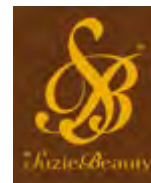




ESG REPORT 2025

• KENYA • RWANDA • ETHIOPIA • MOZAMBIQUE • UAE • BEYOND





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Glossary

Acronym	Description
AGM	Annual General Meeting
CO ₂ e	Carbon Dioxide Equivalent
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
DFI	Development Finance Institution
ESG	Environmental, Social, and Governance
FTG	Flame Tree Group
GHG	Greenhouse Gas
KPI	Key Performance Indicator
ROE	Return on Equity
ROI	Return on Investment
SDGs	Sustainable Development Goals
UN SDGs	United Nations Sustainable Development Goals

About this Report

Purpose and scope

The Flame Tree Group (FTG) ESG Report 2025 reaffirms our steadfast commitment to sustainable business practices and stakeholder transparency. The report outlines the Group's Environmental, Social, and Governance ("ESG") performance, initiatives, priorities, and strategic direction for the financial year ended 2025.

As a diversified African manufacturing and distribution group operating across multiple sectors and geographies, FTG recognises that sustainability is increasingly interconnected with economic resilience, operational efficiency, social progress, and long-term business growth. Through this report, we aim to provide transparent disclosure of the Group's sustainability journey, performance, and evolving ESG governance practices.

The scope of this report covers operations across Kenya, Rwanda, Ethiopia, Mozambique, UAE and other regions where the Group maintains operational or commercial presence.



Reporting standards and frameworks

This report has been prepared with reference to internationally recognised sustainability reporting frameworks and evolving ESG disclosure standards, including:

- United Nations Sustainable Development Goals (UN SDGs)
- Global Reporting Initiative (GRI Standards)
- IFRS Sustainability Disclosure Standards (IFRS S1 & IFRS S2)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Sustainability Accounting Standards Board (SASB) guidance
- Nairobi Securities Exchange (NSE) ESG Disclosure Guidance Manual

The Group continues to strengthen its ESG reporting maturity and internal sustainability reporting capabilities in line with international best practices and stakeholder expectations.

Our commitment to continuous improvement

Sustainability is an ongoing journey requiring continuous learning, adaptation, innovation, and accountability. While FTG has made meaningful progress across environmental stewardship, social responsibility, and governance during FY2025, we recognise that the expectations surrounding sustainable business continue to evolve rapidly.

The Group remains committed to progressively strengthening ESG integration across strategy, operations, risk management, stakeholder engagement, and reporting processes. Over time, FTG aims to further enhance ESG data quality, target setting, performance monitoring, and sustainability governance structures.

During FY2025, FTG conducted an internal ESG materiality review informed by:

- Stakeholder engagement
- Operational priorities
- Industry trends
- Regulatory developments
- Risk management considerations
- Sustainability opportunities across our value chain

The following topics were identified as the most material ESG priorities for the Group:

Environmental	Social	Governance
Climate change & emissions	Employee wellbeing	Ethical business conduct
Energy efficiency	Occupational health & safety	Board oversight
Circular economy & recycling	Diversity & inclusion	Risk management
Water stewardship	Training & development	Regulatory compliance
Sustainable manufacturing	Community impact	Transparency & disclosures
Resource efficiency	Human capital retention	Anti-bribery & ethics

CEO's Statement

At Flame Tree Group, we believe sustainable business is not simply about financial performance, it is about building resilient businesses that create long-term value for people, communities, and the environment.

Across Africa and the markets we serve, sustainability challenges and opportunities are becoming increasingly interconnected with economic development, industrial growth, climate resilience, and social progress. As a manufacturing group operating across multiple sectors and geographies, we recognise the responsibility we have to contribute positively to the societies and ecosystems connected to our business.



During FY2025, FTG continued strengthening its commitment to responsible manufacturing, operational resilience, and stakeholder value creation. Despite a challenging operating environment characterised by inflationary pressures, supply chain disruptions, energy volatility, and heightened global uncertainty, the Group remained focused on embedding sustainability principles more deeply across its operations.

Throughout the year, we advanced renewable energy initiatives, expanded recycling and circular economy programmes, strengthened occupational health and safety practices, and continued supporting communities through investments in education, water access, environmental stewardship, and social welfare initiatives.

We also recognise that sustainable business requires strong governance, ethical leadership, and long-term thinking. As ESG expectations continue evolving globally, FTG remains committed to progressively strengthening its sustainability governance frameworks, reporting standards, risk management processes, and stakeholder engagement practices.

Looking ahead, we remain optimistic about the opportunities for sustainable industrial growth across Africa. Through innovation, responsible manufacturing, and collaboration, FTG will continue building world-class African brands that positively contribute to society while creating long-term value for all stakeholders.

I extend my sincere appreciation to our employees, customers, shareholders, business partners, regulators, and communities for their continued trust and support.



CFO's Statement

Sustainability and financial resilience are increasingly interconnected. At Flame Tree Group, we recognise that strong ESG performance supports operational efficiency, long-term value creation, stakeholder confidence, and business resilience. During FY2025, the Group continued integrating sustainability considerations into strategic planning, operational investments, and risk management processes. Environmental initiatives including renewable energy investments, recycling infrastructure expansion, water efficiency improvements, and circular economy practices not only support environmental stewardship but also contribute to operational optimisation and long-term cost efficiency.



At the same time, ESG considerations are becoming increasingly relevant to financing discussions, investor engagement, regulatory expectations, and access to sustainable capital solutions. As global sustainability disclosure frameworks continue evolving, FTG remains committed to strengthening the quality, consistency, and transparency of its ESG reporting and governance practices.

Throughout the year, the Group continued improving ESG data collection, monitoring, and reporting processes across its operations. We recognise the growing importance of climate-related risk assessment, ethical governance, supply chain resilience, employee wellbeing, and responsible manufacturing in supporting long-term sustainable growth.

Looking ahead, FTG aims to progressively align with leading international sustainability frameworks while strengthening ESG integration into operational planning, capital allocation, enterprise risk management, and stakeholder engagement.

We remain committed to balancing sustainable growth, prudent financial management, responsible manufacturing, and long-term stakeholder value creation.



Flame Tree Group at a Glance

Our Story

The name “Flame Tree” draws inspiration from the iconic Flame Tree that flourishes across Africa, renowned for its vibrant red blossoms and enduring presence. Symbolizing strength, renewal, and resilience, the tree reflects the principles that guide our organization and the way we approach business across the continent.

From the beginning, our ambition has extended beyond simply producing high-quality goods. We are driven by the belief that businesses can play a meaningful role in advancing sustainable development while delivering value to customers and stakeholders.

By prioritizing local manufacturing, we contribute to strengthening regional economies, supporting employment, and building the capacity of local industries.

Our brands are designed with the needs of African consumers in mind, offering practical solutions that improve everyday life. At the same time, we remain committed to responsible resource use and environmentally conscious production practices. Through this balanced approach, Flame Tree Group seeks to grow sustainably while contributing to the long-term prosperity of the communities and markets we serve.



Our brands are designed with the needs of African consumers in mind, offering practical solutions that improve everyday life



Our Mission

Spreading the Flame Tree Group Spirit of Building Africa through our brands

Our Vision

Creating world-class African brands.

Our Core Values



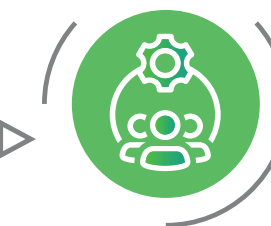
Commitment



Integrity



Respect & Humility



Teamwork



Continuous Improvement

Pan-African Footprint

1

ETHIOPIA

Over 20 years of successful operations
Industry leader in the water tanks market
Established and trusted household brand

2

UAE

Flame Tree Group
procurement office



6

RWANDA

Commands a dominant 80% share of the glycerine market
Recognized by the government as an accredited supplier of high-quality HDPE water pipes

3

KENYA

Market leader in the water tanks industry

Home to a portfolio of highly reputable and trusted FMCG brands

5

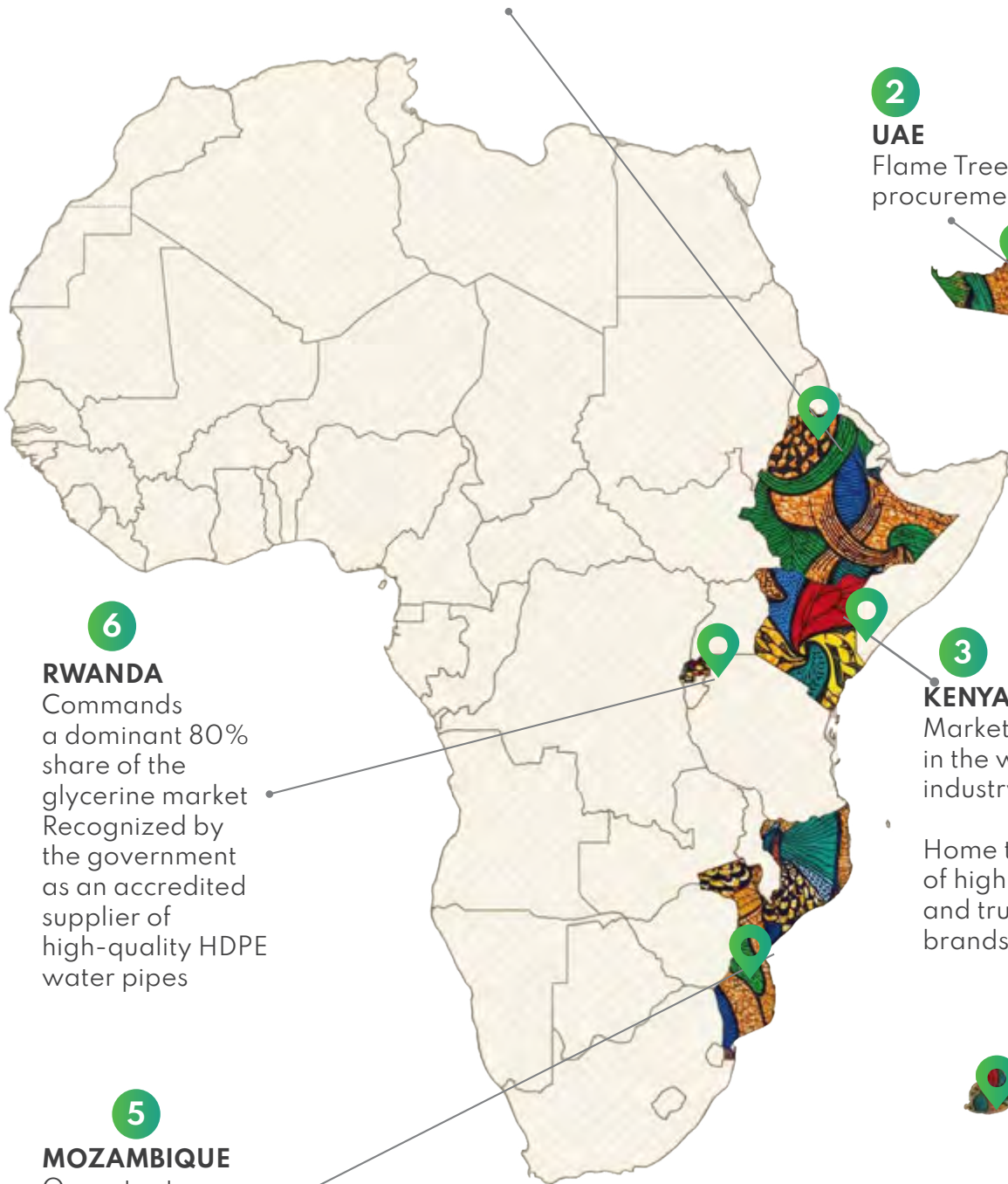
MOZAMBIQUE

Operates two fully functional manufacturing facilities

4

MAURITIUS

Location of Effective Management and Strategic Oversight



Our Company Structure



▷ Roto Moulders Limited, Kenya
 Roto Limited, Rwanda
 Roto PLC, Ethiopia
 Rino Tanques Lda, Mozambique
 Polyplay Limited, Kenya
 Jojo Plastics Limited, Kenya
 REX Industries Limited, Kenya

▷ Flame Tree Africa Ltd, Kenya
 Flame Tree Brands Ltd, Rwanda
 Flame Tree Mozambique Lda, Mozambique

▷ Chirag Africa Ltd, Kenya
 Happys Golden Foods Ltd, Kenya

▷ Cirrus International FZC, Dubai
 Buildmart Limited, Rwanda

▷ FTG Holdings Ltd, Mauritius
 FTG Holdings Ltd, Kenya

Advancing Sustainable Impact through our Brands

At Flame Tree Group, our brands are developed with a clear focus on delivering practical solutions that respond to the everyday needs of communities across Africa. Beyond offering quality products, each brand within our portfolio is designed to contribute to broader social and environmental outcomes while supporting sustainable economic growth.

A key priority for many communities across the region is access to reliable water storage. Through our water solutions businesses, including Roto Tanks, Beta Tanks, Rino Tanques, Sol Tanques and JoJo Plastics, we manufacture durable storage systems that help households, schools, and businesses secure safe water for daily use. These products support improved sanitation, water security, and resilience in areas where consistent access to clean water remains a challenge.



Within the beauty and personal care segment, our brands Zoe, Alana Skin, and SuzieBeauty provide locally manufactured products tailored to the diverse needs of African consumers. These brands emphasize quality, responsible sourcing, and local production, helping to strengthen domestic value chains while creating employment and supporting entrepreneurship within the communities where we operate.



Wills Antiseptic, Loosafe & Captain supports the Group's ESG agenda through its strong social impact on health and hygiene. As an essential household product, it promotes cleanliness, wound care, and infection prevention, contributing to improved public health outcomes across communities. Its affordability and wide accessibility ensure that even low-income households can maintain basic hygiene standards. Through continued distribution and consumer awareness efforts, they play a vital role in advancing community well-being and supporting healthier living environments.



Polyplay contributes to the Group's ESG goals through both environmental and social impact. Environmentally, its use of durable plastic and metal materials provides a sustainable alternative to wood, helping reduce deforestation while ensuring long product life and minimal waste. Socially, Polyplay enhances learning and recreational environments through safe playground equipment and ergonomic school furniture, improving classroom comfort, supporting better learning outcomes, and reducing long-term replacement costs for institutions across communities.

Across all our product lines, we remain focused on delivering solutions that combine innovation, quality, and responsibility. By integrating sustainability considerations into product development and manufacturing, Flame Tree Group continues to build brands that contribute positively to society while supporting long-term business growth.





Our Environmental and Social Performance

Our ESG Governance Structure

Strong governance is fundamental to sustainable business performance and stakeholder confidence. Oversight of ESG matters resides with the Board of Directors and executive leadership team, who review sustainability-related risks, opportunities, and performance indicators as part of the Group's broader strategic and risk management framework.

ESG considerations are increasingly integrated into:

- Strategic planning
- Capital allocation decisions
- Operational investments
- Enterprise risk management
- Stakeholder engagement
- Compliance monitoring

Management continues strengthening internal ESG governance structures, reporting systems, and accountability mechanisms to support long-term sustainability objectives.

Our ESG Strategy, Stakeholder Engagement and Business Resilience

At Flame Tree Group, sustainability is embedded within how we conduct business and create long-term value. Our Environmental, Social, and Governance (ESG) strategy reflects our commitment to responsible growth, operational resilience, ethical leadership, and meaningful stakeholder engagement across the markets in which we operate.

As a diversified manufacturing and distribution group operating across multiple African markets, we recognise that sustainable business performance is increasingly interconnected with environmental stewardship, social impact, governance standards, climate resilience, and stakeholder trust. By integrating sustainability considerations into our operations, strategic planning, and decision-making processes, we aim to strengthen the long-term resilience of our business while contributing positively to the communities and environments connected to our operations.

Our ESG approach is aligned with evolving international sustainability principles and supports our broader ambition of building world-class African brands through responsible manufacturing, innovation, and inclusive economic growth.

Environmental Stewardship and Climate Resilience

Environmental responsibility remains a central pillar of our sustainability strategy. We are committed to managing natural resources responsibly while progressively reducing the environmental footprint of our operations through improved efficiency, innovation, and circular economy practices.

Our environmental initiatives focus on:

- improving energy efficiency across operational sites;
- increasing renewable energy adoption through solar investments;
- strengthening recycling and circular economy programmes;
- incorporating recycled materials into production processes;
- reducing operational waste;
- improving water conservation and reuse systems; and
- promoting sustainable procurement practices across our value chain.

FTG also recognises climate change as both an environmental and business risk. As a manufacturing group dependent on energy, transportation, logistics, and raw material supply chains, the Group faces increasing exposure to:

- energy price volatility;
- extreme weather events;
- water scarcity;
- supply chain disruptions;
- raw material cost fluctuations;
- evolving environmental regulations; and
- changing stakeholder expectations regarding sustainability performance.

To strengthen operational resilience and support long-term sustainability, FTG continues investing in initiatives designed to mitigate environmental risks while improving operational efficiency and resource utilisation.

Key resilience initiatives include:

- solar energy investments across manufacturing sites;
- expansion of recycling infrastructure and circular economy capabilities;
- energy efficiency improvement programmes;
- water conservation, rainwater harvesting, and recycling initiatives;
- sustainable procurement practices; and
- supply chain diversification efforts aimed at reducing operational vulnerability.

The Group continues evaluating opportunities to strengthen climate-related risk management, environmental performance monitoring, and sustainability integration across operations.

Social Responsibility and Inclusion

Our people and communities remain central to the success and sustainability of Flame Tree Group. We are committed to fostering an inclusive, respectful, and safe workplace where employees are empowered to grow, contribute, and succeed.

Promoting diversity, equal opportunity, and gender inclusion remains an important focus across our operations. We continue investing in employee wellbeing, professional development, leadership training, technical skills enhancement, and workplace safety initiatives to support long-term human capital development.

Training programmes across the Group cover a broad range of competencies, including:

- technical and operational skills;
- occupational health and safety;
- leadership development;
- digital capabilities;
- financial literacy;
- continuous improvement methodologies; and
- communication and professional development.

Protecting the health, safety, and wellbeing of our employees remains a priority. Our occupational health and safety frameworks are designed around proactive risk management, regular training, monitoring, emergency preparedness, and continuous improvement.

Beyond our internal operations, FTG seeks to create positive social impact through targeted community investment initiatives focused on:

- education support;
- access to clean water and sanitation;
- environmental conservation;
- community welfare; and
- inclusive economic participation.

Through partnerships with schools, NGOs, community organisations, and other stakeholders, we continue supporting initiatives that contribute to long-term social development and community resilience.

Governance for Sustainable Growth

Strong governance practices are essential to maintaining accountability, transparency, stakeholder confidence, and sustainable long-term business performance.

FTG is committed to maintaining high ethical standards across all operations through robust governance frameworks, responsible leadership, and compliance with applicable laws and regulations across the jurisdictions in which we operate.

Our governance approach is supported by:

- a Code of Conduct;
- anti-bribery and anti-corruption policies;
- whistleblowing mechanisms;
- risk management frameworks;
- internal controls and compliance systems; and
- ongoing governance oversight by leadership and management structures.

ESG considerations are increasingly integrated into strategic planning, operational oversight, enterprise risk management, and key business decisions to support long-term sustainability and resilience.

Supply Chain Responsibility

FTG seeks to work with suppliers and business partners who share its commitment to ethical conduct, environmental stewardship, quality standards, and regulatory compliance.

The Group continues strengthening supplier engagement and procurement processes to encourage:

- Responsible sourcing
- Environmental responsibility
- Product quality
- Ethical business practices
- Sustainable supply chain partnerships

Stakeholder Engagement and Value Creation

Stakeholder engagement is central to our sustainability strategy and long-term success. Through ongoing engagement with key stakeholders, we strengthen relationships, support informed decision-making, and drive sustainable value creation.

Aligned with ESG principles and international best practices, stakeholder insights continue to shape our sustainability priorities, risk management, and long-term strategic direction.

Stakeholder group	Key interests	Value creation	Engagement platforms
Employees	<ul style="list-style-type: none"> - Inclusive work environment - Career growth and development - Culture of innovation 	<ul style="list-style-type: none"> - High-performance workplace culture - Competitive compensation and performance bonuses - Flexible work arrangements - Ongoing skills development and gender equity advancement 	<ul style="list-style-type: none"> - Annual training programmes - Senior management facility visits - Performance reviews and KPI assessments - Quarterly leadership forums
Customers	<ul style="list-style-type: none"> - High-quality, innovative products - Value for money - Brand trust and responsive service 	<ul style="list-style-type: none"> - Customer-centric product development - Ethical pricing and transparent communication - Sustainable solutions aligned with UN SDGs 	<ul style="list-style-type: none"> - Marketing campaigns (TV, digital, in-store) - Customer satisfaction surveys - Loyalty programmes - E-commerce platforms
Shareholders and investors	<ul style="list-style-type: none"> - ROI and ROE - Business growth and resilience - Transparent financial reporting 	<ul style="list-style-type: none"> - Prudent capital allocation - Robust ESG disclosures - Long-term business viability and shareholder trust 	<ul style="list-style-type: none"> - AGM - Investor briefings and roadshows - Financial reporting
Regulators and government	<ul style="list-style-type: none"> - Regulatory compliance - Tax contributions - Ethical governance 	<ul style="list-style-type: none"> - Full compliance with all applicable laws - Employment creation and corporate tax contribution - Transparent governance frameworks 	<ul style="list-style-type: none"> - Annual audits - Regulatory compliance reports - Timely tax and regulatory submissions
Communities	<ul style="list-style-type: none"> - Positive social and environmental impact - Community investment - Sustainable operations 	<ul style="list-style-type: none"> - Impact-driven CSI programmes - SDG-aligned business practices - Local employment and supply chain inclusion 	<ul style="list-style-type: none"> - CSI programmes - Employee volunteering - Partnerships with NGOs and local governments

Our ESG risk areas and opportunities

We recognise that sustainability is not only good for business, but it is integral to how we manufacture and distribute our products. This understanding informs our engineering, operational, health and safety management processes, and our approach to ESG risk management and opportunity identification.

ESG dimension	Key risks	Opportunities and strategic actions
<p>Environmental</p>	<ul style="list-style-type: none"> - Transition to green energy and increasing regulatory pressure on emissions - Stricter laws on waste, pollution, and resource use - Carbon emissions contributing to climate change - Biodiversity loss and land degradation 	<ul style="list-style-type: none"> - Renewable energy investments: expanding solar power capacity - Energy efficiency: installing power factor correction equipment - Circular economy: expanding recycling machinery and capability - Sustainable procurement: using recycled materials in production
<p>Social</p>	<ul style="list-style-type: none"> - Shifting consumer preference toward ethical products - Data security and privacy risks - Employee well-being, fair wages, and diversity concerns - Occupational health and safety hazards 	<ul style="list-style-type: none"> - Strategic community investments in education, water, and conservation - Customer-centric sustainable product innovation - Comprehensive employee upskilling programmes - Strengthened zero-accident workplace safety policies - Enhanced cybersecurity and data governance frameworks
<p>Governance</p>	<ul style="list-style-type: none"> - Regulatory non-compliance risks across multiple jurisdictions - Shareholder transparency and risk oversight challenges - Exposure to corruption and bribery risks 	<ul style="list-style-type: none"> - ESG integration in board and management decisions - Enhanced risk management frameworks and governance audits - Strict anti-corruption policies, whistleblowing mechanisms, and antibribery training - Transparent investor relations and improved corporate disclosures

Climate action and environmental stewardship

Climate change is increasingly shaping the operating environment for businesses worldwide. Rising global temperatures, shifting weather patterns, and the growing frequency of extreme climate events present tangible risks to supply chains, infrastructure, and economic stability. These developments are also accelerating regulatory expectations and stakeholder demand for greater environmental accountability.

At Flame Tree Group (FTG), we recognise the importance of understanding and responding to environmental challenges that affect both our operations and the communities in which we operate. As a manufacturing and distribution business, our activities rely on energy, water, and raw materials, making responsible environmental management a key priority across our facilities. Our environmental efforts focus on improving operational efficiency, strengthening resource management practices, and reducing environmental impacts associated with production processes. Through targeted initiatives in energy use, waste management, and water conservation, we continue working to minimise our environmental footprint while maintaining operational effectiveness.

Greenhouse gas emissions and carbon management

Monitoring greenhouse gas emissions is an important step toward understanding the environmental impact of our operations. FTG has implemented systems to measure emissions across Scope 1, Scope 2, and Scope 3 categories, enabling improved visibility into the main sources of emissions across our business activities. Our approach to carbon management aligns with SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation, and Infrastructure), and SDG 12 (Responsible Consumption and Production).

We have implemented a comprehensive emissions tracking system that monitors Scope 1, Scope 2, and Scope 3 greenhouse gas emissions, enabling data-driven sustainability strategies across our operations.

Greenhouse Gas Emissions Performance (tCO₂e)

Emission Boundary	FY 2023	FY 2024	FY 2025
Scope 1	2,987.24	3,334.42	3,313.48
Scope 2	1,517.69	1,600.70	2,096.14
Scope 3	25,778.37	21,568.60	19,797.50
Total Emissions	30,283.29	26,503.72	25,257.62

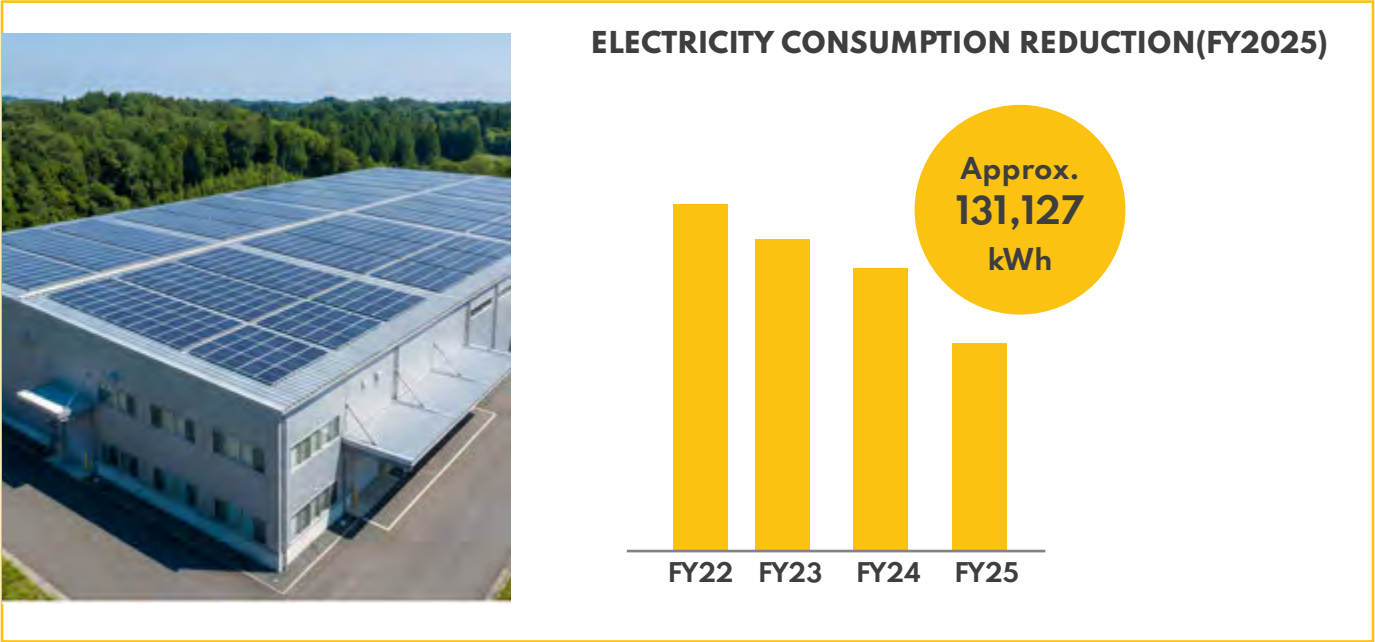
Scope 1 emissions primarily arise from fuel consumption in manufacturing processes and company-operated logistics. Scope 2 emissions represent indirect emissions associated with electricity purchased for operations. Scope 3 emissions account for emissions occurring across the broader value chain, including the sourcing of raw materials, transportation, and waste handling.

Renewable energy initiative – SDG 7

Energy consumption is a significant contributor to operational emissions. In recent years, FTG has explored opportunities to incorporate renewable energy solutions to support more efficient energy use across facilities.

A key milestone has been the installation of solar power infrastructure at the Roto facility. This initiative has contributed to a measurable reduction in reliance on grid electricity while supporting more sustainable energy use within operations. The project resulted in a reduction of approximately 131,127kWh in grid electricity consumption in FY2025, with additional installations under consideration for other operational locations.





Waste management and responsible consumption – SDG 12

Reducing waste and improving resource recovery are important components of FTG’s environmental efforts. Our operations incorporate waste management practices designed to minimise landfill disposal and increase the recovery of recyclable materials.

In FY2025, FTG strengthened its collaboration with a Producer Responsibility Organisation (PRO), supporting industry-wide initiatives aimed at improving plastic waste collection, recycling, and responsible product lifecycle management.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION






225.37
Tonnes Recycled
in FY2024



937.61
Tonnes Recycled
in FY2025

In 2024, FTG recycled 225.37 tonnes of plastic waste (previously reported in kilograms as 225,374.47 kg), reducing dependency on virgin materials. In the current financial year, the Group recycled 973.61 tonnes of plastic waste, reflecting continued efforts to enhance waste recovery and circularity across operations.

The Group continues to prioritise circularity by reintroducing recyclable materials into production processes where feasible, thereby reducing reliance on virgin raw materials. Waste reduction initiatives are further supported through continuous improvement practices across operational teams, where employees actively identify opportunities to optimise resource utilisation and minimise material losses.

Water stewardship – SDG 6

We are committed to efficient water management across all operations, ensuring that we minimise water wastage while maximising reuse. Our smart water metering systems, installed to optimise monitoring and conservation, enable precise tracking of water usage across sites. Rainwater harvesting systems reduce dependence on municipal water supplies, while upgraded industrial cooling towers improve water efficiency and reuse capacity.



In FY 2025,
we continued building on the
36,482.887
CUBIC METRES 
of water recycled



with targets to
**increase recycling
volumes**



and
**expand rainwater
harvesting coverage**
to additional
operational sites



Innovation and sustainable industrial growth – SDG 9

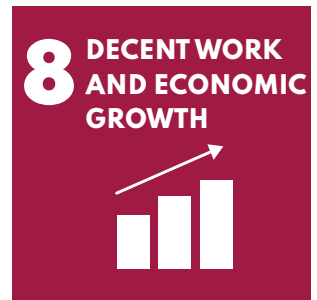
We are committed to sustainable industrialisation that fosters innovation and resource efficiency while supporting job creation and economic development. Our efforts in FY 2025 included continued investment in advanced recycling technologies, eco-friendly product design, and local supply chain strengthening to reduce transportation-related emissions.

By embedding environmental education across our workforce and investing in process optimisation, we are positioning FTG as a leader in sustainable industrialisation driving long-term economic and environmental resilience across the African markets we serve.



Commitment to decent work and economic growth – SDG 8

FTG is committed to promoting sustainable economic growth, productive employment, and decent work for all. Aligned with SDG 8, we focus on creating an inclusive work environment that fosters economic productivity through diversification, technological advancement, and continuous innovation. We recognise the importance of gender inclusivity, skills development, and equal opportunity as essential drivers of long-term business success and economic resilience.



Training and development

We remain committed to continuous learning as a driver of operational excellence. Throughout FY 2025, we delivered extensive training programmes designed to enhance employee competencies across multiple areas. Health and safety training including first aid and fire marshal certification ensured workplace preparedness. Technical training covered 3D modelling, equipment maintenance, and production process optimisation.

Additional programmes addressed financial literacy, stress management, professional communication, and digital skills development. Leadership coaching, Kaizen continuous improvement methodologies, and payroll sensitisation further equipped our workforce for evolving business demands. Beyond technical skills, we invested in programmes focused on personality development, adaptability, and effective communication, ensuring our people remain agile and aligned with the organisation's growth ambitions.

Employee wellbeing, health and safety

We recognise that our employees are at the heart of everything we do. Our compensation structure is designed to reflect individual contributions, ensuring fair wages, performance-based bonuses, and long-term financial security through defined contribution pension plans and an employee shareholding association. Medium-to-long-term incentive programmes recognise high performance and encourage retention.

Our Occupational Health and Safety Management System is built around compliance, proactive risk assessment, continuous improvement, and emergency preparedness. Safety is a shared responsibility at FTG: regular audits identify hazards proactively, all employees receive role-specific safety training, and our policies are continually updated to reflect evolving industry standards. We are also committed to ensuring that every product we manufacture meets rigorous health and safety standards, from design and production through to distribution and end use.

Community investment and social impact

Flame Tree Group (FTG) remains committed to supporting the communities in which it operates through targeted social investment initiatives. Our community engagement efforts focus on addressing practical local needs while contributing to broader global development priorities. During FY2025, FTG undertook several initiatives aimed at improving access to clean water, supporting education infrastructure, promoting responsible waste management, and contributing to community welfare.

Through partnerships with schools, community organisations, and charitable institutions, these initiatives were designed to support long-term social well-being while reinforcing our role as a responsible corporate citizen.

Employee Development

Fire Safety & First Aid Training



Importance of Warehouse & Logistics in FMCG Food Industry Training



Discipline Management at the Workplace Training



Procedures for Handling Workplace Accidents Training



CEO Leadership Training



The Pursuit of Happiness Training



Culture & Moments that Matter



Access to clean water and sanitation – SDG 6

Reliable access to safe drinking water remains a challenge for many schools and community institutions. In FY2025, FTG supported several institutions through the donation of water storage infrastructure to improve water access and hygiene conditions.

Water tanks were donated to Gacereni Primary School in Tharaka Nithi, Bondeni Primary School in Kayole, Nairobi, and the Missionaries of Charity (Sisters of Mother Teresa) in Kasarani Ngumba Estate.

These tanks, with capacities ranging from 4,000 litres to 16,000 litres, help provide safe water storage for students and community members, contributing to improved sanitation and more conducive learning and living environments.

By strengthening water storage capacity in schools and community facilities, these interventions help ensure more reliable access to clean drinking water and support healthier environments for children and vulnerable populations.



Responsible waste management and environmental awareness – SDG 12

Flame Tree Group also contributed to promoting responsible waste management practices at the community level. In Eldoret, Koibarak Primary School received waste bins to support proper waste segregation within the school premises. This initiative aims to encourage responsible waste disposal habits among students and staff while fostering environmental awareness at an early age.



Supporting education and early childhood development – SDG 4

Education remains a key area of community engagement for FTG and its subsidiaries. In FY2025, Polyplay, a member of the FTG Group, contributed to improving learning environments through the donation of early childhood learning infrastructure.

Polyplay donated eight kindergarten stackable beds and one Queen Boma Blocks educational play set to the Kenya Police Ruaraka Station, supporting the welfare of children within the police community. These items contribute to safer and more supportive early learning spaces, promoting healthy child development and educational engagement.



Community welfare and social support – SDG 3

Beyond education and environmental initiatives, FTG also supported broader community welfare activities during the year. Contributions included financial support toward the renovation of a community temple in Embu, helping maintain an important cultural and spiritual gathering space for the local community.

FTG employees also participated in a charitable hike organised in partnership with the Kenya Society for the Blind, raising funds to support programmes that empower visually impaired children. The initiative aimed to raise awareness, strengthen community solidarity, and contribute resources toward improving opportunities for children living with visual impairment.





Corporate Governance

Governance is the means by which the affairs of an institution are directed and managed thereby promoting corporate accountability and business aptness to achieve an optimal shareholder value, whilst simultaneously taking into consideration the interests of other stakeholders. It is premised on the principles of integrity, accountability, prudence and openness.

The Board of directors of FTG Holdings Limited is at the core of the Group's system of corporate governance and is ultimately accountable and responsible for the performance and affairs of the Group.

We conducted our Corporate Governance Audit as mandated by the CMA, where we successfully scored 81.60/100. Good corporate governance is regarded as critical to the success of the business of the Group and the board is unreservedly committed to applying the fundamental principles of good governance – transparency, integrity, accountability and responsibility – in all dealings by, in respect of and on behalf of the Group. The Board accordingly embraces the principles of good governance as set out in a number of governance frameworks including the Principles for Corporate Governance in Kenya.

A Legal Compliance Register and Compliments & Complaints Register are maintained to support regulatory adherence, stakeholder engagement, and timely issue resolution. Together with the existing Seal Register, these controls reinforce the Group's commitment to transparency, ethical conduct, and sound corporate governance practices.

The Legal Compliance Audit Report for the year ended 31 December 2024 and Anti-Fraud & whistleblowing policy is available on the company's website, reinforcing the Group's commitment to regulatory compliance, transparency, and sound corporate governance practices.

The board develops and maintains reporting and meeting procedures for itself and its committees. Regular board meetings are held once per quarter. Board meetings take place at the Group's offices unless otherwise decided by the board. The Board may form committees of its members and may delegate any of its powers to any such committee. The frequency of the committee meetings are determined by the individual committee, as stated in the terms of reference for each committee. The quorum necessary for the transaction of the business of the board is at least three executive directors present either personally or by alternate. The Annual General Meeting of members elects directors on the basis of their professional competencies, personal qualities and the contribution they can make to the governance of the organization.

Data Protection

The Company recognizes that data privacy and cybersecurity risks are critical to its operations and stakeholder trust. We have established governance structures and risk management processes designed to identify, assess, and mitigate potential threats to information systems and personal data. While no system can be entirely immune to cyber incidents, we remain committed to safeguarding sensitive information, maintaining business continuity, and investing in ongoing improvements to our cybersecurity posture.

In accordance with the principles of good corporate governance, each director undertakes:

- To act first, foremost and always in the best interest of the Company;
- To exercise his/her power in the executive duties in good faith; and
- To act with the care a prudent person would take when acting on their own behalf.

Each director undertakes that, in arriving at a decision on any issue, he or she shall strive to ensure that the decision is in the best interest of the Company and is not driven by any other interests. Each director is fully aware of the importance of regular attendance and effective participation at meetings.

Each director undertakes to do everything with their power to attend all meetings. Board deliberations give rise to consensus or formal votes covering matters of importance to the organization. Each director shall be attentive to and respectful of the delineation and exercise of powers and responsibilities attributed to the Company's respective decision-making organs.

Directors shall however ensure that no single person can exercise uncontrolled discretionary powers. They shall support the proper functioning of Board Committees and pay particular attention to ensure that the Company's internal controls are effective and that its auditors perform their mission in a satisfactory manner. All the directors of FTG Holdings Limited have completed the Directors Induction Programme as at the date of the Listing.

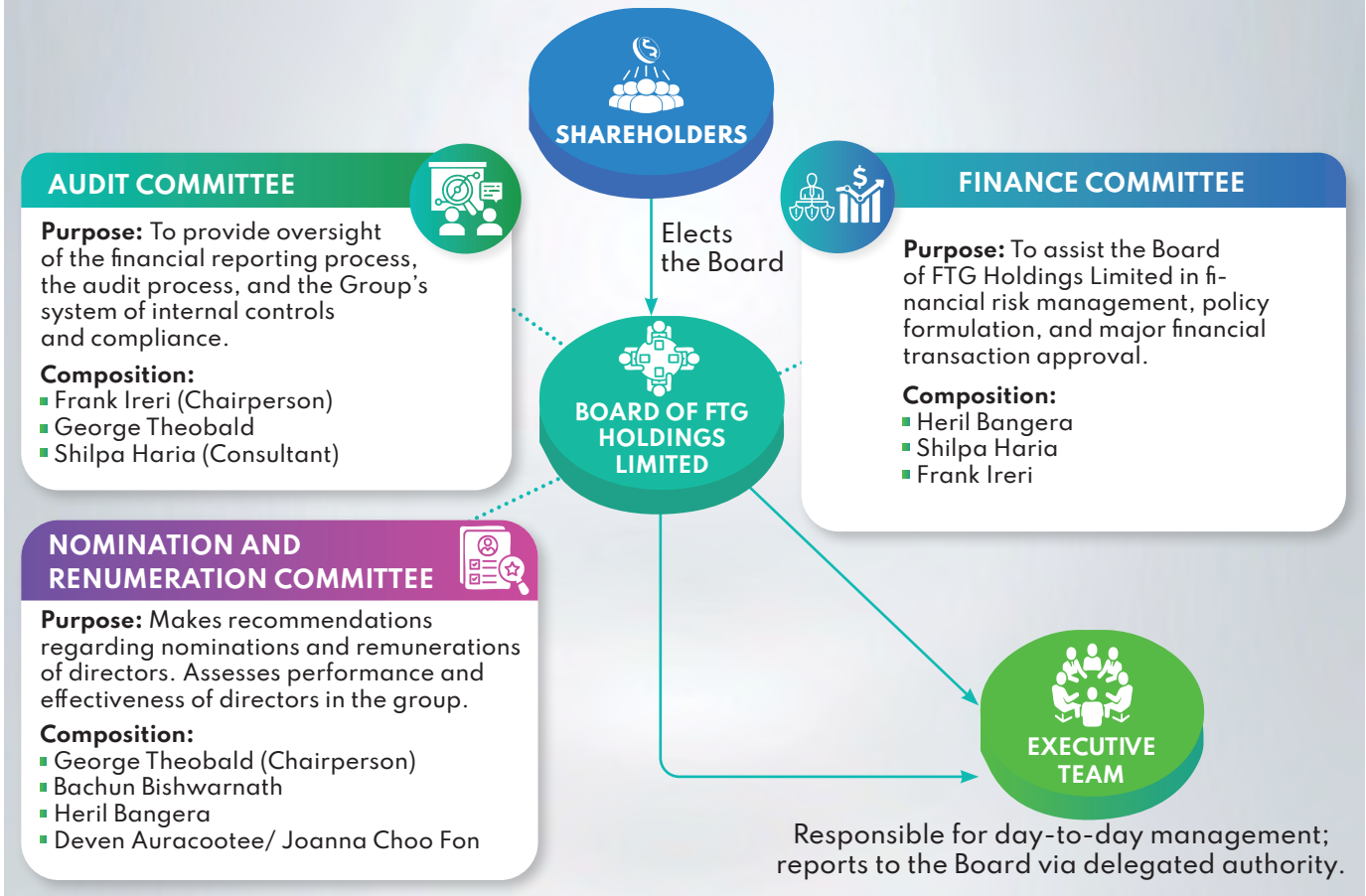
Composition of the Board of Directors

The Board includes a fair balance between Executive and Non-Executive Directors so that no individual or company of individuals' interests will dominate the Board's decision making process.

The following issues are considered in determining the Board's composition:

- Attaining a desirable ratio of and balance between the number of executive and non-executive directors.
- Ensuring that the board collectively contains the skills, experience and mix of personalities appropriate to the strategic direction of the Group and necessary to secure its sound performance.
- Experience, knowledge, skills and personal attributes of current and prospective Directors in relation to the needs of the Board as a whole.
- Irrespective of a Director's special expertise or knowledge and regardless of whether a Director is an Executive or Non-Executive Director, all members of the Board recognize that they are collectively responsible to Shareholders for the performance of the Group.

Corporate Governance Framework



Board Effectiveness and Evaluation

Each director further undertakes to prepare sufficiently for meetings by carefully considering board papers and attachments thereto, and where necessary seeking clarifications. Where a director is unable to attend a meeting, each director undertakes to communicate through the Chairman or the Chief Executive Officer any concerns or issues they would wish considered. At regular intervals, not exceeding twelve months, the Board of Directors shall undertake an evaluation of its functioning as a collective agency and as individual directors.

Where necessary, the Board may obtain the services of an external facilitator to guide the evaluation. There are also no arrangements or understandings with the majority shareholder, customers, suppliers or others, pursuant to which any person was selected as a Director or member of senior management.

Remuneration of the Directors

The Nomination and Human Resource Committee is responsible for reviewing Non-Executive Directors' remuneration and recommending the necessary changes from time to time. In making these recommendations, due consideration must be given to the Board's expectations from Directors in terms of time commitments, degree of responsibility and financial condition of the Group.

The Committee may request management or external consultants to provide necessary information upon which the Board may make its determination. Directors' remuneration is presented for approval at the Annual General Meeting.

In determining the compensation for Non-Executive Directors, the Nomination and Human Resource Committee shall consider the following:

- The level of fees currently earned by Directors in their professional capacity.
- The number of hours spent by Directors in preparing for and attending meetings, as well as travel to meeting venues.
- Current market rates applicable to organizations of similar size and in the same industry.
- The complexity of the Group's operations and the extent to which directors have to incur additional cost in research on industry developments and other Group related matters.
- The number of meetings in a year.

The remuneration recommended by the Nomination and Human Resource Committee shall apply to all Directors and no Director should be involved in fixing their own individual remuneration.

Responsibilities of the Board

The Board should specifically exercise leadership, enterprise, integrity and judgment in directing the affairs of the Group in order to achieve continuing prosperity for the Group and its Shareholders, and shall at all times act in the best interests of the Group in a manner based on transparency, integrity, accountability and responsibility.

The Board must specifically:

- Define and chart out the Group's vision, mission and values and has ultimate responsibility for the attainment of the Group's values.
- Determine the business strategies and plans that underpin the corporate strategy.
- Discuss and approve strategic plans and annual budgets.
- Retain full and effective control over the Group, and monitor Management's implementation of the strategic plans and financial objectives as defined by the Board.
- Define levels of materiality, reserving specific powers to itself and delegating other matters with the necessary written authority to management.
- Continually monitor the exercise of delegated power by Management.
- Ensure that a comprehensive system of policies and procedures is in place, and that appropriate governance structures exist to ensure the smooth, efficient and prudent stewardship of the Group.
- Ensure that the business of the Group is managed with a view to ensuring that the Group is ethical in all its dealings and exercises corporate social responsibility.
- Ensure compliance by the Group with all relevant laws and regulations, audit and accounting principles and such other principles as may be established by the Board from time to time.
- Identify key risks, opportunities and strengths relating to the Group.
- Ensure that the Group's organizational structure and capability are appropriate for implementing the chosen strategies.
- Determine monitoring criteria to be used by the Board. Set policies on internal control and obtain regular assurance that the system is functioning effectively and is effective in managing risks.
- Nominate board members who will add value to the board processes and arrange for their induction. Appoint the Managing Director, senior staff, external auditors and other consultants.
- Discuss, agree and approve annual accounts and reports. Communicate key policies and strategy issues to senior management.
- Identify all stakeholders and ensure effective communication with Shareholders and stakeholders.

FTG Holdings Ltd's Board of Directors has formally confirmed that there are no known insider dealings within the company. This declaration further solidifies the company's commitment to transparency, regulatory compliance, and ethical business practices while fostering market confidence and investor trust.

Board Committee

The Board has established the following three (3) committees, whose mandates and terms of reference are spelt out as follows:

■ Audit Committee

The Audit Committee is a standing Committee of the Board and its purpose is to assist the Board in assessing the integrity of financial statements and the effectiveness of financial reporting, and to conduct risk management assessment. The primary purpose of the committee is to provide oversight of the financial reporting process, the audit process, the Group's system of internal controls and compliance with laws and regulations. It is composed of Frank Ireri as Chairperson, George Theobald and Shilpa Haria our consultant financial officer and authorized representative of nominated adviser. Shilpa also advises us on corporate matters.

FTG Holdings held three audit committee meetings during the financial year 2025 attended by all the committee members, These meetings focused on key financial discussions;

- Review of consolidated financial statements for the year ended 31st December 2025
- Review of consolidated financial statements for the half year ended 30th June 2025
- Discussion on budget 2026 and the landing of budget 2025

These meetings align with the audit committee's oversight responsibilities ensuring financial integrity and strategic planning

■ Finance Committee

The Finance and Audit Committee is a standing Committee of the Board and its purpose is to assist the Board of FTG Holdings Limited in financial risk management, policy formulation, reviewing and approving major financial transactions. It is comprised of Heril Bangera, shilpa Haria and Frank Ireri.

■ Nomination and Remuneration Committee

The Nomination and Remuneration Committee is a standing Committee of the Board. Its purpose is to assist the Board of FTG Holdings Limited to propose new nominees for the board when required and to assess the performance and effectiveness of Directors in the Group. The Nomination and Remuneration Committee is responsible for reviewing Non-Executive Directors' remuneration and recommending the necessary changes from time to time. It is composed of George Theobald as Chairperson, Bachun Bishwarnath, Heril Bangera and Deven Auracootee/ Joanna Choo Fon.

In accordance with the principles of good corporate governance, each director undertakes:

- To act first, foremost and always in the best interest of the Company;
- To exercise his/her power in the executive duties in good faith; and
- To act with the care a prudent person would take when acting on their own behalf.

Embedding Ethics into Strategy and Operations

At Flame Tree Group, our Code of Ethics is a foundational pillar that guides every aspect of our operations and strategic decisions. It outlines the values and standards expected of all employees, management, and partners, promoting a culture of integrity, accountability, and respect. In 2025, we continued to integrate the Code of Ethics into our day-to-day operations by ensuring it is reflected in employee onboarding, training programs, performance evaluations, and supplier engagement processes.

Our leadership team champions ethical behavior through regular communication and by setting a clear example, ensuring alignment between our business practices and ethical standards.

We have established internal mechanisms including confidential reporting channels and a zero-tolerance policy for misconduct to ensure adherence and to respond effectively to any breaches. These efforts have strengthened trust among stakeholders and reinforced our commitment to operating responsibly and sustainably across all regions where we do business.

Internal Audit Function

Flame Tree Group recognizes the critical role of the internal audit function in promoting transparency, risk management, and operational efficiency. Our internal audit department operates independently and reports directly to the Audit and Risk Committee of the Board. This ensures objectivity and reinforces the integrity of our governance framework. In 2025, the internal audit function continued to assess the effectiveness of internal controls, compliance with policies, and risk mitigation strategies across all subsidiaries and operational units.

Regular audits were conducted based on a risk-based audit plan approved by the Audit and Risk Committee, with key findings and recommendations discussed with management and tracked through to resolution. The internal audit team also supported process improvements by identifying opportunities for operational efficiency and cost savings while ensuring alignment with the Group's ethical standards and strategic goals. Through this function, we continue to strengthen our accountability, support informed decision-making, and enhance value for our stakeholders.

Ms. Edna Adala, a member of the Institute of Certified Secretaries (ICS) in Kenya, is recognized for her good standing with the institute. She performs secretarial duties at Annual General Meetings (AGMs) in Kenya, ensuring compliance with governance standards and corporate regulations.

The Group continues to strengthen its governance framework through effective compliance and accountability measures.

Assurance & Data Reliability

FTG continues strengthening internal ESG data collection, monitoring, and verification processes to improve consistency, reliability, and comparability of sustainability metrics across the Group. As ESG reporting standards continue evolving globally, the Group aims to progressively enhance sustainability reporting maturity and assurance readiness over time.

Looking ahead: Our 2026 ESG Priorities

As we conclude another year of meaningful progress, Flame Tree Group looks ahead with renewed ambition and a clear sense of purpose. Our 2026 ESG priorities build on the foundation we have established, deepening our commitments and expanding the scope of our impact.

Environmental priorities



RENEWABLE ENERGY EXPANSION

- Accelerate the transition to renewable energy across all major manufacturing sites, with specific targets for solar capacity additions



CIRCULAR ECONOMY INFRASTRUCTURE EXPANSION

- Expand circular economy infrastructure, including additional recycling equipment and partnerships with waste management organisations



WATER CONSERVATION & RECYCLING PROGRAMMES

- Deepen water conservation programmes, targeting increased recycling volumes and broader rainwater harvesting coverage



EMISSIONS MONITORING & ENERGY EFFICIENCY

- Improve emissions monitoring and energy efficiency initiatives

Social priorities



FEMALE REPRESENTATION IN LEADERSHIP & TECHNICAL ROLES

- Increase female representation in management and technical roles across all subsidiaries



COMMUNITY INVESTMENT: WATER, EDUCATION & ENVIRONMENTAL RESTORATION

- Scale community investment programmes, with a focus on water access, education infrastructure, and environmental restoration



HEALTH & SAFETY TRAINING EXPANSION

- Expand health and safety training to cover all contracted and temporary workers across all sites



SCALING COMMUNITY SUSTAINABILITY PROJECTS

- Scale community investment projects focused on water, education, and sustainability



PARTNERSHIPS WITH CIVIL SOCIETY ORGANISATIONS

- Deepen the FTG partnership with Mama Doing Good and other civil society organisations to amplify community impact

Governance priorities



- Strengthen ESG governance and reporting structures



- Enhance ESG data management systems



- Expand ethics and compliance training programmes



- Continue improving transparency and stakeholder engagement

Our Commitment

Flame Tree Group remains committed to building Africa sustainably through responsible manufacturing, innovation, environmental stewardship, ethical governance, and community partnership.

We believe sustainable growth is achieved not only through financial performance, but also through the positive contribution businesses make to society, people, and the environment.

Together with our employees, customers, shareholders, partners, and communities, we remain committed to building resilient, world-class African brands that create long-term value for future generations.





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