue recognized is the amount allocated to the satisfied performance obligation. A performance obligation is satisfied at a point in time, for promises to transfer goods to a customer.

Transport services

The Group recognizes revenue when it satisfies a performance obligation by performing a service to a customer (which is when the customer obtains the benefits of that service). The amount of revenue recognized is the amount allocated to the satisfied performance obligation. A performance obligation is satisfied at a point in time, when the customer obtains control of the service.

Revenue is shown net of value added tax (VAT), returns, rebates and discounts and after eliminating sales within the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

g) Revenue recognition (continued)

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as equity investment, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income

Rental income is recognised when the Group's right to receive the rent payment is established. The Group has residential buildings and sublets some of them to its employees. Rental income is recognised as income on a straight-line basis over the lease term.

Rendering of services

The Group through its subsidiary Lafarge Ecosystems Limited operates a private park and charges entry fees to tourists. Income from rendering of services is recognized when the Group transfers control of a service to a customer.

Rebates

Rebates are given to the customers who meet condition set by the Group and the Company policy. All rebates are paid inform of credit notes and the customer collects cement of equivalent value. Rebates are calculated based on tons or percentage volume depending on the signed agreement.

h) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such a time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

i) Leases

Group as a lessee

Since January 1, 2021, the Group assesses at inception of a contract whether it contains a lease under IFRS 16 and accordingly recognizes a right-of use asset and a lease liability if it meets the definition of a lease, with the exception of short-term leases and leases of low value assets.

The lease liability is measured at commencement date at the present value of the future lease payments, discounted with the interest rate implicit in the lease or, if not readily determinable, with the lessee's respective incremental borrowing rate. Future lease payments include in-substance fixed payments, variable lease payments depending on an index or rate and payments under termination and extension options when these are reflected in the lease term. The lease term comprises the non-cancellable lease term together with the period covered by extension options, if assessed as reasonably certain to be exercised, and termination options, if assessed as reasonably certain not to be exercised. Non-lease components in contracts are separated from lease components and accordingly accounted for in operating profit on a cost incurred basis.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

i) Leases (Continued)

Group as a lessee (continued)

The right-of-use asset is recognized at the commencement date at cost, which includes the amount of the lease liability recognized, any lease payments made at or before the commencement date of the lease, initial direct costs incurred and an estimate of costs to be incurred in dismantling and removing the underlying asset or restoring the asset to the condition agreed with the lessor. Unless the Group is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and lease term. Right-of- use assets are subject to the impairment requirements under IAS 36

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Impairments of assets.

In the event that the tax base of a right-of-use asset is not the same as its carrying amount for IFRS purposes on initial recognition of a lease contract, the Group recognizes the deferred tax impact arising on the temporary difference between the carrying amount of the right-of-use asset and its tax base. The same treatment as above also applies to the initial recognition of the lease liability.

Payments to acquire leasehold interests in land are treated as prepaid operating lease rentals and amortised over the period of the lease. The amortisation is recognised as an operating expense in profit or loss.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Currently, the Group has leased out residential houses and land to employees and third parties. See note 7 on rental income from residential property for more details.

j) Property, plant and equipment

All property, plant and equipment are initially recorded at cost. Freehold land and buildings are subsequently shown at their revalued amounts based on valuations by external independent valuers, less accumulated depreciation and any accumulated impairment losses. Plant and machinery is revalued internally on the basis of a valuation model prescribed by engineers and consultants at the technical centre of the ultimate shareholder. The valuations are carried out once every five years, which is considered by the directors of the Group to be sufficient regularity per IAS 16.

All other property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation.

Each year the difference between depreciation based on the revalued carrying amount of an asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from the asset revaluation reserve to retained earnings.

Depreciation is calculated on the straight line basis to write down the cost of each item of property plant and equipment, or the revalued amount, to its residual value over its expected useful life as follows:

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

j) Property, plant and equipment (Continued)

Asset class	Useful lives	Rates
Land and mineral reserves	Not depreciated	-
Buildings and Installations	20-35 years	5%-3%
Heavy machines and installations	20 - 30 years	5%-3%
Other machines	10 - 20 years	10%-5%
Furniture, vehicles and tools	3-10 years	33%-10%

Further details on useful lives and residual values of property, plant and equipment are given in Note 2, to the financial statements.

Freehold land is not depreciated as it is deemed to have an indefinite useful life and is tested for impairment on an annual basis. The useful life and depreciation rates have been assigned as ranges for disclosure purposes given that numerous significant components in each of the categories have unique useful lives that fall within that range.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Additional disclosures on impairment are in Notes 1(o) and 2, to the financial statements.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition through disposal or retirement of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the asset is derecognised.

The limestone reserve is a finite resource hence amortisation is based on quantity of limestone mined. The amortisation is a rate and this is computed as a ratio of the number of limestone units mined to the total value of limestone units available during the year. The value of limestone units during the year is a product of the ratio of limestone units mined to the total number of units available at acquisition date multiplied by the total value of units available as at that date. The amortisation rate used during the year was Kes 19.5 per tonne mined.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

k) Intangible assets

Computer software costs are stated at cost less accumulated amortisation and any accumulated impairment losses. The costs are amortised over the expected useful lives of the software on the straight line basis. Currently, the estimated useful life is five years.

Computer software is also assessed for impairment whenever there is an indication that the intangible asset may be impaired. Additional disclosures on impairment are included in Notes 1(o) and 2, to the financial statements.

The useful lives of computer software are reviewed at least at the end of each reporting period. Changes in the expected useful lives are considered to modify the amortisation period and are treated as changes in accounting estimates. The amortisation expense on computer software is recognised in profit or loss.

An intangible asset is derecognised when no future economic benefits are expected from its use. The Group's intangible assets are mainly computer software which is not expected to generate any disposal proceeds on de-recognition. The de-recognition of intangible assets would therefore result in a loss which is recognised in profit or loss.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

l) Inventories

Inventories are valued at the lower of cost and net realisable value.

Inventories of consumables and spare parts are stated at the lower of cost and net realisable value. The cost of consumables and spare parts is the weighted average cost less provision for obsolete and slow moving items.

All other inventories are stated at the lower of cost and net realisable value. The cost includes direct cost and appropriate overheads and is determined on the first-in first-out method.

Net realisable value of inventories is the estimated selling price of the inventories in the ordinary course of the Group's business less the estimated costs of completion and the estimated costs necessary to make the sale.

Biofuels inventories

Biofuel comprise of eucalyptus, Casuarina, Cassi siamea and Neem plantations. These are included in inventories as there is a plan to utilise the same in future, upon maturity, as alternative fuel in the clinker production process.

The amounts of biofuels relate to direct operating costs incurred in respect to the on-going bio-fuels project. These costs include those relating to labour, seedlings, transportation and other directly attributable overheads. They are recognised at cost and net realisable value.

m) Tax

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax is provided on the basis of the results for the year, as shown in the financial statements, adjusted in accordance with tax legislation. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised directly in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

m) Tax (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset only when there is a legally enforceable right to set off the current tax assets against current tax liabilities and when they relate to the same entity and the same taxation authority, and the Group intends to settle the tax assets and the tax liabilities on a net basis.

n) Dividends payable

Dividends payable on ordinary shares are charged to retained earnings in the period in which they are declared. Proposed dividends are not accrued for until ratified in an Annual General Meeting.

o) Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.
Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.
All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.
Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

o) Financial instruments (continued)

Financial assets (Continued)

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired (see below). For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

o) Financial instruments(continued)

(i) Amortised cost and effective interest method (Continued)

For purchased or originated credit impaired financial assets, the Group recognises interest income by applying the credit adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

Interest income is recognised in profit or loss and is included in the "finance income – interest income" line item.

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item in profit or loss.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

o) Financial instruments (continued)

Impairment of financial assets (continued)

The Group always recognises lifetime ECL for trade receivables and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

o) Financial instruments(continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk (Continued)

1) The financial instrument has a low risk of default,
2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit impaired financial assets

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

1. Significant financial difficulty of the issuer or the borrower;
2. A breach of contract, such as a default or past due event (see (ii) above);
3. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
4. It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
5. The disappearance of an active market for that financial asset because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

o) Financial instruments(continued)

Impairment of financial assets (continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.
If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

o) Financial instruments(continued)

Derecognition of financial assets (continued)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.
Financial liabilities that arise when a transfer of a financial asset does not qualify for de recognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

p) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, or exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

q) Employee entitlements

Retirement benefits obligations - defined contribution plans

The Group operates a defined contribution pension scheme for eligible employees. The scheme is administered by an independent administration Company and is funded by contributions from the Group companies and employees. These are further discussed under Note 27.

The Group also makes contributions to the statutory defined contribution schemes in the countries where operations are based.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

q) Employee entitlements (continued)

Retirement benefits obligations - defined contribution plans (continued)

The Group's obligations to the staff retirement schemes are charged to profit or loss as they fall due.

Other entitlements

Employee entitlements to long service awards and service gratuity are recognised when they accrue to employees. A provision is made for the estimated liability for long-service awards as a result of services rendered by employees up to the reporting date. These are further discussed under Note 1 (s) – service gratuities, long service awards and leave pay.

Employee entitlements to annual leave are recognised when they expected to be paid to employees. A provision is made for the estimated liability for annual leave at the reporting date. These are further discussed under Note 1 (s) – service gratuities, long service awards and leave pay.

Bonus

An accrual is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, the obligation can be estimated reliably and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

r) Provisions

Site restoration and other environmental provisions

The Group provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future costs. The Group rehabilitates the quarried sites on an annual basis, as and when the quarried sites are disused. Hence no cost of raising a provision before exploitation of the raw materials has commenced is included in property, plant and equipment. The effect of any adjustments to the provision due to further environmental damage as a result of exploitation activities is recorded through operating costs over the life of the site, in order to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

Other provisions

A provision is recognized when a legal or constructive obligation arising from past events exists, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of this amount.

Contingent liabilities. . Contingent liabilities arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. They are accordingly disclosed in the notes to the financial statements.

Contingencies, guarantees, commitments and contingent assets

The Group is exposed to varying degrees of uncertainty related to tax matters and regulatory reviews and audits. The Group accounts for its income taxes on the basis of its own internal analyses, supported by external advice, if appropriate. The Group continually monitors its tax position, and whenever uncertainties arise, the Group assesses the potential consequences and either accrues the liability or discloses a contingent liability in its financial statements, depending on the strength of the Group's position and the resulting risk of loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

s) Service gratuities, long service award, leave pay and termination benefits

The Group provides service gratuity to unionisable staff that retire on attaining the age of 55 years or are declared redundant. These are provided to eligible employees based on each employee's length of service with the Group, as provided for in the collective bargaining agreement. The Group also provides for long service award to staff based on the length of service.

The cost of providing service gratuity and long service awards which are considered as defined benefit plan is determined by a professional actuary using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit in profit or loss as:

- Service costs comprising current service costs are recognised in profit or loss under cost of sales; and
- Net interest expense or income is recognised in profit or loss under cost of sales.

Employee entitlements to annual leave are recognised when they expected to be paid to employees. A provision is made for the estimated liability for annual leave at the reporting date. Service gratuity, long service awards and leave pay provisions are disclosed in Note 27, to the financial statements.

The Group recognises a liability and expense for termination benefits at the earlier of the following dates:

(a) when the Group can no longer withdraw the offer of those benefits; and
(b) when the Group recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

t) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of presentation of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

u) Segment reporting.

Performance of business Segments is reported in line with Group management reporting guidelines and is reviewed by the Executive Committee. The executive Committee makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments (see note 3).

v) Fair value measurement

The Group measures financial instruments such as equity investment at fair value at each reporting date. The Group also measures certain items of property, plant and equipment at fair value. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 39(b), to the financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (CONTINUED)

v) Fair value measurement (continued)

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as freehold land and buildings. Involvement of external valuers is decided upon annually by the Group chief finance officer after discussions with and approval by the Group's audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Group's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Financial risk management Note 37
- Capital risk management Note 38
- Fair value of assets and liabilities Note 39

Significant judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgments that have the most significant effect on the amounts recognised in financial statements.

Supplier finance arrangement

The Group has established a supplier finance arrangement under which its suppliers at their discretion may elect to receive early payment of their invoices from a bank. Under the arrangement, the participating suppliers will receive early payment on invoices sent to the Group from the bank and the group repays the bank at a later date usually on maturity of the invoice. If suppliers choose to receive early payment, they pay a fee to the bank, to which the Group is not party. The principal purpose of this arrangement is to facilitate efficient payment processing and provide the willing suppliers early payment terms, compared with the related invoice payment due date.

The Group has elected to include payable amounts subject to this arrangement within the trade payables because the nature and function of these payables remain the same as those of other trade payables. From a group's perspective, the arrangement does not significantly extend payment terms for participating suppliers beyond those agreed with non -participating suppliers. Additionally, the group does not incur any bank interest on the amounts owing to the suppliers.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Tax provisions

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit that relates to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Further details on income taxes are disclosed in Notes 12, 26 and 30 (d), to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Key sources of estimation uncertainty (continued)

Useful lives and residual values of property, plant and equipment

The Group reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. In reviewing the useful lives of property, plant and equipment, the Group considers the remaining period over which an asset is expected to be available for use by the Group. Management also looks at the number of production or similar units expected to be obtained from the property, plant and equipment. Judgment and assumptions are required in estimating the remaining useful period and estimates of the number of production or similar units expected to be obtained from the property, plant and equipment.

During the financial year, no changes to the useful lives were identified by the Directors. Further details on property, plant and equipment are given in Note 15, to the financial statements.

Impairment losses for non-financial assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

In assessing whether there is any indication that the tangible and intangible assets may be impaired, the Group considers the following indications:

a) there are observable indications that the asset's value has declined during the period significantly more than would be expected as a result of the passage of time or normal use.
b) significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated.
c) market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
d) the carrying amount of the net assets of the entity is more than its market capitalisation.
e) evidence is available of obsolescence or physical damage of an asset.
f) significant changes with an adverse effect on the entity have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.
g) evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

Further details on property, plant and equipment are given in Note 15, to the financial statements and intangible assets in Note 16, to the financial statements.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. Dividends received are the cash flows from the CGU. The Company estimates the dividend expected yearly from each CGU and discounts these using estimated discount rates. In assessing whether there is any indication that the Goodwill is impaired, the Group considers that any observable indications that the CGU's dividends have declined significantly during the period more than would be expected in normal operations of the CGU.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Key sources of estimation uncertainty (continued)

Inventories provisioning and inventories count

Management makes provisions for spares that exceed the set maximum level based on the usage of the inventory by comparing items in stock with the recent past consumption. The maximum level is determined by taking into consideration the lead time, the specified order quantity, the source of the spares and the projected usage rate.

The inventories counts for raw materials – bulk materials including clinker, gypsum, bauxite, pozzolana and bulk cement, are carried out through a survey by an independent surveyor. This surveying process requires judgement and estimation.

Further details on inventories are given in Note 20, to the financial statements.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 39, to the financial statements, for further discussion.

Site restoration

The Group makes full provision for the future cost of rehabilitating its quarry sites and related production facilities on a discounted basis at the time of developing the quarries and installing and using those facilities. On an annual basis, management, with the assistance of technical staff, makes estimations on the adequacy of the site restoration provisions. The provisions are made based on the additional open space, net of rehabilitated areas, arising from quarrying operations that took place in the year. The estimated cost per hectare is then applied to determine this adequacy. The cost per hectare is periodically assessed to factor in inflation.

Site restoration provisions are disclosed in Note 26, to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Key sources of estimation uncertainty (continued)

Post-employment benefits

The cost and the present value of the obligation of the service gratuity, long service awards and other post-employment benefits are determined using actuarial valuations by an independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, the actuary considers the interest rates of the government bond market. The actuary also considers the mean terms of the yield of the bond and the liabilities. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

Further details about service gratuity, long service awards and other post-employment benefits are given in Note 27, to the financial statements.

Contingent liabilities

As disclosed in Note 29 to the financial statements, the Group is exposed to various contingent liabilities in the normal course of business including a number of legal cases. The Directors evaluate the status of these exposures on a regular basis to assess the probability of the Group incurring related liabilities. However, provisions are only made in the financial statements where, based on the Directors' evaluation, a present obligation has been established. Judgement and assumptions are required in:

- assessing the existence of a present obligation (legal or constructive) as a result of a past event;
- assessing the probability that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Estimating the amount of the obligation to be paid out.

Lease liability

In order to make a judgement to determine the term of the lease and the corresponding lease liability, the directors consider any options regarding extension or termination of the lease contract which may be available and whether it is probable that such options will be exercised.

Unless there is an implicit interest rate contained in the lease contract, the discount rate used to calculate the net present value of the lease liability is the group's incremental borrowing rate. This rate is estimated by the directors to be the rate which would be paid by the group to purchase a similar asset.

3. SEGMENT INFORMATION

In accordance with IFRS 8, Operating Segments, the information presented hereafter by operating segment is the same as that reported to the Chief Operating Decision Maker (the Group Chief Executive Officer) for the purposes of making decisions about allocating resources to the segment and assessing its performance.

The Group analyses its organisational structure and internal reporting system for the purpose of identifying suitable segment reporting format for the Group. The Group is organised on a regional basis into two main geographical segments: Kenya and Uganda.

On 14 November 2023, the Group announced the Board's decision to sell Hima Cement Limited, its 70% owned Ugandan subsidiary. On 14 December 2023, the shareholders of the Company approved the plan to sell. The sale of Hima Cement Limited was completed in March 2024.

As at 31 December 2023, Hima Cement Limited was classified as a disposal group held for sale and as a discontinued operation. With the business of Hima Cement Limited representing the entirety of the Group's Uganda segment and having been classified as held for sale and as a discontinued operation, the Uganda segment is no longer presented in the segment note and all Group operations comprise the Kenyan segment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

4. REVENUE

	GROUP 2024 Kes'million	GROUP 2023 Kes'million	COMPANY 2024 Kes'million	COMPANY 2023 Kes'million
Cement (Note 6)	19,653	20,091	20,180	20,487
Concrete products	453	385	-	-
Ready mix	1,043	748	-	-
Other*	78	75	-	-
Transport services	687	728	615	691
Net sales	21,914	22,027	20,795	21,178

The other revenue includes mainly service delivery income from tourism activities earned by Lafarge Eco Systems Limited, a subsidiary of Bamburi Cement Plc.

5. COST OF SALES

	GROUP 2024 Kes'million	GROUP 2023 Kes'million	COMPANY 2024 Kes'million	COMPANY 2023 Kes'million
Distribution costs				
Cost of transport services	1,214	1,928	1,131	1,885
Packaging materials	583	738	573	728
Staff costs (Note 11(b))	244	230	225	225
Diesel	67	76	1	1
Depreciation of property plant and equipment (Note 11 (c))	145	158	141	154
Other distribution expenses	846	807	788	739
Total distribution cost	**3,099**	**3,937**	**2,859**	**3,732**
Production cost of goods sold				
Elimination of cost of sales-intra-group	(569)	(481)	-	-
Cost of finished goods purchased	44	389	44	384
Third party raw materials costs	3,159	3,084	2,171	2,334
Production materials	319	362	294	334
Energy	2,729	2,788	2,729	2,788
Electricity	2,688	2,982	2,671	2,967
Staff costs (Note 11(b))	988	990	896	896
Other production expenses	2,675	2,778	2,608	2,700
Maintenance expenses	780	664	706	627
Changes in inventory	164	77	162	79
Depreciation of property plant and equipment (Note 11 (c))	1,379	1,322	1,356	1,302
Amortisation (Note 11 (c))	2	5	2	5
Total production cost of goods sold	**14,358**	**14,960**	**13,639**	**14,416**
Cost of sales	**17,457**	**18,897**	**16,498**	**18,148**
Cost of goods sold	16,243	16,969	15,367	16,263
Transport service costs	1,214	1,928	1,131	1,885
Cost of sales	**17,457**	**18,897**	**16,498**	**18,148**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

6. REBATES

The Group and the Company offer rebates to the customers who meet the terms and conditions based on the existing rebates policies. The cement revenues are presented net of rebates. During the year the rebates offered by the Group and the Company were as follows:

	GROUP 2024 Kes'million	GROUP 2023 Kes'million	COMPANY 2024 Kes'million	COMPANY 2023 Kes'million
Gross revenue	20,311	20,541	20,838	20,937
Rebates	(658)	(450)	(658)	(450)
Net sales (Note 4)	19,653	20,091	20,180	20,487

7. OTHER INCOME AND FINANCE INCOME/COSTS

	GROUP 2024 Kes'million	GROUP 2023 Kes'million	COMPANY 2024 Kes'million	COMPANY 2023 Kes'million
i) Other income				
Rental and sub- lease income	17	38	17	38
Scrap sales	62	20	62	20
Murram sales	154		154	-
Dividends received from subsidiaries	-	-	6,635	505
Total other income	233	58	6,868	563
ii) Finance income				
Interest income – third parties	252	75	29	38
Interest income - related parties (Note 32(a))	58	14	106	60
Total finance income	310	89	135	98
iii) Finance costs				
Interest payable on borrowings	-	6	-	-
Interest cost on employee benefit liabilities (Note 27)	39	45	37	43
Total finance costs	39	51	37	43

8. OTHER GAINS AND LOSSES

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
(Loss)/gain on disposal of assets	(3)	(116)	(3)	(13)
Foreign exchange losses	(1,727)	(379)	(401)	(377)
Foreign exchange gains	79	305	79	304
Net foreign exchange losses)	(1,648)	(74)	(322)	(73)
Total other gains and losses	**(1,652)**	**(190)**	**(326)**	**(86)**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

9. OPERATING EXPENSES

(i) Marketing and sales expenses

	GROUP 2024 Kes'million	GROUP 2023 Kes'million	COMPANY 2024 Kes'million	COMPANY 2023 Kes'million
Staff costs (note 11(b))	221	222	202	206
Third party services	126	71	119	63
Other marketing and sales expenses	53	16	49	17
Depreciation	11	5	9	5
Total marketing and sales expenses	**411**	**314**	**379**	**291**

(ii) Administration expenses

	GROUP 2024 Kes'million	GROUP 2023 Kes'million	COMPANY 2024 Kes'million	COMPANY 2023 Kes'million
Staff costs (note 11(b))	715	732	688	685
Third party services	164	104	155	92
Other administration expenses	311	268	311	272
Bank charges	11	8	8	8
Depreciation of property, plant and equipment	26	22	25	21
Amortisation of intangible assets	-	1	-	1
Other operating expenses (note 10)	714	469	714	469
Total administration expenses	**1,941**	**1,604**	**1,901**	**1,548**

(iii) Impairment of assets

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
Property, plant and equipment (Note 15(a))	15	27	15	20
Intangible assets (Note 16)	-	6	-	6
	15	33	15	26

10. OTHER OPERATING EXPENSES

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
Technical fees (Note 32 (a))	714	469	714	469

11 (a) PROFIT BEFORE TAX

Profit before tax is arrived at after charging

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
Staff costs (note 11(b))	2,168	2,174	2,011	2,012
Depreciation on property, plant and equipment (note 11(c))	1,561	1,507	1,531	1,482
Amortisation of intangible assets (note 16)	2	6	2	6
Directors' fees (note 32)	20	19	20	19
Auditors' remuneration	14	13	10	10
And after crediting:				
Interest income (note 7)	310	89	135	98
Gain/(loss) on disposal of plant and equipment (note 8)	(4)	(116)	(4)	(13)
Net foreign exchange gains/(losses) (note 8)	(1,648)	(74)	(322)	(73)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

11 (b) STAFF COSTS

	GROUP 2024 Kes'million	GROUP 2023 Kes'million	COMPANY 2024 Kes'million	COMPANY 2023 Kes'million
Salaries and wages	1,102	1,117	1,030	1,025
Retirement benefits costs	133	132	122	122
Staff welfare costs	933	925	859	865
	2,168	2,174	2,011	2,012

Presented as:

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
Cost of sales (note 5)	1,232	1,220	1,121	1,121
-Distribution costs	244	230	225	225
-Production cost of goods sold	988	990	896	896
Administration expenses (note 9ii)	715	732	688	685
Marketing and sales expenses (Note 9(i))	221	222	202	206
	2,168	2,174	2,011	2,012

(c) DEPRECIATION AND AMORTIZATION

Depreciation on property, plant and equipment, amortisation of intangible assets and depreciation of right-of-use assets is presented as follows:

	GROUP 2024 Kes'million	GROUP 2023 Kes'million	COMPANY 2024 Kes'million	COMPANY 2023 Kes'million
Depreciation of property, plant and equipment				
Cost of production				
- Distribution costs	145	158	141	154
- Production cost of goods sold	1,379	1,322	1,356	1,302
Total cost of production (Note 5)	1,524	1,480	1,497	1,456
Marketing and sales expenses (Note 9(i))	11	5	9	5
Administration expenses (Note 9(ii))	26	22	25	21
	1,561	**1,507**	**1,531**	**1,482**
Amortization of intangible assets				
Cost of production (Note 5)	2	5	2	5
Administration expenses (Note 9(ii))	-	1	-	1
	2	**6**	**2**	**6**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

12 TAX

	GROUP 2024 Kes'million	GROUP 2023 Kes'million	COMPANY 2024 Kes'million	COMPANY 2023 Kes'million
(a) Amounts recognized in profit or loss				
Current tax charge/(credit)				
- Current tax based on the adjusted profit at 30%	1,065	717	1,047	704
- Adjustments in respect of current income tax of previous year	87	(27)	87	(27)
	1,152	**690**	**1,134**	**677**
Deferred tax credit charge at 30% (Note 26):				
- current year **	(258)	(295)	(318)	(291)
- Adjustments in respect of deferred tax of previous year	3	(5)	2	(24)
	(255)	**(300)**	**(316)**	**(315)**
Tax charge on continuing operations	**897**	**390**	**818**	**362**
(b) Amounts recognized in other comprehensive income				
Items that will not be reclassified to profit or loss				
- Actuarial gains/(losses) (Note 28)	1	18	1	16
- Adjustments in respect of deferred tax of previous year	-	(141)	-	(141)
	1	(123)	1	(125)
(c) Reconciliation of expected tax based on accounting profit to tax charge:				
Profit before tax on continuing operations	**971**	**1,060**	**8,673**	**1,662**
Tax calculated at the domestic rates applicable*	291	318	2,602	499
Tax effect of expenses not deductible for tax purposes	571	112	118	65
Adjustments in respect of deferred tax of previous year	3	(5)	2	(24)
Recognition of previously derecognized tax losses	(4)	(8)	-	-
Adjustments in respect of current income tax of previous year	87	(27)	87	(27)
Tax effect on income not subject to tax	(51)	-	(1,991)	(151)
Tax (credit)/charge	**897**	**390**	**818**	**(362)**

* The tax rate in Kenya for the year ended 31 December 2024 was 30 % (2023: 30%).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

12. TAX (CONTINUED)

	GROUP 2024 Kes'million	GROUP 2023 Kes'million	COMPANY 2024 Kes'million	COMPANY 2023 Kes'million
(d) Corporate tax (recoverable)/ payable				
At the beginning of the year	(112)	(827)	-	(458)
Tax charge				
- Current tax				
- Continuing operations	1,065	717	1,047	704
- Adjustments in respect of current income tax of previous year	87	(27)	87	(27)
Tax paid	(939)	(259)	(939)	(208)
Withholding tax paid	(15)	(13)	(12)	(11)
Disposal group held for sale	-	297	-	-
At end of the year	(86)	(112)	**183**	**-**
Comprising: *				
Tax payable	(183)	-	183	-
Tax recoverable	97	(112)	-	-

The Company will apply for a refund of the tax overpayment.

13. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the net profit attributable to the ordinary equity holders by the weighted average number of ordinary shares in issue during the year, as shown below.

There were no potentially dilutive shares as at 31 December 2024 and as at 31 December 2023.

	GROUP 2024	GROUP 2023
(Loss)/Profit for the year from continuing operations (Kes million)	(1,260)	670
Profit/(Loss) after tax from discontinued operations attributable to owners of the parent Company (Kes million)	248	(748)
Loss for the year attributable to owners of the parent Company (Kes million)	(1,012)	(78)
Weighted average number of ordinary shares (million)	363	363
Earnings per share; basic and diluted attributable to owners of the company;		
From continuing operations (Kes)	(3.47)	1.85
From discontinued operations (Kes)	0.68	(2.06)
Total basic and diluted earnings per share (Kes)	(2.79)	(0.21)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

14. DIVIDENDS

		GROUP AND COMPANY 2024 Kes'million	2023 Kes'million
(a)	Dividends payable		
	At beginning of year	-	-
	Declared and approved during the year - [Note 14 (b)]	8,610	272
	Dividends claimed/paid in the year	(8,610)	(272)
	At end of year	-	-
(b)	Dividends declared/approved during the year 2024 and 2023:		
	Final dividends for previous year	1,985	272
	Special dividends paid	6,625	-
		8,610	272
(c)	Dividends declared/proposed in respect of the year		
	Proposed for approval at the annual general meeting (not recognised as a liability as at 31 December)	-	1,985
	Dividends per share (based on 363 million shares)	-	5.47

The directors do not recommend payment of a dividend in respect of the year ended 31st December 2024 (2023: Kes 5.47 per ordinary share amounting to Kes 1,985 million) . However, during the year following the conclusion of the sale of the subsidiary Hima Cement Limited, the directors approved payment of a special dividend of Kes 18.25 per share amounting to Kes 6,625 million

Withholding tax payment of dividends is subject to withholding tax at a rate of 10% for non-resident shareholders of the Company and 5% for resident shareholders. For resident owners of the Company, withholding tax is only deductible where the shareholding is below 12.5%.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

15. PROPERTY, PLANT AND EQUIPMENT

a) GROUP

Year ended 31 December 2024

	Land and residential buildings Kes'million	Plant and machinery Kes'million	Office equipment and tools Kes'million	Capital work-in-progress * Kes'million	Total Kes'million
Cost or valuation					
At 1 January 2024	10,489	14,847	2,008	918	28,262
Transfers from capital work-in-progress*	40	565	30	(635)	-
Additions	-	-	-	1,108	1,108
Write off**	-	(6)	(23)	(0)	(29)
Disposals	(18)	-	-	-	(18)
At 31 December 2024	10,511	15,406	2,015	1,391	29,323
Depreciation					
At 1 January 2024	1,409	1,603	1,725	-	4,737
Charge for the year	107	1,389	65	-	1,561
Write off**	-	(6)	(8)	-	(14)
At 31 December 2024	1,516	2,986	1,782	-	6,284
NET CARRYING AMOUNT	8,995	12,420	233	1,391	23,039

* Capital work-in-progress represents costs incurred on ongoing work in respect of additions and replacements to various plants at year-end. Capital work-in-progress is not depreciated until the plants are completed and brought into use

** During the year, management carried out a review of the Group's office equipment and tools to determine assets that were no longer in use for derecognition purposes. This review resulted in the write off of assets whose carrying value was Kes 15 million (2023: Kes 27 million).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

15. PROPERTY, PLANT AND EQUIPMENT

a) GROUP

Year ended 31 December 2023

	Land and residential buildings Kes'million	Plant and machinery Kes'million	Office equipment and tools Kes'million	Capital work-in-progress * Kes'million	Total Kes'million
Cost or valuation					
At 1 January 2023	14,836	37,096	2,630	1,513	56,075
Transfers from capital work-in-progress*	91	753	92	(936)	-
Additions	-	1	-	1,086	1,087
Write off**	-	(473)	(15)	(4)	(492)
Disposals	(394)	-	-	-	(394)
Disposal group's assets held for sale	(4,044)	(22,530)	(699)	(741)	(28,014)
At 31 December 2023	10,489	14,847	2,008	918	28,262
Depreciation					
At 1 January 2023	3,312	11,294	2,062	-	16,668
Charge for the year	95	1,358	54	-	1,507
Write off**	-	(455)	(10)	-	(465)
Disposal group's assets held for sale	(1,998)	(10,594)	(381)	-	(12,973)
At 31 December 2023	1,409	1,603	1,725	-	4,737
NET CARRYING AMOUNT	**9,080**	**13,244**	**283**	**918**	**23,525**

* Capital work-in-progress represents costs incurred on ongoing work in respect of additions and replacements to various plants at year-end. Capital work-in-progress is not depreciated until the plants are completed and brought into use.

** During the year, management carried out a review of the Group's plant and machinery, office equipment and tools to determine assets that were no longer in use for derecognition purposes. This review resulted in the write off of assets whose carrying value was Kes 27 million (2022: Kes 85 million).

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

b) COMPANY

Year ended 31 December 2024

	Land and residential buildings Kes'million	Plant and machinery Kes'million	Office equipment and tools Kes'million	Capital-work-in-progress Kes'million	Total Kes'million
Cost or valuation					
As at 1 January 2024	10,096	14,401	1,728	873	27,098
Disposal	(18)	-	-	-	(18)
Transfers from CWIP*	28	565	27	(620)	-
Additions	-	-	-	1,058	1,058
Write off**	-	(6)	(23)	-	(29)
At 31 December 2024	10,106	14,960	1,732	1,311	28,109
Depreciation					
As at 1 January 2024	1,347	1,350	1,502	-	4,199
Write off**	-	(6)	(8)	-	(14)
Charge for the year	102	1,374	56	-	1,531
At 31 December 2024	1,449	2,724	1,544	-	5,716
Net carrying amount					
At 31 December 2024	8,657	12,236	188	1,311	22,392

Year ended 31 December 2023

	Land and residential buildings Kes'million	Plant and machinery Kes'million	Office equipment and tools Kes'million	Capital-work-in-progress Kes'million	Total Kes'million
Cost or valuation					
As at 1 January 2023	10,073	14,164	1,681	665	26,583
Disposal	(68)	-	-	-	(68)
Transfers from CWIP*	91	708	53	(852)	-
Additions	-	-	-	1,064	1,064
Write off**	-	(471)	(6)	(4)	(481)
At 31 December 2023	10,096	14,401	1,728	873	27,098
Depreciation					
As at 1 January 2023	1,257	460	1,461	-	3,178
Write off**	-	(455)	(6)	-	(461)
Charge for the year	90	1,345	47	-	1,482
At 31 December 2023	1,347	1,350	1,502	-	4,199
Net carrying amount					
At 31 December 2023	8,749	13,051	226	873	22,899

* Capital work-in-progress (CWIP) represents costs incurred on ongoing work in respect of additions and replacements to various plants at year-end. Capital work-in-progress is not depreciated until the plants are completed and brought into use.

** During the year, management carried out a review of the Company's property, plant and equipment. This review resulted in the write off of assets whose carrying value was Kes 15 million (2023 -Kes 20 million).

*** This transfer relates to the cost and accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

c) OTHER DISCLOSURES

If the re-valued property, plant and equipment were stated on the historical cost basis, the amounts would be as follows:

	GROUP		COMPANY	
	2024 Kes' Millions	**2023 Kes' Millions**	**2024 Kes' Millions**	**2023 Kes 'Millions**
COST				
Land	643	643	638	638
Buildings and installations	2,855	2,833	2,607	2,506
Plant and machinery	16,179	15,614	15,758	14,546
TOTAL	**19,677**	**19,090**	**19,002**	**17,690**
ACCUMULATED DEPRECIATION				
Land	(1)	(1)	(1)	(1)
Buildings and installations	(1,121)	(1,024)	(999)	(826)
Plant and machinery	(9,684)	(9,161)	(9,456)	(8,489)
TOTAL	**(10,806)**	**(10,186)**	**(10,456)**	**(9,316)**
Net carrying amount	**8,871**	**8,904**	**8,547**	**8,373**

The Group's and the Company's land, buildings, plant, and machinery are revalued at a 5 year interval. Land and residential buildings are revalued on the basis of open market value by independent valuers while plant and machinery are re-valued on a depreciated replacement cost basis using a valuation model prescribed by engineers and consultants at the technical centre of the ultimate shareholder.

The previous revaluation for the Company's land, buildings, plant and machinery was done in **2022**.

d) IMPACT OF THE ENACTMENT OF THE LAND REGISTRATION ACT NO. 3 2012 ON THE COMPANY'S LAND HOLDING STATUS

The current Kenyan Constitution, enacted on 27 August 2010, introduced significant changes in the rules for landholding by non-citizens. The Constitution no longer allows foreigners and foreign bodies to own freehold land and leasehold land in excess of 99 years. Freehold land and leasehold land of more than 99 years tenure owned by foreigners and foreign bodies automatically becomes 99 year leases upon enactment of the required legislation under Articles 65(4) of the constitution. These changes in the landholding rules took effect on 2 May 2012 upon the enactment of the Land Registration Act No. 3 of 2012.

As per the definition of Articles 65(3) of the constitution, the Company is a non-citizen and hence the status of its freehold land changes to 99 years lease.

The Company is waiting for the National Land Commission to issue guidelines that will operationalise the provisions of the constitution and the revised land laws. The Company will continue to reassess the impact of the revised land laws to the financial statements as the guidelines are issued.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

16. (a) INTANGIBLE ASSETS – COMPUTER SOFTWARE

	GROUP		COMPANY	
Cost	**2024 Kes'million**	2023 Kes'million	2024 Kes'million	2023 Kes'million
At 1 January	610	824	610	610
Disposal groups' assets held for sale	-	(214)	-	-
Transfer from CIP	-	6	-	6
Retirement	-	(6)	-	(6)
At 31 December	610	610	610	610
Amortisation				
At 1 January	598	800	598	592
Disposal groups' asset held for sale	-	(208)	-	
Charge for the year	2	6	2	6
At 31 December	600	598	600	598
Net carrying amount	10	12	10	12

16. (b) PREPAID OPERATING LEASE RENTALS

	GROUP		COMPANY	
	2024 Kes'million		**2024 Kes'million**	2023 Kes'million
Cost				
At 1 January	-	231	-	-
Translation gains *	-	-	-	-
Disposal group's asset held for sale	-	(231)	-	-
At 31 December	-	-	-	-
Amortisation				
At 1 January	-	121	-	-
Translation loss*	-	-	-	-
Charge for the year	-	-	-	-
Disposal group's assets held for sale	-	(121)	-	-
	-	-	-	-
Net carrying amount At 31 December	-	-	-	-

Net carrying amount of KShs 110 million had been classified under disposal group as at 31 December 2023, Note 17 (b) to the financial statements.

The operating lease prepayments represent rentals paid by a subsidiary, Hima Cement Limited, in Uganda for parcels of leasehold land. The lease rentals are paid in full at the inception of the lease and the company amortises the amount over the lease period on a straight-line basis. As at 31 December 2023 the prepaid operating leases were classified as assets held for sale.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

16.(c) RIGHT OF USE ASSETS - GROUP

	Land Kes'million	Buildings Kes'million	Machinery and equipment Kes'million	Furniture and equipment Kes'million	Motor vehicles Kes'million	Total Kes'million
Year ended 31 December 2023						
COST						
As at 1 January 2023	-	67	14	70	1,356	1,507
Additions	-	-	-	-	-	-
Eliminations on termination	-	-	-	-	-	-
Disposal groups' assets held for sale	-	(67)	(14)	(70)	(1,356)	(1,507)
As 31 December 2023	-	-	-	-	-	-
DEPRECIATION						
As at 1 January 2023	-	59	14	66	647	786
Charge for the year	-	-	-	-	-	-
Eliminations on termination	-	-	-	-	-	-
Disposal groups' assets held for sale	-	(59)	(14)	(66)	(647)	(786)
Net assets classified as held for sale	-	8	-	4	709	721
As 31 December 2023	-	-	-	-	-	-
NET CARRYING VALUE						
At 31 December 2023	-	-	-	-	-	-

The right of use assets were held by a subsidiary, Hima Cement Limited, in Uganda. As at 31 December 2023 they were classified as assets held for sale.

16 (d) LIMESTONE RESERVES

	GROUP		COMPANY	
Cost	**2024 Kes'million**	2023 Kes'million	2024 Kes'million	2023 Kes'million
At 1 January	-	807	-	-
Translation gains	-	-	-	-
Disposal groups' asset held for sale	-	(807)	-	-
At 31 December	-	-	-	-
Amortisation				
At 1 January	-	182	-	-
Charge for the year	-	-	-	-
Translation gains	-	-	-	-
Asset held for sale	-	(182)	-	-
At 31 December	-	-	-	-
Net asset held for sale (Note 18(b))	-	625	-	-
Net carrying amount	-	-	-	-

The limestone reserves were held by a subsidiary, Hima Cement Limited, in Uganda. As at 31 December 2023 they were classified as assets held for sale.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

17. INVESTMENTS IN SUBSIDIARIES

a) Information about subsidiaries

The financial statements of the Company include investments in subsidiaries as below.

These investments are unquoted and held at cost less accumulated impairment loss.

	Principal place of business	Holding %	COMPANY 2024 Kes'million	COMPANY 2023 Kes'million
Bamburi Special Products Limited	Kenya	100	20	20
Bamburi Cement Plc, Uganda*	Uganda	100	-	-
Himcem Holdings Limited	Channel Islands	100	911	911
Lafarge Eco Systems Limited	Kenya	100	130	130
Less: Provision for impairment loss in value of investment in Lafarge Eco Systems Limited	Kenya		(91)	(91)
Diani Estate Limited	Kenya	100	839	839
Binastore Limited	Kenya	100	100	100
Less: Provision for impairment loss in value of investment in Binastore Limited	Kenya		(100)	(100)
Kenya Cement Marketing Limited*	Kenya	50	-	-
Portland Mines Limited*	Kenya	50	-	-
			1,809	1,809

In the year 2023, the directors of the company made a decision to sell their shareholding in Himcem Holdings Limited had a 70% holding in its subsidiary, Hima Cement Limited, a Company incorporated in Uganda. The transaction was completed in March 2024. Disclosures have been in Note 18 (b), below.

* The amount of investments for Kenya Cement Marketing Limited, Bamburi Cement Plc - Uganda and Portland Mines Limited is below Kes 1,000,000.

Movement in the diminution of investments	**2024 Kes' million**	2023 Kes' million
At beginning of year	1,809	1,809
Movement in the year	-	-
At end of year	**1,809**	**1,809**

In the year 2019, management reviewed the cost of investment versus the net assets of Lafarge Eco Systems Limited and Binastore Limited and this led to write down of the cost of investment to the subsidiary's net asset value.

Both entities are not separate cash generating units from the parent company, Lafarge Eco Systems Limited was set up to undertake quarry rehabilitation on behalf of the parent while Binastore Limited's principal activity is to promote the distribution of parent company's products. The parent company finances the operations of the two entities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

17. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

b) Discontinued operations

On 14 November 2023, the group entered into a sale agreement to dispose of its subsidiary Hima Cement limited, which carried out all of the group's Uganda operations. On 14 December 2023, the shareholders of the Company approved the plan at an Extraordinary General Meeting. The associated net assets were subsequently presented as disposal group held for sale in the 2023 financial statements.

The sale was completed on 1st March 2024, and is reported in the current period as a discontinued operation. Financial information relating to the discontinued operations for the period to the date of disposal is set out below

(i) Results of discontinued operations

	2024 Kes' million	2023 Kes' million
Revenue	4,151	23,225
Expenses	(3,796)	(23,427)
Loss before tax	355	(202)
Tax charge	-	(867)
Profit/(Loss) after tax from discontinued operations	355	(1,069)
Other comprehensive income		
Revaluation gains from property and plant of the discontinued operations	-	731
Exchange differences on translation of discontinued operations	(1,457)	3,042
Net other comprehensive income from discontinued operations	(1,457)	3,773
Total comprehensive income from discontinued operations	(1,102)	2,704
Earnings per share: Basic and diluted from discontinued operations	0.68	(2.06)

(ii) Cash flows from (used in) discontinued operations

	2024	2023
Net cash inflow from operating activities	(941)	2,107
Net cash (outflow) from investment activities	128	(670)
Net cash (outflow) from financing activities	(88)	(1,108)
Net increase in cash generated from discontinued operations	(901)	329

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

17. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

b) Discontinued operations (Continued)

(ii) Details of the sale of the subsidiary

	2024 Kes' million	2023 Kes' million
Net consideration received	10,216	-
Carrying amount of net assets sold	(9,589)	-
Gain on sale before income tax	627	-
Reclassification of foreign currency translation reserve	635	-
Capital gain tax	(2,596)	-
Loss on sale after income tax	(1,334)	-

The carrying amounts of assets and liabilities of Hima Cement Limited as at the date of the sale (28th February 2024) were:

	2024 Kes' million	2023 Kes' million
Property, plant and equipment	16,519	-
Prepaid operating lease rentals	120	-
Right-of-use assets	985	-
Intangible assets	6	-
Limestone reserves	959	-
Inventories	3,205	-
Trade and other receivables	1,941	-
Cash and cash equivalents	1,188	-
Goodwill	217	-
Asset held for sale	25,140	-
Deferred tax liability	3,531	-
Provisions	249	-
Long term borrowings	2,941	-
Lease liabilities	1,019	-
Trade and other payables	3,702	-
Liabilities directly associated with asset held for sale	11,442	-
Net assets directly associated with disposal group	13,698	-
70% attributable to the shareholders (Note 17(b)(ii))	9,589	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

17. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(iii) Disposal group held for sale

The major classes of assets and liabilities of Hima Cement Limited classified as held for sale as at 31 December 2024 were, as follows:	2024 Kes' million	2023 Kes' million
Property, plant and equipment	-	18,994
Prepaid operating lease rentals	-	124
Right-of-use assets	-	955
Intangible assets	-	7
Limestone reserves	-	1,035
Inventories	-	2,936
Trade and other receivables	-	1,878
Cash and cash equivalents	-	2,293
Goodwill	-	217
Asset held for sale	-	28,439
Liabilities		
Deferred tax liability	-	3,802
Provisions	-	515
Long term borrowings	-	3,125
Lease liabilities	-	1,008
Trade and other payables	-	4,585
Liabilities directly associated with asset held for sale	-	13,035
Net assets directly associated with disposal group	-	15,404

The cumulative foreign exchange gains recognized in other comprehensive income in relation to the discontinued operations as at 31 December 2023 were Kes 1,655million.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

18. EQUITY INVESTMENTS – FVTOCI

These represent investments in Equity instruments designated as at FVTOCI which are carried at fair value.

The Company has classified equity investments at FVTOCI as this instruments are held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset meet the SPPI test.

a) Movement in the equity investments

	GROUP AND COMPANY	
The East African Portland Cement Plc	2024 Kes'million	2023 Kes'million
At 1 January	90	77
Fair value gain/(loss) (Note 18(b))	255	13
At 31 December	345	90
Total equity investment as at 31 December (Note 39)	345	90

b) Analysis of the equity investments

	Number of shares			Valuation			
Quoted investments	At 1.1.2024 units	Additions/ (disposals) units	At 31.12.2024 units	At 1.1.2024 Kes' million	Additions/ (disposals) Kes' Million	Increase/ (decrease) in market value Kes' million	At 31.12.2024 Kes' million
The East African Portland Cement Plc	11,265,068	-	11,265,068	90	-	255	345

	Number of shares			Valuation			
Quoted investments	At 1.1.2023 units	Additions/ (disposals) units	At 31.12.2023 units	At 1.1.2023 Kes' million	Additions/ (disposals) Kes' Million	Increase/ (decrease) in market value Kes' million	At 31.12.2023 Kes' million
The East African Portland Cement Plc	11,265,068	-	11,265,068	77	-	13	90

19. GOODWILL

	GROUP	
	2024 Kes'million	2023 Kes'million
At beginning and end of the year	-	217
Disposal group's asset held for sale (Note 17 (b))	-	(217)
At end of the year	-	-

The goodwill amounting to Kes 217 million arose from the acquisition of a subsidiary, Himcem Holdings Limited, in 1999. Himcem is the majority owner of the Group's operating Company in Uganda, Hima Cement Limited. The whole amount has been allocated to the subsidiary, which the Group considers as a cash generating unit (CGU). Determination of goodwill impairment involves an estimation of the value in use of the cash-generating unit to which goodwill has been allocated.

Following the director's decision to sell their shareholding in Hima Cement Limited on 14 November 2023 and subsequent classification of the subsidiary as a disposal group held for sale and discontinued operation, the goodwill was reclassified as an asset held for sale as at the reporting date. The disposal was concluded in February 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

20. INVENTORIES

	GROUP		COMPANY	
	2024 Kes'million	2023 Kes'million	2024 Kes'million	2023 Kes'million
Raw materials	216	376	197	359
Semi-finished and finished products	650	622	592	564
Fuels*	320	1,080	320	1,080
Parts and supplies	1,743	1,616	1,660	1,541
Provision for obsolete inventory (parts and supplies)	(535)	(450)	(517)	(430)
Parts and supplies net of provision	1,208	1,166	1,143	1,111
	2,394	3,244	2,252	3,114

* Biofuels disclosed under note 33 forms part of the Fuels disclosed above. For the purposes of statement of cashflows, impairment on biofuels (Note 33) is added back and therefore not included in the working capital movements.

(b) Movement in provision of obsolete inventory

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
At beginning of year	450	902	430	379
Additions	87	51	87	51
Utlization	(2)	(3)	-	-
Disposal groups' asset held for sale	-	(500)	-	-
At end of year	535	450	517	430

During the year, Kes 3,697 million (2023: Kes 6,700 million) and Kes 3,244 million (2023: Kes 5,917 million), for the Group and the Company, respectively, was recognised as an expense for consumables under inventories. This is recognised in the cost of sales.

21.TRADE AND OTHER RECEIVABLES

(a) Analysis of trade and other receivables:

	GROUP		COMPANY	
	2024 Kes'million	2023 Kes'million	2024 Kes'million	2023 Kes'million
Trade receivables	977	997	925	919
Other receivables*	921	644	544	569
Impairment losses on financial assets	(152)	(456)	(127)	(282)
Net trade and other receivables	1,746	1,185	1,342	1,206
Prepayments	126	106	118	97
Receivables from related companies [Note 32 (b)]	-	83	785	683
	1,872	1,374	2,245	1,986

The other receivables include advances to staff, insurance recoverable and accrued interest.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

21. TRADE AND OTHER RECEIVABLES

(b)Movement in impairment losses on financial asset

	GROUP		COMPANY	
	2024 Kes'million	2023 Kes'million	2024 Kes'million	2023 Kes'million
At beginning of year	456	683	282	247
Bad debts written off	(275)	-	(124)	-
Charged to profit/loss:				
Recoveries/(reversals)	(53)	(17)	(53)	-
Increase in impairment losses	24	42	22	35
Total charged to profit/loss	(29)	25	(31)	35
Disposal group's asset held for sale	-	(251)	-	-
At end of year	152	456	127	282

The average credit period on sales of finished goods is 30 days. The bulk of the trade receivables are covered by bank guarantees in favour of the Group and the Company. Before accepting any new customer, the Group and the Company uses a credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed quarterly.

In determining the recoverability of a trade receivable, the Group and the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

Other receivables and receivables from related companies are all performing and no impairment losses have been recognised for them. Additional disclosures for credit risk management are in Note 37 (ii)).

22. CASH AND CASH EQUIVALENTS

(a) Analysis of cash and cash equivalents:

	GROUP		COMPANY	
	2024 Kes'million	2023 Kes'million	2024 Kes'million	2023 Kes'million
Cash at bank and on hand	4,667	3,846	4,402	3,693
Short term deposits (Note 23(d))	582	526	-	-
	5,249	4,372	4,402	3,693

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

22. CASH AND CASH EQUIVALENTS (CONTINUED)

(b) Reconciliation to statements of cash flows

For the purposes of the statements of cash flows, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand and deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Analysis of cash and cash equivalents is as set out below:

	GROUP		COMPANY	
	2024 Kes'million	2023 Kes'million	**2024 Kes'million**	2023 Kes'million
Bank and cash balances: - note 23(a)	5,249	4,372	4,402	3,693
Balances per statement of cash flows*	5,249	4,372	4,402	3,693

(d) Short term deposits

	GROUP		COMPANY	
	2024 Kes'million	2023 Kes'million	2024 Kes'million	2023 Kes'million
Short term financial deposit	1,610	-	1,610	-
Call deposits at amortized cost	526	526	-	-

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The weighted average interest rates earned on the cash deposited with local banks during the year were as shown below:

	GROUP		COMPANY	
	2024	2023	**2024**	2023
Local currencies	11%	12%	-	-
Foreign currencies	-	5.05%		

During the year the company invested a USD denominated Short Term Deposit with Lafarge Holcim International Finance Ltd, a former related party by virtue of common shareholding and/or directorship. The deposit attracted interest of 3-months USD SIFOR plus margin of 0.03% and was fixed quarterly in advance. Interest earned from the deposit in the year amounted to Kes 58 million (2023: Kes 14million)

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

23. SHARE CAPITAL

	GROUP AND COMPANY	
	2024 Kes'million	2023 Kes'million
Authorised		
366,600,000 ordinary shares of Kes 5 each	1,833	1,833
100,000, 7% redeemable cumulative preference shares of Kes 20 each	2	2
	1,835	1,835
Issued and fully paid		
362,959,275 ordinary shares of Kes 5 each	1,815	1,815

Fully paid ordinary shares, which have a par value of Kes 5 each, carry a right of one vote per share and have rights to dividends.

24. RESERVES

a) Asset revaluation reserve

The revaluation reserve is used to record increases in the fair value of property, plant and equipment and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity. An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued amount of the asset and depreciation based on the asset original cost. When revalued assets are sold, the portion of the revaluation reserve that relates to those assets is effectively realised and transferred directly to retained earnings. The revaluation reserve is not distributable.

b) Translation reserve

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currency to the Group's presentation currency (Kenya shillings) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on disposal or partial disposal of a foreign operation.

c) Fair value reserve

The fair value reserve represents accumulated gains and losses arising on the revaluation of equity instruments designated at FVTOCI. The cumulative gain or losses is not to be reclassified to profit or loss when those assets have been disposed of or determined to be impaired instead its transferred to retained earnings

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

25. DEFERRED TAX LIABILITY

Deferred taxes are calculated on all temporary differences under the liability method using a principal tax rate of 30% (2023: 30%). The make-up of the deferred tax liability at the year-end and the movement on the deferred tax account during the year are as presented below:

GROUP	At 1 January 2024 Kes'million	Profit or (loss) (note 12(a)) Kes'million	Other comprehensive income (note 12(a)) Kes'million	At 31 December 2024 Kes'million
Property, plant and equipment	3,747	(201)	-	3,546
Provision for site restoration and litigation costs	(30)	(3)	-	(33)
Bonus payable	(103)	(6)	-	(109)
Foreign exchange (losses) / gains	(78)	(1)	-	(79)
Provision for staff gratuity, long service awards and leave	(107)	6	1	(101)
Provision for obsolete and slow moving inventories	(152)	(30)	-	(182)
Impairment losses on financial assets	(135)	92	-	(43)
Provision for customer rebates	(12)	(15)	-	(27)
Tax losses	(71)	12	-	(59)
Provision for biofuel	-	(95)	-	(95)
Other provisions	(8)	(14)	-	(22)
	3,051	(255)	1	2,796

GROUP	At 1 January 2023 Kes'million	Profit or (loss) (note 12(a)) Kes'million	Other comprehensive income (note 12(a)) Kes'million	Liabilities associated with disposal group's assets held for sale Kes'million	At 31 December 2023 Kes'million
Property, plant and equipment	7,578	(180)	(141)	(3,510)	3,747
Provision for site restoration and litigation costs	(118)	16	-	72	(30)
Bonus payable	(73)	(36)	-	6	(103)
Foreign exchange (losses) / gains	14	(115)	-	23	(78)
Provision for staff gratuity, long service awards and leave	(146)	1	18	20	(107)
Provision for obsolete and slow moving inventories	(350)	(15)	-	213	(152)
Impairment losses on financial assets	(203)	(7)	-	75	(135)
Provision for customer rebates	(69)	33	-	24	(12)
Tax losses	(94)	8	-	15	(71)
Lease liabilities - IFRS 16	2		-	(2)	-
Disallowed interest	(102)		-	102	-
Other provisions	(2)	(5)	-	(1)	(8)
	6,437	(300)	(123)	(2,963)	3,051

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

25. DEFERRED TAX LIABILITY (CONTINUED)

COMPANY

	At 1 January 2024 Kes'million	Profit or loss (note 12 (a)) Kes'million	Other comprehensive income Kes'million	At 31 December 2024 Kes'million
Property, plant and equipment	3,669	(200)	-	3,469
Provision for site restoration and litigation costs	(30)	(3)	-	(33)
Bonus payable	(98)	(6)		(104)
Foreign exchange (losses) / gains	(78)	(1)	-	(79)
Provision for staff gratuity, long service awards and leave	(103)	2	1	(100)
Provision for obsolete and slow moving inventories	(152)	(25)	-	(177)
Impairment losses on financial assets	(84)	46		(38)
Provision for customer rebates	(12)	(15)	-	(27)
Provision for biofuels	-	(95)		(95)
Other provisions	(3)	(19)	-	(22)
	3,109	**(316)**	**1**	**2,794**

COMPANY

	At 1 January 2023 Kes'million	Profit or loss (note 12 (a)) Kes'million	Other comprehensive income Kes'million	At 31 December 2023 Kes'million
Property, plant and equipment	3,995	(185)	(141)	3,669
Provision for site restoration and litigation costs	(45)	15	-	(30)
Bonus payable	(61)	(37)		(98)
Foreign exchange (losses) / gains	37	(115)	-	(78)
Provision for staff gratuity, long service awards and leave	(121)	2	16	(103)
Provision for obsolete and slow moving inventories	(137)	(15)	-	(152)
Impairment losses on financial assets	(74)	(10)		(84)
Provision for customer rebates	(45)	33	-	(12)
Other provisions	-	(3)	-	(3)
	3,549	**(315)**	**(125)**	**3,109**

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2024

26. PROVISIONS

Year ended 31 December 2024

GROUP	Site restoration and litigation Kes' million	Leave pay Kes' million	Total Kes' million
At beginning of year	115	55	170
Additional provisions	70	18	88
Utilised during the year	(4)	(2)	(6)
At end of year	**181**	**71**	**252**
Categorised as:			
Current portion	17	71	88
Non-current portion	164	-	164
At end of year	181	71	252
COMPANY			
At beginning of year	115	53	168
Additional provisions	70	17	87
Utilised during the year	(4)	(1)	(5)
At end of year	**181**	**69**	**250**
Categorised as:			
Current portion	18	69	87
Non-current portion	163	-	163
At end of year	181	69	250

Year ended 31 December 2023

GROUP	Site restoration and litigation Kes' million	Leave pay Kes' million	Total Kes' million
At beginning of year	521	82	603
Additional provisions	18	18	36
Utilised during the year	(202)	(9)	(211)
Reversals	(27)	-	(27)
Liabilities associated with asset held for sale	(195)	(36)	(231)
At end of year	**115**	**55**	**170**
Categorised as:			
Current portion	29	55	84
Non-current portion	86	-	86
At end of year	115	55	170
COMPANY			
At beginning of year	326	43	369
Additional provisions	18	18	36
Reversals	(27)	-	(27)
Utilised during the year	(202)	(8)	(210)
At end of year	**115**	**53**	**168**
Categorised as:			
Current portion	29	53	82
Non-current portion	86	-	86
At end of year	115	53	168

The provision for site restoration and litigation relates to future outflows that will be required to settle related liabilities.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2024

26. PROVISIONS (CONTINUED)

The Group makes full provision for the future cost of rehabilitating its quarry sites and related production facilities on a discounted basis at the time of developing the quarries and installing and using the facilities. The site restoration provision represents the present value of rehabilitation costs relating to quarry sites. These provisions have been created based on the Group's internal estimates and assumptions based on the current economic environment, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions.

The actual restoration costs will depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. The timing of the rehabilitation is likely to depend on when the quarries cease to produce at economically viable rates. This, in turn, will depend upon future material prices, which are inherently uncertain.

The amount of litigation provisions made is based on the Group's assessment of the basis for the claims and the level of risk on a case-by-case basis. The provision depends on the Group's assessment of the stage of the proceedings and the arguments in its defence. The occurrence of events during proceedings may lead to a reappraisal of the risk at any time.

Leave pay relates to employee benefits in the form of annual leave entitlements provided for when they accrue to employees with reference to services rendered up to the reporting date. Employees are entitled to carry forward a maximum of 10 leave working days per annum which should be fully utilised by the end of the following year.

27. EMPLOYEE BENEFIT LIABILITIES

Service gratuity and long service awards

The provisions for service gratuity and long service awards represent entitlements that accrue as a result of services offered by employees. These are classified as defined benefit plans and are not funded. The cost and the present value of the obligation of the service gratuity and long service awards are determined using actuarial valuations by an independent actuarial valuer.

The following table summarises the components of net benefit expense recognised in the statement of profit or loss and other comprehensive income and the amounts recognised in the statement of financial position for the respective plans:

Year ended 31 December 2024

	Group			Company		
	Long service award Kes'million	Gratuity Kes'million	Total Kes'million	Long service award Kes'million	Gratuity Kes'million	Total Kes'million
Opening employee benefit obligation	17	274	291	16	263	279
Current service cost- charged to profit or loss	2	8	10	2	7	9
Benefits payments	(3)	(61)	(64)	(3)	(57)	(60)
Interest cost - charged to profit or loss	3	36	39	3	34	37
Actuarial gain - credited to other comprehensive income	(6)	3	(3)	(6)	3	(3)
Closing employee benefit obligation	13	260	273	12	250	262
Categorised as:						
Current portion	2	106	109	2	104	106
Non-current portion	11	154	164	10	146	156
Total	13	260	273	12	250	262

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2024

27. EMPLOYEES' DEFINED BENEFIT LIABILITIES (CONTINUED)

Year ended 31 December 2023

	Group			Company		
	Long service award Kes'million	Gratuity Kes'million	Total Kes'million	Long service award Kes'million	Gratuity Kes'million	Total Kes'million
Opening employee benefit obligation	37	367	404	20	342	362
Current service cost- charged to profit or loss	2	15	17	2	14	16
Benefits payments	(4)	(87)	(91)	(4)	(85)	(89)
Interest cost - charged to profit or loss	2	43	45	2	41	43
Actuarial gain - credited to other comprehensive income	(4)	(57)	(61)	(4)	(49)	(53)
Liabilities associated with asset held for sale	(16)	(7)	(23)	-	-	-
Closing employee benefit obligation	17	274	291	16	263	279
Categorised as:						
Current portion	5	84	89	4	81	85
Non-current portion	12	190	202	12	182	194
Total	17	274	291	16	263	279

The principal actuarial and financial assumptions used in determining service gratuity and long service awards obligations for the Group's plans are shown below:

	2024 %	2023 %
Interest rate	16.9%	18.8%
Future salary increases	10.9%	10.9%
Long service award escalation rate	9.6%	9.6%

Mortality rate

The actuary uses actives' mortality A49-52 ultimate and pensioners' mortality A55 as the base tables of standard mortality rates. Statistical methods are used to adjust the rates reflected on the base table based on the Company's experience of improvement or worsening of mortality.

Sensitivity of the Results:

The results of the actuarial valuation will be more sensitive to changes in the financial assumption than changes in the demographic assumptions. In preparing the sensitivity analysis of the results to the discount rate used, the actuaries have relied on the calculations of the duration of the liability.

Based on this methodology, the results of the sensitivity analysis are summarised in the table below:

A quantitative sensitivity analysis for significant assumption as at 31 December 2024 is as shown below: *

GROUP	Interest rate		Salary escalation rate		Termination rate	
	+0.5% Kes'million	-0.5% Kes'million	+0.5% Kes'million	-0.5% Kes'million	+0.5% Kes'million	-0.5% Kes'million
Gratuity	259	261	261	259	261	261
Long service awards	13	13	13	12	12	13
Total	272	274	274	271	273	274

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2024

27. EMPLOYEES' DEFINED BENEFIT LIABILITIES (CONTINUED)

Other disclosures (Continued)

Sensitivity of the Results (continued)

Since the bulk of the benefits payable under the Scheme are salary related, the sensitivity of the liability to a change in the salary escalation assumption is not expected to be materially different. However, the impact of a change in salary escalation is expected to be less than the impact of a change in the discount rate as a portion of the liabilities (for example the liability in respect of pensions in payment and deferred pensioners) would not be affected by a change in the salary escalation rate.

Characteristics and Risks of the Scheme:

The Scheme is of a defined benefit nature (i.e., salary and service related). Therefore, one of the main risks relating to the benefits under the Scheme is the rate of salary growth. As the benefits are based on the final salary, any changes in salary that differ from the salary escalation rate assumed will have a direct bearing on the benefits paid and the present value of the benefit obligation under the scheme. The Group's experience with respect to pre-retirement exit experience, actual ages of retirement and mortality will also impact the benefits payable under the Scheme, when compared with the assumption made. The Scheme is registered under irrevocable trust with the Retirement Benefits Authority.

Discount rate

IAS 19 requires the discount rate to be determined by reference to the market yields, on the reporting date, on high quality corporate bonds, or in the countries where there is no deep market in such bonds, the market yields on government bonds. The currency and term of the corporate or government bonds should be consistent with the currency and estimated term of the post- employment benefit obligation. In the absence of a deep and liquid market in such long dated securities in Kenya, a discount rate as at 31 December 2024 of 16.9% (2023 18.8%) per annum has been used. In this case, the government bond rates were used to determine the discount rates.

The bond selected to match the liabilities outstanding had a term of approximately 2^1/2 years and with a yield of 16.9% per annum. At this yield, the bond and the liabilities had discounted mean term of 2 years and the yield is thus considered appropriate discount rate.

28. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2024 Kes'million	2023 Kes'million	2024 Kes'million	2023 Kes'million
Trade payables*	2,330	2,140	2,112	1,998
Accrued expenses	1,417	715	892	689
Other payables**	356	424	454	446
Payable to related parties - Note 33 (b)***	174	56	83	64
	4,277	3,335	3,541	3,197

Terms and conditions of the above financial liabilities:

* Trade payables and payables to related parties are non-interest bearing and are normally settled on a 30 – 60 day terms.
** Other payables are non-interest bearing and have an average term of less than one month. These mainly relate to amounts due to statutory bodies in respect to year-end staff deductions.
*** For terms and conditions with related parties, refer to Note 33

The Group has established a supplier finance arrangement under which its suppliers at their discretion may elect to receive early payment of their invoices from a bank. Under the arrangement, the participating suppliers will receive early payment on invoices sent to the Group from the bank and the group repays the bank at a later date usually on maturity of the invoice. If suppliers choose to receive early payment, they pay a fee to the bank, to which the Group is not party. For the bank to pay the invoices, the goods/services must have been supplied and the invoices approved by the group. The group does not provide any security to the bank.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

28. TRADE AND OTHER PAYABLES [Cont'd]

All trade payables subject to the supplier finance arrangement are included in the trade and other payable in the consolidated statement of financial position and within trade payable in the table above

Carrying amount of liabilities under supplier Finance arrangement:	2024 Kes'million	2023 Kes'million	2024 Kes'million	2023 Kes'million
Liabilities under supplier finance arrangement	266	236	259	233
Of which the supplier has received payment from the bank	255	236	248	233

29. CONTINGENT LIABILITIES

a) Guarantees

	GROUP		COMPANY	
	2024 Kes'million	2023 Kes'million	2024 Kes'million	2023 Kes'million
Guarantees and bonds issued by the Group's bankers in favour of Kenya Revenue Authority	101	101	101	101
Guarantees and bonds issued by the Group's bankers in favour of other parties	10	4	4	4
At end of year	111	105	105	105

The guarantees and bonds are issued by the Group's and the Company's bankers in favour of third parties. The Group and the Company has entered into counterindemnities with the same banks. These guarantees and bonds are part of the borrowing facilities disclosed in Note 30 (d) and are issued in the normal course of business.

b) Legal matters

The Group and the Company are involved in a number of legal proceedings which are yet to be concluded upon. The Directors have evaluated the pending cases and determined that no material liabilities are likely to arise from these cases which arose in the normal course of business. The Group and the Company have an in-house legal department that assessed the court cases in arriving at the above conclusion.

c) Tax matters

The Group is regularly subjected to evaluations, by the taxation authorities, of its direct and indirect taxation affairs and in connection with such reviews, tax assessments can be issued by the taxation authorities in respect of the Group's taxation affairs in relation to cases where a group entity is deemed to have failed to comply with tax laws.

With the assistance of professional advice, the Directors have considered all matters currently under review by the tax authorities and are confident that no material liabilities will crystallize to the group.

d) Borrowing facilities

At the end of the year, the Group had working capital facilities amounting to total of Kes 2.3 billion (2023 - Kes 8.0 billion), out of which the undrawn facilities amounted to Kes 2.2billion (2023 – Kes 7.4 billion). The drawn amounts mainly relate to supplier trade finance, bonds and guarantees.

The working capital facilities are annual facilities that are subject to review at various dates during the year. They consist of letters of credit and guarantees, among others.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

30. CAPITAL COMMITMENTS

Authorised and contracted

Capital expenditure contracted for at the end of the reporting period but not recognised in the financial statements is as follows:

	GROUP		COMPANY	
	2024 Kes'million	2023 Kes'million	2024 Kes'million	2023 Kes'million
Commitments for the acquisition of property, plant and equipment	466	247	403	232

Authorised but not contracted

Capital expenditure authorised but not contracted for at the reporting date:

	GROUP		COMPANY	
	2024 Kes'million	2023 Kes'million	2024 Kes'million	2023 Kes'million
Commitments for the acquisition of property, plant and equipment	-	778	-	731

31. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of profit before tax to cash generated from operations:

GROUP	Notes	2024 Kes'million	2023 Kes'million
Profit before tax from continued operations		971	1,060
Loss from discontinued operations		(979)	(1,069)
Adjustments for:			
Depreciation on property, plant and equipment	15(a)	1,561	1,507
Amortisation of intangible assets	16(a)	2	6
Impairment of property, plant and equipment	9(iii)	15	27
Impairment of intangible assets	9(iii))	-	6
Loss allowance on trade receivables	21(b)	(29)	25
Movement in provision	26	82	(433)
Movement in employees' defined benefit liability	27	(18)	(68)
Interest income	7(ii)	(310)	(89)
Interest expenses	7(iii)	-	6
Loss/(gain) on disposal of property, plant and equipment	8	3	116
Impairment of biofuel	33	247	71
Loss on disposal of subsidiary	17(b)	979	-
Provisions on disposal of subsidiary		(568)	-
Net foreign exchange losses	8	1,648	74
Operating profit before working capital changes		3,604	1,239
Changes in working capital balances:			
Decrease in inventories	20	603	3,517
Decrease/(Increase) in trade and other receivables	21	(469)	1,565
Decrease in trade and other payables	28	942	(3,425)
Cash generated from operations		4,680	2,896

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

31. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

COMPANY	Notes	2024 Kes'million	2023 Kes'million
Profit before tax		8,673	1,662
Adjustments for:			
Depreciation on property, plant and equipment	15(b)	1,531	1,482
Amortisation of intangible assets	16	2	6
Impairment of property, plant and equipment	9(iii)	15	20
Impairment of intangible assets	9(iii)	-	6
Impairment of biofuel	33	247	71
Loss allowance on trade receivables	21(b)	(31)	35
Movement of provisions	26	82	(201)
Movement in employees' defined benefit liability	27	(17)	(40)
Dividends from subsidiaries	7(i)	(6,635)	(505)
Interest income	7(ii)	(135)	(98)
Loss on disposal of property, plant and equipment	8	3	13
Net foreign exchange losses/(gains)	8	322	73
Operating profit before working capital changes		4,057	2,524
Changes in working capital balances:			
Decrease/(increase) in inventories	20	615	(40)
Decrease/(increase) in trade and other receivables	21	(228)	585
Decrease in trade and other payables	28	344	(299)
Cash generated from operations		4,788	2,770

32. RELATED PARTY TRANSACTIONS

Note 17 provides the information about the Group's structure including the details of the subsidiaries.

The ultimate parent of the Group is Amsons Tanzania Limited, incorporated in Tanzania. There are other companies which are related to Bamburi Cement Plc through common shareholdings.

(a) Related party transactions

The following transactions were carried out with related parties during the year.

		Sales of goods and services Kes'million	Purchases of goods and services Kes'million	Interest received Kes'million
COMPANY				
Subsidiaries:				
Lafarge Ecosystems Limited	2024	-	42	-
	2023	-	42	-
Bamburi Special Products Limited	2024	650	6	48
	2023	505	6	45

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

32. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions

The below disclosure relates to transactions with the former related parties during the year.

		Sales of goods and services Kes'million	Purchases of goods and services Kes'million	Interest received Kes'million
Other related companies:				
Lafarge SA (technical services)* (Note 10)	2024	-	714	-
	2023	-	469	-
Holcim Trading	2024	-	82	-
	2023	-	65	-
Holcim Fuels Procurement	2024	-	1,689	-
	2023	-	1,555	-
Holcim International Finance	2024	-	-	58
	2023	-	-	14

*The company received technical assistance from the former majority shareholder, Lafarge SA, which was paid for under a five-year agreement

(b) Outstanding balances arising from sale and purchase of goods and services to/from related companies at the year-end.

	GROUP		COMPANY	
	2024 Kes'million	2023 Kes'million	2024 Kes'million	2023 Kes'million
Receivables from related parties				
Other related parties	-	-	-	83
Bamburi Special Products Limited	-	-	546	361
Lafarge Eco Systems Limited	-	-	39	19
Binastore Limited	-	-	186	206
Diani Estate Limited	-	-	14	14
Total receivables (note 21(a))	-	-	785	683
Payables to related parties				
Bamburi Special Products Limited	-	-	22	-
Lafarge Eco Systems Limited	-	-	61	-
Total payables (note 29)	-	-	83	-

Terms and conditions of transactions and balances with related parties

The sales to and purchases from related parties are made on terms as specified in the transfer pricing arrangement between the Group companies. Outstanding balances at the year-end are unsecured and interest free. For the year ended 31 December 2024 the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. There have been no guarantees or commitments provided or received for any related party receivables or payables.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

32. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Loan to subsidiary

As at the reporting date, the outstanding loan to the company from Bamburi Special Products Limited, its fully owned subsidiary amounted to Kes 382million (2023 - Kes 500 million). The loan is unsecured with an effective interest rate of 11.55% and is repayable in 6years. The loan comprises:

	COMPANY	
	2024 Kes'million	2023 Kes'million
As at 1 January	455	500
Loan advanced	-	500
Repayments in the year	(73)	(45)
As at 31 December	382	455
Classified as:		
Current	76	105
Non- current	306	350
	382	455
Interest earned on the above loan (Note 7ii)	48	45

(e) The remuneration of directors and members of key management during the year was as follows:

	GROUP	
	2024 Kes'million	2023 Kes'million
Fees for services as a director		
Executive	-	-
Non-executive	20	19
Total directors' fees	**20**	**19**
Emoluments for executive directors		
Salaries and bonuses	93	140
Short term employee benefits	20	61
Post-employment pension-defined contribution	6	13
Total emoluments for executive directors	**119**	**214**
Emoluments for key management personnel (excluding the directors):		
Salaries and bonuses	111	92
Short term employee benefits	45	28
Post-employment pension-defined contribution	8	9
Total emoluments for key management personal	**164**	**128**
Total emoluments for directors and other key management personnel	**303**	**361**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

33. BIOFUELS (GROUP AND COMPANY)

Biofuels comprise eucalyptus, casuarina, cassi siamea and neem tree plantations. These are carried at lower of cost and net realisable value. The net realisable values of the tree plantations are determined by company's internal valuation experts based on recent market transaction prices.

During the year, management carried out a valuation assessment of the biofuels and made the decision to impair to net recoverable amounts.

Changes in carrying amounts of biofuels comprise:

	2024 Kes'million	**2023 Kes'million**
At start of year	400	471
Impairment	(247)	(71)
At end of year	153	400

The biofuels are included in inventories note (21) whereas the reversal of impairment/impairment in the year are included in cost of sales in note (5).

34. RETIREMENT BENEFITS SCHEME

The Group operates a defined contribution retirement plan for the non-unionised employees. The assets of the plans are held separately from those of the Group in funds under the control of trustees. The scheme is administered by an independent administration Company and is funded by contributions from the Group companies and employees. The Group's obligations to the staff retirement benefits plans are charged to profit or loss as they fall due and as they accrue to each employee.

The Group also made contributions to the statutory defined contribution scheme. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in profit or loss of Kes133 million (2023: Kes 132 million) and Kes 122 million (2023: Kes 122 million) represents contributions payable to these plans by the Group and Company, respectively, at rates specified in the rules of the plans. The expense has been included within the retirement benefits costs under staff costs in Note 11(b).

35. FINANCIAL RISK MANAGEMENT

Introduction and overview

The Group's principal financial liabilities are trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations.

The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group also holds financial assets at fair value through other comprehensive income.

The Group is exposed to;

- market risk;
- credit risk; and
- liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of changes in the business environment and seeks to minimise potential adverse effects of such risks on its financial performance within the options available in Kenya by setting acceptable levels of risks.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

35. FINANCIAL RISK MANAGEMENT (Continued)

Risk Management Framework

Financial risk management is carried out by Group's Corporate Treasury Department under policies approved by the Board of Directors. The Group's Corporate Treasury function identifies, evaluates and manages financial risks in close cooperation with operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as credit risk, liquidity risk, foreign exchange risk, interest rate risk and price risk. The Group does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the Holcim risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(i) Market risk

Market risk is the risk arising from changes in market prices, such as interest rates, equity prices and foreign exchange rates which will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Group Finance Director. The Group's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Group Finance Director) and for the day to day implementation of those policies.

There has been no change to the Group's exposure to market risks or the manner in which it measures and manages the risk.

a) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Therefore, exposures to exchange rate fluctuations arise. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. The group manages foreign exchange risk by converting its foreign currency collections into local currency on an ongoing basis to cater for its operational requirements. The group raises some bills in foreign currency and receives the settlements in the same currency to avoid the effect of swinging currency exchange rates.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk Management Framework (continued)

(i) Market risk (Continued)

a) Foreign currency risk management (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

Group foreign currency risk:

	Denominated in EUR Kes'million	Denominated in USD Kes'million	TOTAL Kes'million
31 December 2024:			
Assets			
Trade and other receivables	28	23	51
Bank balances	105	1,967	2,072
Total assets	133	1.990	2,123
Liabilities			
Trade and other payables	(60)	(145)	(205)
Net exposure position	73	1,845	1,918
31 December 2023:			
Assets			
Trade and other receivables	8	48	56
Bank balances	97	828	925
Total assets	105	876	981
Liabilities			
Trade and other payables	(52)	(501)	(553)
	53	375	428
Net exposure position	58	476	534

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Market risk (continued)

a) Foreign currency risk management (continued)

Company foreign currency risk:

	Denominated in EUR Kes'million	Denominated in USD Kes'million	TOTAL Kes'million
31 December 2024:			
Assets			
Trade and other receivables	28	23	51
Bank balances	105	1,967	2,072
Total assets	133	1,990	2,123
Liabilities			
Trade and other payables	(60)	(145)	(205)
Net exposure position	73	1,845	1,918
31 December 2023:			
Assets			
Trade and other receivables	8	42	50
Bank balances	97	828	925
Total assets	105	870	975
Liabilities			
Trade and other payables	(52)	(489)	(541)
Net exposure position	53	381	434

The following sensitivity analysis shows how profit and equity would change if the Kenya Shilling had depreciated against the other currencies by 5% (2023: 5%) on the reporting date with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant. This is mainly attributable to the change in value of foreign exchange receivables, payables and bank balances.

The assumed movement in percentage for the rate of sensitivity analysis is based on the observable market environment for the past years..

	Effect on profit or loss before tax		Effect on equity	
	2024 Kes' million	2023 Kes' million	**2024 Kes' million**	2023 Kes' million
GROUP				
EUR	4	3	3	2
USD	92	19	64	13
	96	22	67	15
COMPANY				
EUR	4	3	3	2
USD	92	19	64	13
	96	22	67	15

(i) Market risk (continued)

b) Interest rate risk

The Group and the Company also holds cash deposits with financial institutions. The interest rates on the cash deposits are fixed and agreed upon in advance.

Management closely monitors the interest rate trends to minimise the potential adverse impacts of interest rate changes. Deposits are placed at fixed interest rates and management is therefore able to plan for the resulting income. For the facilities with variable rates, the Group and the Company is in regular contact with the lenders in a bid to obtain the best available rates.

During the year, a 5% (2023: 5%) increase/decrease of the annual interest rate would have resulted in an increase/decrease in pre-tax profit of Kes 15.5 million (2023: Kes 4.4 million) and an increase/decrease in equity of Kes 10.8 million (2023: Kes 3.0 million). The assumed movement in interest rate sensitivity analysis is based on the currently observable market environment. This is the amount by which interest rates generally fluctuate by.

c) Price risk

Quoted investments are valued at their market prices. These values are subject to frequent variations and adverse market movements. This risk is mitigated by the fact that equity investments are held for strategic rather than trading purposes. The Group and the Company do not actively trade in equity investments.

At 31 December 2024, if the prices at the Nairobi Securities Exchange had appreciated/depreciated by 5% with all other variables held constant, it would have resulted in an increase/decrease in the other comprehensive income and equity for the Group and Company of Kes 12.8 million (2023 - Kes 4.5 million) Kes 8.9 million (2023: Kes 3.1 million) as a result of changes in fair value of equity instruments at FVTOCI.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's and the Company's exposure and the credit rating of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

GROUP AND COMPANY

Trade Receivables

The average credit period on sales of goods is 30 days. No interest is charged on outstanding trade receivables.

The Group and Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognized a loss allowance of 100% against all receivables over 365 days past due as default because historical experience has indicated that these receivables are generally not recoverable where they are not fully or partially secured by a bank guarantee.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group/Company's write off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over 365 days past due, whichever occurs earlier. The write off will be the excess of the amount owing over the security of the bank guarantee required of the credit customers. In case of unsecured debtors, who are predominantly in the contractors' segment, the write off will be the entire amount owing to the Company.

The following tables detail the risk profile of trade receivables based on the Group/Company's provision matrix. As the group and company's historical credit loss experience shows significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is further distinguished between the Group's different customer bases

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group's current credit risk grading framework comprises the following categories:

Contractors:

Category	**Description**	**Basis for recognizing Expected credit loss (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL
Under watch	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL
Doubtful	Amount is >90 days past due and there is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group/Company has no realistic prospect of recovery unless the Company is holding a bank guarantee covering the amount and or the amounts are subject to court proceeding and the adverse probable outcome is ranked high.	Amount is written off

Distributors:

Category	**Description**	**Basis for recognizing Expected Credit Loss (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	Lifetime ECL
Under watch	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL
Doubtful	Amount is >90 days past due and there is evidence indicating the asset is credit-impaired, and there no security held.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery of any amounts above the bank guarantee value and or the amounts are subject to court proceeding and the adverse probable outcome is ranked high..	Amount is written off

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Credit risk (continued)

Cash customers, predominantly retail

Category	**Description**	**Basis for recognizing Expected Credit Loss (ECL)**
Doubtful	There is evidence indicating that cash customers have stopped trading despite them having a debit balance in their account. An indicator of probable lapse on systems credit checks or overriding of controls.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery of any amounts above the bank guarantee value and or the amounts are subject to court proceeding and the adverse probable outcome is ranked high.	Amount is written off

The tables below detail the credit quality of the Group's financial assets and the Group's maximum exposure to credit risk by credit risk rating grades. The rates are communicated from Group based on their internal risk rating in addition to consultation with the Credit risk consultants.

Group

Financial asset **31 December 2024**	**Note**	**External rating**	**Internal rating**	**lifetime ECL**	**Gross carrying amount Sh'million**	**Loss allowance** **Sh'million**	**Net carrying amount** **Sh'million**	**Classification**
Bank balance	22	AAA/BBB	N/A	Lifetime ECL(simplified approach SPPI	3,057	-	3,057	Amortized cost
Call deposit with local bank	22	AAA/BBB	N/A	Performing	2,192	-	2,192	Amortized cost
Trade receivable-Third party (Excl.Customer creditors)	21	NA	Doubtful	Lifetime ECL not credit impaired	977	(152)	825	Amortized cost
Trade receivable-receivables from related companies	32 (b)	NA	Doubtful	Lifetime ECL not credit impaired	0	-	0	Amortized cost

Financial asset **31 December 2023**	**Note**	**External rating**	**Internal rating**	**lifetime ECL**	**Gross carrying amount Sh'million**	**Loss allowance** **Sh'million**	**Net carrying amount Sh'million**	**Classification**
Bank balance	22	AAA/BBB	N/A	Lifetime ECL(simplified approach SPPI	4,372	-	4,372	Amortized cost
Call deposit with local bank	22	AAA/BBB	N/A	Performing	526	-	526	Amortized cost
Trade receivable-Third party (Excl.Customer creditors)	21	NA	Doubtful	Lifetime ECL not credit impaired	997	(456)	541	Amortized cost
Trade receivable-receivables from related companies	32 (b)	NA	Doubtful	Lifetime ECL not credit impaired	83	-	83	Amortized cost

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Credit risk (continued)

The tables below detail the credit quality of the Company's financial assets and the Company's maximum exposure to credit risk by credit risk rating grades:

Company

Financial asset **31 December 2024**	**Note**	**External rating**	**Internal rating**	**Lifetime ECL**	**Gross carrying amount Sh'million**	**Loss allowance** **Sh'million**	**Net carrying amount Sh'million**	**Classification**
Bank balance	22	AAA/ BBB	N/A	Lifetime ECL (simplified approach - SPPI)	4,402	-	4,402	Amortized cost
Trade receivables – Third party (Excl. Customer Creditors)	21	N/A	Doubtful	Lifetime ECL not credit-impaired	925	(127)	798	Amortized cost
Trade receivable-receivables from related companies	32 (b)	NA	Doubtful	Lifetime ECL not credit impaired	785	-	785	Amortized cost

Financial asset **31 December 2023**	**Note**	**External rating**	**Internal rating**	**Lifetime ECL**	**Gross carrying amount Sh'million**	**Loss allowance** **Sh'million**	**Net carrying amount Sh'million**	**Classification**
Bank balance	22	AAA/ BBB	N/A	Lifetime ECL (simplified approach - SPPI)	3,693	-	3,693	Amortized cost
Trade receivables – Third party (Excl. Customer Creditors)	21	N/A	Doubtful	Lifetime ECL not credit-impaired	919	(282)	637	Amortized cost
Trade receivable-receivables from related companies	32 (b)	NA	Doubtful	Lifetime ECL not credit impaired	683	-	683	Amortized cost

* NSE: Nairobi Securities Exchange

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Credit risk (continued)

i) The Banks used by the Company are either determined or approved by the ultimate Parent's Corporate Finance and Treasury (CFT) department in Zurich. The Banks are classified as either Relationship Banks or Niche Banks. Relationship banks are preferred to Niche Banks, any banks outside the Bank List require written approval from CFT in Zurich.

ii) The short term deposits held with Holcim International Finance, a former related party, are carried at amortised cost. The carrying amount of the short term deposits at FVTPL as disclosed in note 23(d) best represents their maximum exposure to credit risk. The Group holds no collateral over any of these balances.

iii) For trade receivables, the Group/Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL (which in the case of the Group/Company is the same as the 12-month ECL). The Group determines the expected credit losses on these items by using a provision matrix, estimate based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Notes 21, 22 32 include further details on the loss allowance for these assets respectively.

iv) For the loan to related parties, the gross carrying amount represents the maximum amount the Company expects to receive in principal payments from its subsidiary - Bamburi Special Products Limited, and the net carrying amount represents the amortized cost of the loan receivable without discounting given that the discounting yields an immaterial difference in the carrying amounts.

(iii) Liquidity risk

This is the risk that the Group will encounter difficulties in meeting its financial commitments from its financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management includes maintaining sufficient cash to meet the group's obligations.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has developed and put in place an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table analyses the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows and exclude the impact of netting agreements.

Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Liquidity risk (Continued)

GROUP – Financial liabilities:

	Total amount Kes'million	0-30 days Kes'million	31-90 days Kes'million	91-120 days Kes'million	Above 120 days but less than 1 year Kes'million
31 December 2024:					
Trade payables	2,330	972	521	453	384
Related party payables	-	-	-	-	-
Other payables	356	106	112	76	62
Accrued expenses	1,417	563	401	333	120
31 December 2023:					
Trade payables	2,140	913	437	396	394
Related party payables	3	7	17	29	201
Other payables	424	127	96	69	132
Accrued expenses	715	178	129	99	309

COMPANY – Financial liabilities:

31 December 2024:					
Trade payables	2,112	873	468	428	343
Related party payables	83	9	21	19	34
Other payables	454	121	98	132	103
Accrued expenses	892	354	243	219	76
31 December 2023:					
Trade payables	1,998	852	407	361	378
Related party payables	64	4	9	19	32
Other payables	446	122	145	38	141
Accrued expenses	689	171	123	94	301

36 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are:

- To ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.
- To maintain a strong capital base to support the current and future development needs of the business.

The capital structure of the Group consists of debt, which includes borrowings, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

36 CAPITAL RISK MANAGEMENT (CONTINUED)

The Board of Directors reviews the capital structure on a regular basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. Based on the review, the Group analyses and assesses the gearing ratio to determine the level and its optimality.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. The Group's policy is to keep the gearing ratio between 20% and 40%, where applicable.

There have been no material changes in the Group's management of capital during the year.

The constitution of capital managed by the Group is as shown below:

	GROUP		COMPANY	
		31 December		
	2024	2023	2024	2023
	Kes'million	Kes'million	Kes'million	Kes'million
Equity	25,225	41,286	26,807	27,305
Debt				
Borrowings	-	-	-	-
Lease liabilities	-	-	-	-
Bank overdrafts	-	-	-	-
Borrowings classified as held for sale	-	3,125		
Less: Cash and cash equivalents	5,249	(4,372)	4,402	(3,693)
Net debt	-	(1,247)	0	(3,693)
Net debt to equity ratio	N/A	N/A	N/A	N/A

37. FAIR VALUE OF ASSETS AND LIABILITIES

a) Comparison by class of the carrying amount and fair values of the financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

37. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

a) Comparison by class of the carrying amount and fair values of the financial instruments (Continued)

Other equity investments are quoted shares at the Nairobi Securities Exchange. Fair value of the quoted shares is based on price quotations at the reporting date.

Management assessed that the fair value of trade receivables, receivables from related companies, cash and cash equivalents, trade payables and payables to related companies approximate their carrying amounts largely due to the short-term maturities of these instruments.

The carrying values of the Company's loan to subsidiary is determined by using Discounting Cash Flows (DCF) method at discount rate that reflects the market interest rate as at the end of the reporting period.

b) Fair value hierarchy

The table below shows an analysis of all assets and liabilities measured at fair value in the financial statements or for which fair values are disclosed in the financial statements by level of the fair value hierarchy. These are grouped into levels 1 to 3 based on the degree to which the fair value is observable.

i. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

ii. Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as a price) or indirectly (i.e. derived from prices); and

iii. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1 Kes'million	Level 2 Kes'million	Level 3 Kes'million
GROUP			
31 December 2024			
Assets			
Property, plant and equipment (Note 15(a))			
-Freehold land and buildings	-	-	8,995
-Plant and machinery	-	-	12,414
Fair value designated at FVTOCI - equity securities	345	-	-

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

37. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

b) Fair value hierarchy (Continued)

	Level 1 Kes'million	Level 2 Kes'million	Level 3 Kes'million
GROUP (Continued)			
31 December 2023			
Assets			
Property, plant and equipment (Note 15(a))			
-Freehold land and buildings	-	-	9,080
-Plant and machinery	-	-	13,264
Fair value designated at FVTOCI - equity securities	90	90	-
COMPANY			
31 December 2024			
Assets			
Property, plant and equipment (Note 15(b))			
-Freehold land and buildings	-	-	8,657
-Plant and machinery	-	-	12,236
Fair value designated at FVTOCI - equity securities	345	-	-
31 December 2023			
Assets			
Property, plant and equipment (Note 15(b))			
-Freehold land and buildings	-	-	8,749
-Plant and machinery	-	-	13,051
Fair value designated at FVTOCI - equity securities	90	-	-

There were no transfers between levels 1, 2 and 3 in the year.

The Group's freehold land, buildings, plant, and machinery were last revalued on 1 December 2022 in line with the group policy of carrying out a revaluation after every 5 years.

The valuations were based on market value as follows:

Comparable method for valuation of land and buildings

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property.

The properties' fair values were based on valuations performed by Knight Frank Valuers Limited, an accredited independent valuer.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

37. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

b) Fair value hierarchy (Continued)

Depreciated replacement cost for plant and machinery

Plant and machinery were revalued on a depreciated replacement cost basis using a valuation model prescribed by engineers and consultants at the technical centre of the ultimate shareholder.

In using the depreciated replacement cost basis the engineers and consultants at the technical centre of the ultimate shareholder ensures that this is consistent with methods of measuring fair value as per the requirements of IFRS 13.

The engineers and consultants ensure that:

1) The highest and best use of the property and machinery is its current use, and
2) The principal market or in its absence, the most advantageous market, exit market, for the property and machinery is the same as the market in which the property and machinery was or will be purchased, entry market.

In addition, the engineers and consultants ensure that the resulting depreciated replacement cost is assessed to ensure market participants are willing to transact for the property and machinery in its current condition and location at this price. The inputs used to determine replacement cost are consistent with what market participant buyers will pay to acquire or construct a substitute of the plant and machinery of comparable utility. The replacement cost has also been adjusted for obsolescence that market participant buyers will consider.

Description of valuation techniques used and key inputs to valuation of assets and liabilities

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Land	Market Comparable Approach	Price per acre	Between Kes 1 million and Kes 30 million	0.5% (2023: 0.5%) increase (decrease) would result in an increase/(decrease) in fair value by Kes 38.58 million.
Buildings	Market Comparable Approach	Estimated rental value per square meter per month.	Kes 30 per square meter	0.5% (2023: 0.5%) increase (decrease) would result in an increase/(decrease) in fair value by Kes 5,16 million.
		Rent growth p.a.	5%	
Plant and machinery	Depreciated replacement cost for plant and machinery	Capital expenditure for a model plant at above capacity assuming supply from China.	Between Kes 1,358 million and Kes 2,729 million.	0.5% (2023: 0.5%) increase (decrease) would result in an increase/(decrease) in fair value by Kes 65.25 million.

NOTES TO THE **FINANCIAL STATEMENTS** (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2024

37. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

b) Fair value hierarchy (continued)

Depreciated replacement cost for plant and machinery (Continued)

The significant unobservable inputs used in the fair value measurement of the Group and the Company's property and equipment are price per acre, estimated rental value per square meter per month and capital expenditure for a model plant at above capacity assuming supply from China. Significant increases/(decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement.

38. EVENTS AFTER THE REPORTING DATE

As at the date of approval of these financial statements for issue, there were no material adjusting or non-adjusting events that will require disclosure

39. COUNTRY OF INCORPORATION

The Company is incorporated and domiciled in Kenya under the Kenyan Companies Act, 2015. The ultimate parent of the Group is Amsons Tanzania Ltd, incorporated in Tanzania.

PERFOMANCE **DATA SHEET**

CO_2 and Energy		KENYA				
	Unit	**2020**	**2021**	**2022**	**2023**	**2024**
Scope 1: Material and Fuel						
Specific Gross CO_2 Emissions	$KgCO_2$/tons	476.9	462.3	451.4	482.7	523.26
Specific Net CO_2 Emissions	$KgCO_2$/tons	467.3	452.8	437.9	469.4	513.3
Recycled Waste in Cement	tons	120,180	117,439	55,027	45,957	47,000
Scope 2: Electricity						
Absolute CO_2 Emissions	tons ('000)	42.4	43.7	34.1	40.353	33.72
Specific CO_2 Emissions	$KgCO_2$/tons	24.4	22.7	22.5	23.18	24.13
Scope 3: Transportation (Downstream)						
Absolute CO_2 Emissions	tons ('000)	136	131	67.1	42.6	53.6
Specific CO_2 Emissions	Kg CO_2/ tons transported	39	35.4	25.0	33.2	-

Nature (Biodiversity & Water)		KENYA				
	Unit	**2020**	**2021**	**2022**	**2023**	**2024**
Active Quarries	# Sites	3	3	7	7	9
Quarries assessed using BIRS methodology	# Sites	5	5	5	5	8
Quarries with Rehabilitation Plans in place	# Sites	5	5	7	7	8
Total Rehabilitated area	Ha	325	334	365	374	402
Total Freshwater Withdrawal	m3	166,179	160,406	118,144	99,000	78,000

Health and Safety		KENYA				
	Unit	**2020**	**2021**	**2022**	**2023**	**2024**
Total Injury Frequency Rate (TIFR)	#	1	1.72	0	0.37	0.38
Lost Time Injury Frequency Rate (LTIFR)	#	0.36	0.69	0	1	1
Boots on the Ground (Time in Field)	Hours	N/A	56,257	93,650	90,044	73,173

**The denominator is per 1 million hours. *TIFR & LTIFR for employees and contractors*

PERFOMANCE **DATA SHEET**

Employee and Diversity		KENYA				
	Unit	2020	2021	2022	2023	2024
Permanent Employees	%	99.2	95.1	97.3	100	97
Women at Senior Management Level	%	37.5	42.9	28.6	14.29	12.5
Women at all Management Levels	%	34.8	35.8	35.6	38.6	38.5
Women in Total in the Workforce	%	20.3	22.1	22.3	23.1	23.4
Human Rights and Social Initiatives		KENYA				
	Unit	2020	2021	2022	2023	2024
Days Dedicated to Human Rights Approach	Days	0	105	228	125	10
Social Initiatives Beneficiaries	#	47,228	21,859	27,816	55,873	49,875
Sustainable Procurement		KENYA				
	Unit	2020	2021	2022	2023	2024
% Consolidated Spend on Local Underrepresented group		10.22	19.36	14.4	12.2	15.6
Ethics and Compliance		KENYA				
	Unit	2020	2021	2022	2023	2024
Number of Employees Trained on COBC	%	84.6	95.1	99	-	-
Hours of Training on COBC per Employee	Hours	1.45	1.45	2	-	-

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GRI CONTENT INDEX	
Statement of use	Bamburi Cement PLC has reported in accordance with the GRI Standards for the period between 1st January 2023 and 31st December 2023
GRI 1 Used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI General Disclosures		
GRI 2: General Disclosures	2-1 Organisational details	About Bamburi Cement PLC
	2-2 Entities included in the organisation's sustainability reporting	Our Subsidiaries
	2-3 Reporting period, frequency and contact point	About this report
	2-4 Restatements of information	
	2-5 External Assurance	
	2-6 Activities, value chain and other business relationships	About Bamburi Cement PLC
	2-7 Employees	Bamburi Annual Integrated Report
	2-8 Workers who are not employees	Bamburi Annual Integrated Report
	2-9 Governance structure and composition	Our Governance
	2-10 Nomination and selection of the highest governance body	Our Governance
	2-11 Chair of the highest governance body	Our Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Our Governance
	2-13 Delegation of responsibility for managing impacts	Our Governance
	2-14 Role of the highest governance body in sustainability reporting	Our Governance
	2-15 Conflicts of interest	Our Governance
	2-16 Communication of critical concerns	Code of Business Conduct (Integrity Line) & Speak Up Directive
	2-17 Collective knowledge of the highest governance body	Our Board
	2-18 Evaluation of the performance of the highest governance body	
	2-19 Remuneration policies	
	2-20 Process to determine remuneration	
	2-21 Annual total compensation ratio	
	2-22 Statement on sustainable development strategy	Our Sustainability Framework
	2-23 Policy commitments	Our Policies
	2-24 Embedding policy commitments	Our Policies
	2-25 Processes to remediate negative impacts	Our Sustainability Pillars
	2-26 Mechanisms for seeking advice and raising concerns	Code of Business Conduct (Integrity Line) & Speak Up Directive
	2-27 Compliance with laws and regulations	Business ethics and compliance
	2-28 Membership associations	Stakeholder Groups
	2-29 Approach to stakeholder engagement	Communication mechanisms with our stakeholders
	2-30 Collective bargaining agreements	2022 Integrated Report

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GRI STANDARD	DISCLOSURE	LOCATION
GRI General Disclosures		
GRI 2: General Disclosures	3-1 Process to determine material topics	Our materiality assessment process
	3-2 List of material topics	Our material topics
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	
	201-2 Financial implications and other risks and opportunities due to climate change	
	201-3 Defined benefit plan obligations and other retirement plans	
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	
	202-2 Proportion of senior management hired from the local community	
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Infrastructure services supported in 2023
	203-2 Significant indirect economic impacts	Significant indirect economic impacts in 2023
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	Material Topic: Sustainable Procurement
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	Our Governance
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
GRI 206: Anti-competitive Behaviour	206-1 Legal actions for anti-competitive behaviour, antitrust, and monopoly practices	Business ethics and compliance
GRI 207: Tax	207-1 Approach to tax	
	207-2 Tax governance, control, and risk management	
	207-3 Stakeholder engagement and management of concerns related to tax	Stakeholder Engagement
	207-4 Country-by-country reporting	
GRI 301: Materials	301-2 Recycled input materials used	Material Topic, Circular Economy
	301-3 Reclaimed products and their packaging materials	Material Topic, Circular Economy
GRI 302: Energy	302-1 Energy consumption within the organisation	Material Topic, Climate & Energy
	302-2 Energy consumption outside of the organisation	Material topic Climate & Energy
	302-3 Energy intensity	Material Topic, Climate & Energy
	302-4 Reduction of energy consumption	Material Topic, Climate & Energy
	302-5 Reductions in energy requirements of products and services	Material Topic, Climate & Energy

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GRI STANDARD	DISCLOSURE	LOCATION
GRI General Disclosures		
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	Material Topic, Nature and Water
	303-2 Management of water discharge-related impacts	Material Topic, Nature and Water
	303-3 Water withdrawal	Material Topic, Nature and Water
	303-4 Water discharge	Material Topic, Nature and Water
	303-5 Water consumption	Material Topic, Nature and Water
GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Material Topic, Nature and Water
	304-2 Significant impacts of activities, products and services on biodiversity	Material Topic, Nature and Water
	304-3 Habitats protected or restored	Material Topic, Nature and Water
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Material Topic, Nature and Water
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Material Topic, Climate & Energy
	305-2 Energy indirect (Scope 2) GHG emissions	Material Topic, Climate & Energy
	305-3 Other indirect (Scope 3) GHG emissions	Material Topic, Climate & Energy
	305-4 GHG emissions intensity	Material Topic, Climate & Energy
	305-5 Reduction of GHG emissions	Material Topic, Climate & Energy
	305-6 Emissions of ozone-depleting substances (ODS)	Material Topic, Climate & Energy
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Material Topic, Climate & Energy
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	Material Topic, Circular Economy
	306-2 Management of significant waste-related impacts	Material Topic, Circular Economy
	306-3 Waste generated	Material Topic, Circular Economy
	306-4 Waste diverted from disposal	Material Topic, Circular Economy
	306-5 Waste directed to disposal	Material Topic, Circular Economy
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Material topic Sustainable Procurement
	308-2 Negative environmental impacts in the supply chain and actions taken	Material topic Sustainable Procurement: Environment and Emissions
GRI 401: Employment	401-1 New employee hires and employee turnover	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	Social investments and human rights
GRI 402: Labor/Management Relations	402-1 Minimum notice periods regarding operational changes	
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	Health and Safety

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GRI STANDARD	DISCLOSURE	LOCATION
GRI General Disclosures		
GRI 403: Occupational Health and Safety	403-2 Hazard identification, risk assessment, and incident investigation	Health and Safety
	403-3 Occupational health services	Risk management process
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and Safety
	403-5 Worker training on occupational health and safety	Health and Safety
	403-6 Promotion of worker health	Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Health and Safety
	403-9 Work-related injuries	Health and Safety
	403-10 Work-related ill health	Performance data sheet: Health and Safety
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Employee Learning and Development
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent and Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent and Development
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	
	405-2 Ratio of basic salary and remuneration of women to men	Nomination, Remuneration & Human Resources Committee (N,R&HRC)
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Our Governance
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our Governance
GRI 408: Child Labour	408-1 Operations and suppliers at significant risk for incidents of child labour	Our Governance
GRI 409: Forced or Compulsory Labour	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Our Governance
GRI 410: Security Practices	410-1 Security personnel trained in human rights policies or procedures	Our Governance
GRI 411: Rights of Indigenous Peoples	411-1 Incidents of violations involving rights of indigenous peoples	Our Governance
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Community partnerships
	413-2 Operations with significant actual and potential negative impacts on local communities	Community partnerships
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	Material Topic Sustainable Procurement
	414-2 Negative social impacts in the supply chain and actions taken	Material Topic, Sustainable Procurement

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GRI STANDARD	DISCLOSURE	LOCATION
GRI General Disclosures		
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Material Topic, Sustainable Procurement
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Material Topic, Sustainable Procurement
GRI 417: Marketing and Labelling	417-1 Requirements for product and service information and labelling	Material Topic, Sustainable Procurement
	417-2 Incidents of non-compliance concerning product and service information and labelling	Material Topic, Sustainable Procurement
	417-3 Incidents of non-compliance concerning marketing communications	Material Topic, Sustainable Procurement
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Material Topic, Sustainable Procurement

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