



2025

Sustainability Report

TABLE OF CONTENTS

	Our Targets.....	2
	Who We Are.....	2
	Message from CEO.....	4
	Our Certifications.....	5
	Summary.....	6
	Our Approach to Sustainability.....	7
	Net Zero Journey.....	11
	Waste.....	13
	Water.....	16
	Energy.....	19
	Fuel.....	22
	Social.....	25
	Environmental stewardship and Tree growing....	32
	Looking Ahead.....	35





Our Targets



2030

Net Zero (Scope 1 and 2 emissions as a short term target)



2025

40% Grid energy consumption reduction



2025

20% Water usage reduction



2025

Zero waste to landfill



2025

LTIFR (Lost Time Injury Frequency Rate) 0.5



85%+

Survival of trees grown



Who we are



At Kampala Pharmaceutical Industries (1996) LTD, we have always understood that our purpose extends beyond the medicines we produce. The health of our patients is inseparable from the health of our employees, our communities, and the environment we share. This understanding shapes every decision we make and every goal we pursue.

This sustainability report represents our commitment to transparency, accountability, and continuous improvement. Within these pages, we share not only our achievements but also our challenges-because we believe that honest reflection is the foundation of meaningful progress.



Our Vision

To be the leading provider of affordable quality Healthcare solutions in the East African Region.



Our Mission

To be the preferred supplier of essential medicines by focusing on quality, innovation and customer satisfaction.

What You Will Find in This Report

This report covers our environmental and social performance for the calendar year 2025 detailing progress we have made and outlining where we still have work to do-because sustainability is not a destination but a continuous journey.



Message from CEO



Ramamurthy TRM
Chief Executive Officer

"At the heart of KPI is a simple but powerful belief: sustainable growth can only be achieved when well-being of our people, the integrity of our operations, and our responsibility to the environment advance together.

On behalf of the leadership team, I extend my sincere gratitude to our employees, and stakeholders for their unwavering dedication and support. Together, we are building a company that not only delivers results today but is also resilient, responsible, and sustainable for the future. Throughout 2025, our teams worked tirelessly to protect and strengthen the safety and well-being of our workforce, fostering a safer, stronger work environment for everyone. Environmental responsibility remained equally central to our efforts. We advanced meaningful initiatives to reduce waste, improve resource efficiency, and strengthen the responsible management of materials across all areas of our operations.

As I reflect on the year, I am proud of the progress we have made- that reinforces the foundations of our business while continuing to deliver lasting value to our stakeholders.

Appreciation

This report would not be possible without the dedication of our employees, who every day demonstrate that safety and quality are not burdens but expressions of respect for one another and for the patients we serve. I thank them for their courage in speaking up, their patience as we improve, and their skill in delivering medicines that heal. I also extend our gratitude to our partners, suppliers, regulators, and the communities that host our operations. Your trust is our most valuable asset, and we are committed to earning it every day.

The pages that follow tell our story for 2025-the challenges, the progress, and the path ahead. We invite you to read them, question them, and hold us accountable. Because sustainability, like health, is a shared responsibility."



Our Certifications



Our continued investment in the facility demonstrates how modern, efficient infrastructure can enable sustainability outcomes at scale. Before building our new facility in Namanve, we incorporated **IFC EDGE Advanced Green Building Standards** in our project design and maintained these through construction. This is our commitment to reducing energy and water intensity and optimising material efficiency. The certification audit process has commenced.

We also obtained all the Government Drug Certificates including the general Certificate of Suitability for our premises for manufacturing drugs issued by National Drug Authority.

Our current manufacturing site is certified in Good Manufacturing Practices (GMP), which verifies that manufacturing facilities, such as those for pharmaceuticals, food, and cosmetics, adhere to strict quality standards to ensure product safety, quality, and regulatory compliance. It covers personnel training, equipment calibration, documentation, and process controls.





Summary of 2024–2025 Performance



Net Zero

17% ↓

17% decrease in GHG emissions compared to 2024 and 28% decrease compared to baseline of 2021.



Waste

24% ↑

24% increase in the amount of waste diverted from the landfill compared to 2024.



Water

7.62% ↑

In 2025, we achieved our target from baseline of 2021 and even exceeded it. Compared to 2024, water conservation improved by 7.62%.



Energy

1.44% ↑

In 2025, there is an increase in consumption of electricity by 1.44% compared to 2024 consumption. However, compared to the baseline of 2021, we registered a 1.1% improvement in efficiency.



Fuel

1.24% ↓

There is notable decrease in fuel consumption of 1.24% compared to 2024.



Health & Safety

- ↑

LTIFR -0



Our Approach to Sustainability



For us, sustainability is not a separate initiative or a collection of isolated projects. It is woven into the fabric of how we operate. These pillars are not ranked in order of importance. They are mutually reinforcing.

A healthy workforce is essential for producing quality medicines. A clean environment protects both our employees and the communities where we operate. Responsible products build the trust that sustains our business.



Pillar

Focus

Environment

This pillar represents KPI's commitment to ecological stewardship and resource efficiency. It highlights specific environmental priorities:



Water

The most prominent element, indicating a strong emphasis on water conservation, responsible usage, and wastewater management.



Energy

Focuses on energy efficiency, renewable energy adoption, and reduction of overall consumption.



GHG Emissions Footprint

Targets greenhouse gas emissions, climate impact mitigation, and carbon reduction strategies.



Waste

Encompasses waste reduction, recycling, circular economy practices, and responsible disposal.



Sustainable Sourcing

A broader category covering sustainable sourcing, life cycle assessments, and long term ecological balance.



Green Buildings

Construction according to green building standards, sustainable infrastructure, and eco friendly facility management.

Social

The social pillar addresses the organisation's impact on people, communities, and internal well being. Its sub categories reflect both external and internal stakeholder considerations:



Community well being

Focuses on local community engagement, social investment, and initiatives that enhance quality of life in surrounding areas. This also entails product quality as we ensure that goods consistently meet safety, durability, and performance standards, directly protecting consumers from harm and fostering trust. By prioritising quality throughout the product lifecycle, KPI not only reduces risks but also affirm our commitment to customer centric responsibility.



Human Rights

Encompasses labour rights, fair treatment, supply chain ethics, and policies against discrimination or exploitation.



Employee well being

Pertains to employee health, mental wellness programmes, work life balance, and overall workplace satisfaction.



Education & Culture

Involves educational support, diversity and inclusion, workplace cultural preservation, and training and development efforts.

Governance

This pillar entails the systems, structures, and ethical principles that guide our decision making and accountability highlighting the importance placed on robust governance and integrity as foundational elements of the overall strategy.



E&S Reporting and compliance

As the enabler of E&S accountability, a robust governance framework ensures that E&S targets are not just aspirations but are embedded in board-approved strategies, with compliance monitored and reported transparently.



Board Governance

Broad oversight mechanisms, board structure, transparency, and compliance frameworks.



Ethics

Concentrates on anti corruption measures, code of conduct, whistleblower protections, and ethical business practices.





Net Zero journey 2030



13 CLIMATE ACTION



15 LIFE ON LAND



Our Commitment

We are resolute in our pursuit of Net Zero emissions, a critical step in supporting the global transition to a sustainable future.

Progress - Absolute Operational Emissions Comparison between 2021, 2022, 2023, 2024 & 2025 (MTCO2e)

Period	2021	2022	2023	2024	2025
Total	896.3	853.3	737.0	773.3	645.0

2025 Performance



Our Target

Net Zero by 2030 (Scope 1 and 2 emissions as a short term target).



Our Achievement

There is notable **17%** decrease in GHG emissions compared to 2024 and **28%** decrease compared to baseline of 2021.



Our Initiatives

- Successful replacement of **R22** in July (an ozone depleting gas with high global warming potential) with **R407C**.
- Training of refrigeration technicians by NEMA and building capacity for refrigerant management.





Waste



Our Commitment

Reduce waste in all our operations.

2025 Performance



Our Target

Zero waste to landfill.



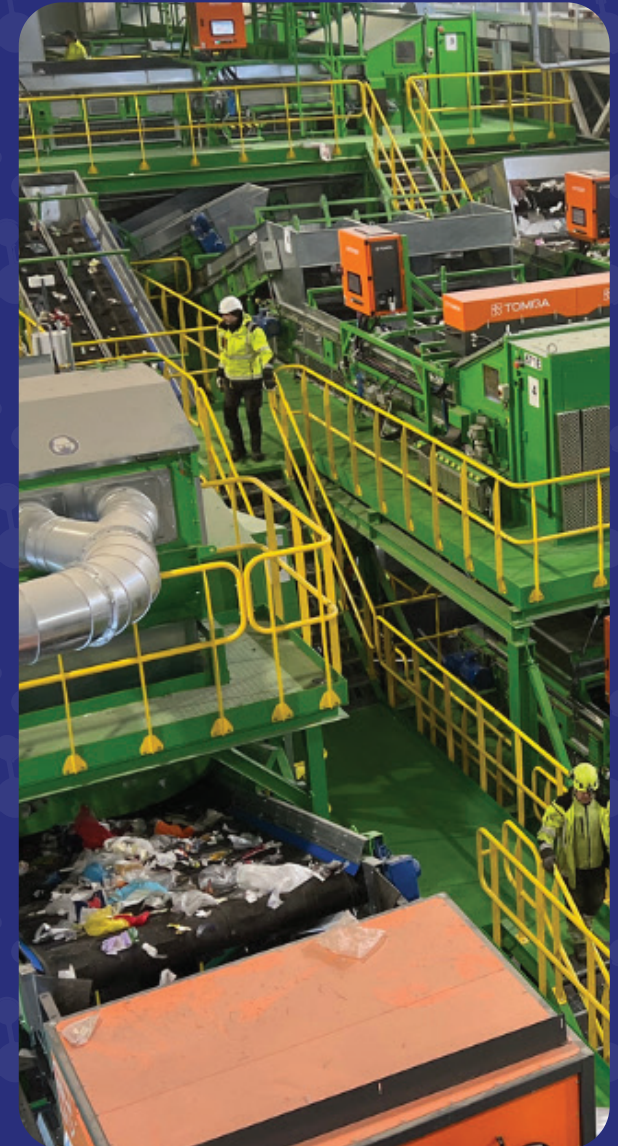
Our Achievement

There is notable increase of **24%** in the amount of waste diverted from the landfill compared to 2024.

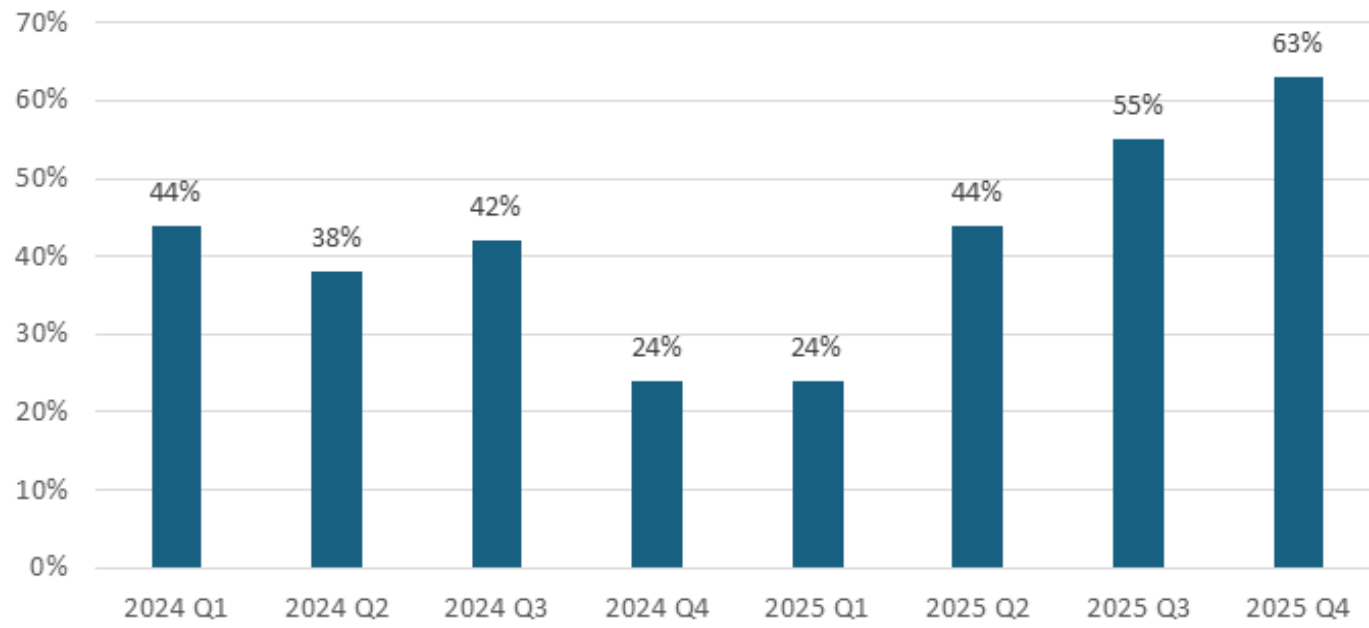


Our Initiatives

- ➔ Improved waste segregation that increased quantities of recyclable waste.
- ➔ Engaging licenced waste handlers to ensure overall responsible waste management.
- ➔ Continuous waste management awareness sessions for staff and contractors to improve waste segregation at the point of generation.



% waste Diverted from Landfill -Target 100%







Water



6 CLEAN WATER
AND SANITATION



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Our Commitment

Water is a vital resource in our operations, and we are committed to responsible usage, conservation, and innovation in water management practices.

2025 Performance



Our Target

20% Water usage reduction.



Our Achievement

In 2025, we achieved our target from baseline of 2021 and even exceeded it. Compared to 2024, water conservation improved by **7.62%**.

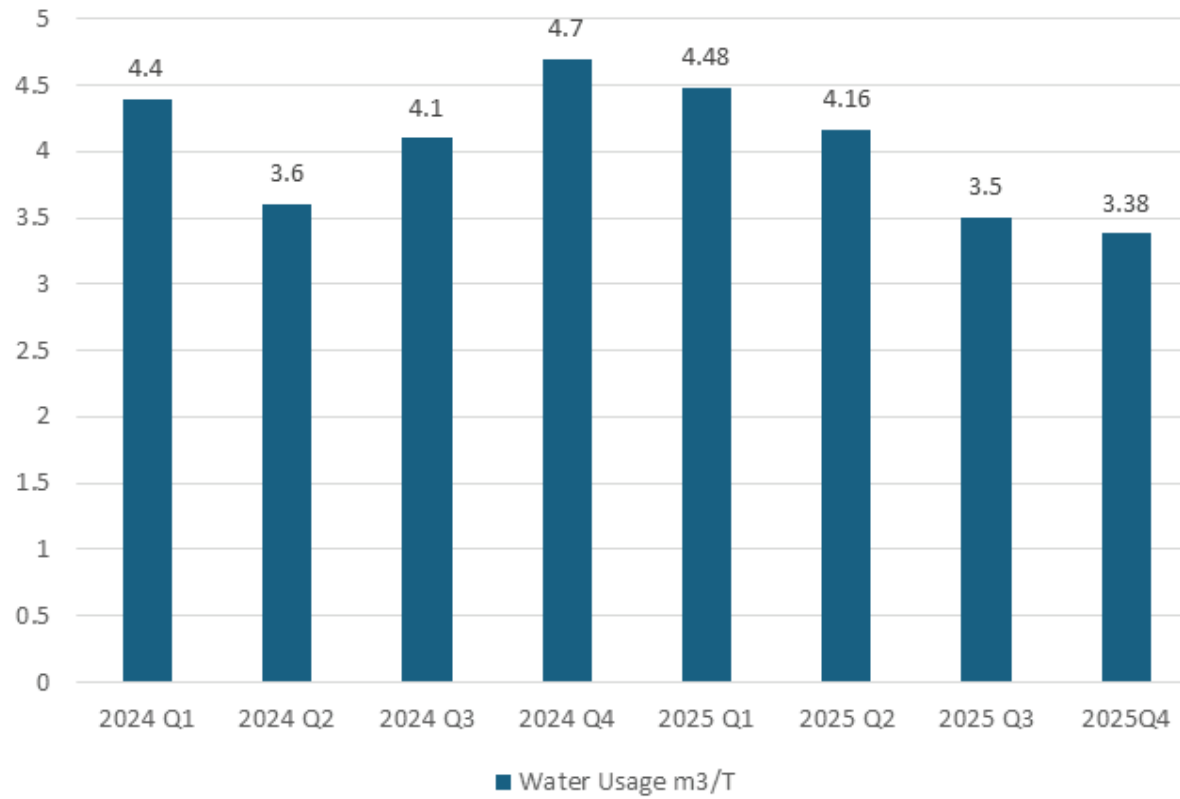


Our Initiatives

- ➔ Recovery of the rejected Reverse Osmosis (RO) water for use in laundry.
- ➔ Daily monitoring of water meter readings helped identify potential issues like potential leakages.
- ➔ Improved production planning has reduced the number of changeovers, which are often associated with significant water usage.
- ➔ Timely repair of all reported water leakages
- ➔ Increased pace of conducting awareness and sensitisation sessions on water conservation.
- ➔ Display signages about water conservation at the different water points



Water Usage Target -4m3/T







Energy



7 AFFORDABLE AND
CLEAN ENERGY



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Our Commitment

Energy consumption remains a central focus, where we seek to reduce dependency on non-renewable energy sources through strategic investments in renewable energy and energy-efficient technologies and interventions.

2025 Performance



Our Target

40% Grid energy consumption reduction.



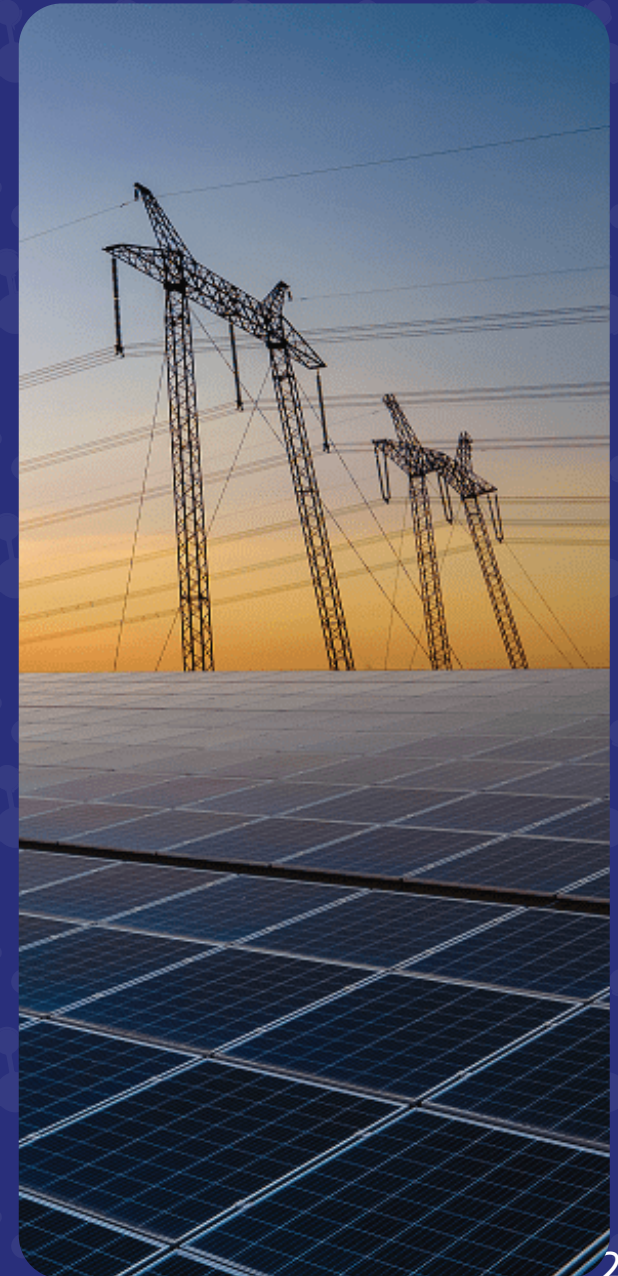
Our Achievement

In 2025, there is an increase in consumption of electricity by **1.44%** compared to 2024 consumption. However, compared to the baseline of 2021, we registered a **1.1%** improvement in Efficiency.

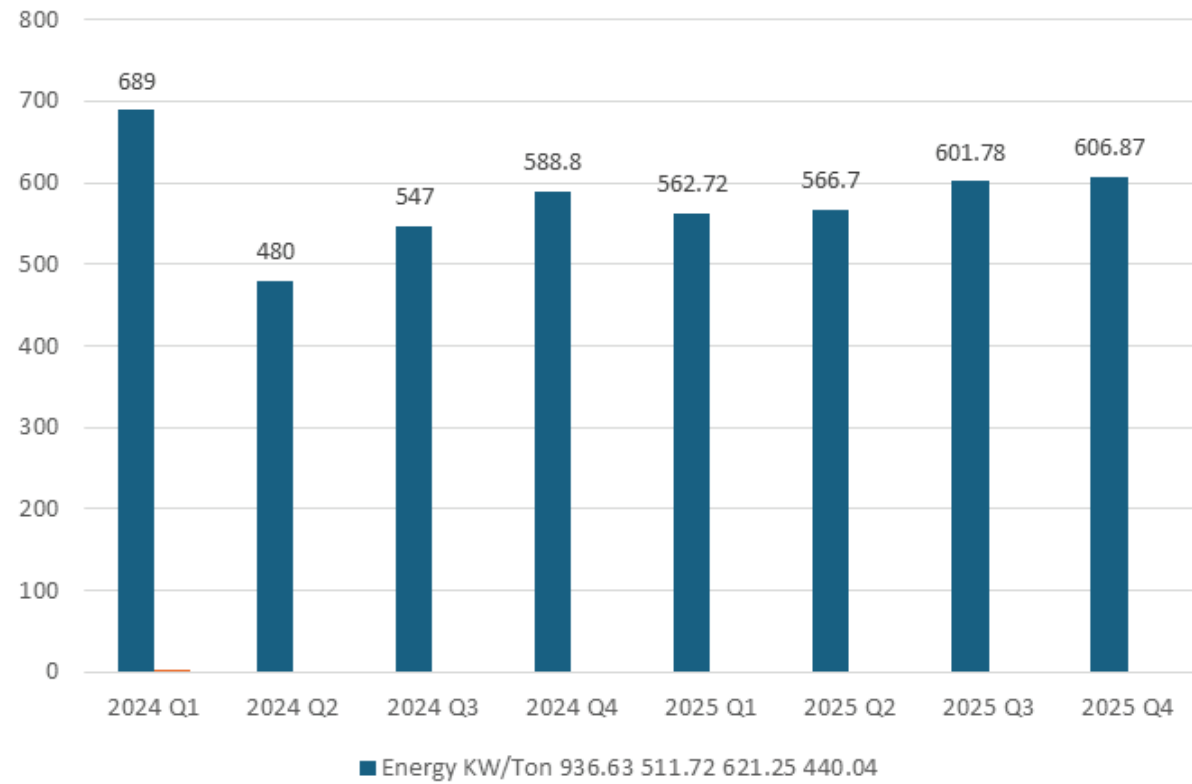


Our Initiatives

- ➔ Old blister change parts replaced with new ones thus delivering more efficiency.
- ➔ Installation of Variable Frequency Drive (VFD) in **2** coating machines to increase efficiency inadvertently optimising power consumption.
- ➔ Increased momentum in conducting awareness and sensitisation session on energy conservation through trainings and display of signages about electricity conservation.



Energy Consumption KW/Ton-Target 358.0 KW/Ton





Fuel

7 AFFORDABLE AND
CLEAN ENERGY



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Our Commitment

Fuel usage is another area where we continuously strive for optimisation, aiming to reduce emissions and increase the sustainability of operations that are dependent on fuel usage.

2025 Performance



Our Target

Save **40%** of fuel used by 2025.

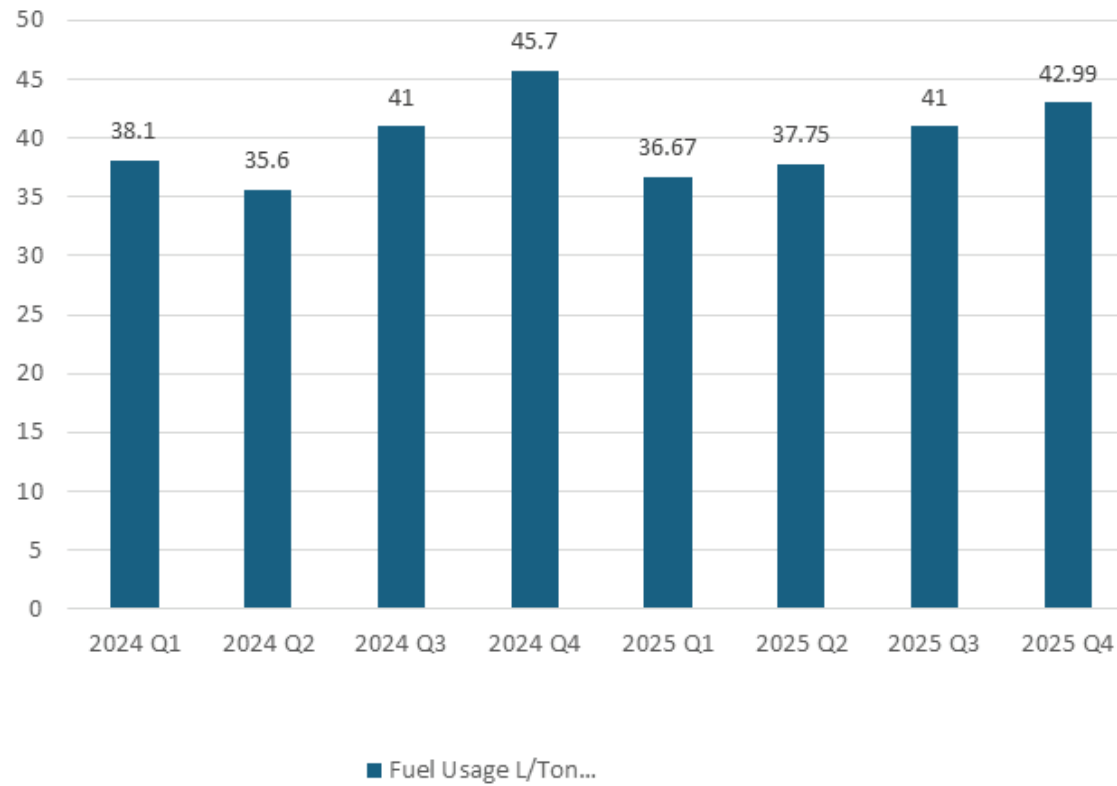


Our Achievement

There is notable decrease in fuel consumption of **1.24%** compared to 2024. Diesel consumption however remains high above the target due to frequent power black outs in 2025 which led to usage of diesel in large amounts for generator. The marginal decrease however signifies improved efficiency.



Fuel Usage L/Ton - Target 31L/Ton





3 GOOD HEALTH AND WELL-BEING



Our Commitment

We seek to improve the health and wellbeing of our employees by empowering them through our workplace wellness programme. Our heritage is in ensuring our employees are at their best to give the best output.

Health & Safety

Lagging Indicator(s)	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Incidents/Accidents	1	0	0	1
LTI - Lost Time Injuries	0	0	0	0
LTIR	0	0	0	0
Fatality	0	0	0	0

Occupational Health surveillance initiatives

Activity	Participants
Hepatitis b screening and vaccination, TB screening	330
Eye check up	221
Penicillin sensitivity test	212
Annual medical check up	346
Community HIV & AIDS awareness camp	204
Inhouse counselling	60



Wellness camps and donations of medicines



KPI partnered and supported Bujagali Energy Limited (BEL) during their Medical Camp scheduled between 16-18th December and provided assorted drugs worth **Ugx 7.5Million (\$2,000)** among other partnerships with different Institutions.



We also partnered with Bagwere Batakangana at their annual medical camp where a total of **1152** members of Kasodo village in Plallisa District received the different services at the medical camp that was held at Kasodo health center III.

Partners in Progress-IPS @ 60+



Industrial Promotion Services (IPS), part of the Aga Khan Fund for Economic Development (AKFED), celebrated 60+ years of fostering sustainable industrial development. IPS has played a pivotal role in driving economic growth, creating employment, and enhancing access to essential goods and services.

In Uganda, this vision materialised with the establishment of KPI. which was founded to strengthen local pharmaceutical manufacturing and improve access to high-quality, safe, and affordable medicines, thereby reducing dependence on imports and supporting national and regional healthcare systems.

Today, KPI stands as a testament to IPS's commitment to sustainable development.

Spotlight on Our People

Long Serving Staff

At KPI, we believe that the true measure of success is the people who make it possible. This section celebrates our long-serving staff whose dedication, loyalty, and hard work have not only sustained our growth but also shaped the culture and spirit of the company. Their commitment continues to inspire us all. Their commitment is more than years on paper; it's the heart, wisdom, and spirit they bring to our community every single day. Here's to our pillars of strength—thank you for growing with us and making KPI what it is today!



Figure 1 Long serving employees with KPI,CEO



Figure 2 IPS representative gifting a KPI long serving staff

Children of staff Art competition

As part of our sustainability engagement initiatives, KPI organised a Children of Staff Art and Talent Competition aimed at encouraging creativity while raising awareness about key sustainability themes. Children were invited to create hand-drawn and painted artwork based on topics such as Good health and well-being, Responsible consumption and production, and Climate action.

The competition provided a platform for young participants to creatively express their understanding of sustainability while strengthening family involvement in the company's environmental and social responsibility efforts. Outstanding submissions were recognised and awarded, making the initiative both educational and enjoyable for the children and their families.



Work-Life Balance

Aerobics

Our aerobics sessions made great progress last year, boosting energy, morale, company spirit and overall wellbeing of employees.

The weekly physical exercise sessions for all employees started as a proactive action to preventing future health risks to non-communicable diseases that may affect productivity and increase health care costs for the company.



Figure 3 Staff during the weekly aerobics session

Official launch the company football team

As part of our ongoing commitment to employee well-being and holistic development, KPI proudly marked the official launch of its company football team during the reporting period.

This initiative reflects our dedication to fostering a healthy work-life balance, strengthening employee engagement, teamwork and inclusion and promoting a vibrant organisational culture.



Figure 4 KPI football team with senior management

Training and Capacity building

We invested over 4,054 man-hours in employee training,

At KPI, we recognise that our employees are central to achieving sustainable operations and long-term organisational success. Investing in their knowledge, skills, and well-being is a key pillar of our sustainability strategy.

During the reporting period, the company delivered over **4,054** man-hours of training, strengthening competencies in EHS, cGMP, operational excellence, regulatory compliance and people management skills.





Environmental stewardship and Tree growing



13 CLIMATE ACTION



15 LIFE ON LAND



Our Commitment

We seek to restore the ecosystem through the growing of trees.



Our Target

85%+ Survival of trees grown.

On 7th April, under the inspiring global theme “Forests and Food”, we joined hands with the community of Mpunge Subcounty, Mukono District, in partnership with Roofings Group who donated tree seedlings- to make a lasting contribution to our environment and food security.

Together, we planted **600** jackfruit trees - a powerful step toward a greener, healthier, and more food-resilient future and these trees will continue to be monitored to ensure they grow to full maturity so that the benefits can be achieved.



Figure 5 KPI staff alongside community members during the tree growing at Mukono District

On the 7th of November, total of **4500** trees were grown at Seroma Christian High school and Mpumu Primary school in Mukono district. KPI teamed up with Seroma Christian High School Environment club and Mpumu Primary School for a tree growing exercise where **4500** tree seedlings were grown in total. Engaging students in environmental activities nurtures a sense of responsibility and empowers them to become future sustainability champions.



Figure 6 KPI staff during the 3rd Edition Environment Run Marathon

In June 13th 2025, in celebration of World Environment Day, we partnered with Funga Pengo Development Initiative Africa for the 3rd Edition Environment Run Marathon in Mukono District.

This transformative event brought together over **2,500** youth to sprint toward a healthier, greener future-championing climate resilience and sustainable development in Uganda. We're especially proud that our Security Officer clinched a silver medal, finishing second in the run-embodiment the spirit of dedication and resilience we stand for.





Looking Ahead



Our Targets



2026

Net Zero (Scope 1 and 2 emissions as a short term target)



2026

10% Grid energy consumption reduction



2026

10% Water usage reduction



2026

100% Waste diverted from landfill



2026

LTIFR (Lost Time Injury Frequency Rate) 0.5



85%+

Survival of trees grown

Commitments

- ➔ **Zero preventable harm** to our people, through systematic investment in the hierarchy of controls.
- ➔ **Zero tolerance for environmental non-compliance**, with proactive measures to reduce waste, emissions, and resource consumption.
- ➔ **Zero compromise on product integrity**, while seeking innovative ways to make our operations more sustainable.

These are ambitious goals. But we believe that ambition, when paired with honest assessment and sustained investment, is the engine of progress.



CONTACT US



+256 (414) 285 645/
+256 (752) 285 645



info@kpi.co.ug



www.kpi.co.ug



Plot: M444B Stretcher Road,
Ntinda P.O Box 7551 Kampala, Uganda