

Making Positive Change

On June 30, EABL, East Africa's largest company by market capitalisation, launched the EABL Foundation to govern its corporate social responsibility investments. The foundation, to be run by a foundation manager reporting to a board of trustees composed of the chief executives of the group's various businesses, will have at its disposal 1 per cent of EABL's after tax profits every year. During the half year ending December 2004, EABL posted after tax profits of KSh 3 billion. Ken Kariuki, the group's external affairs director and under whose docket the foundation falls, told Business Post in an interview that the charitable organisation will cement EABL's commitment to the community and shape future investments in it. Excerpts.



Why is EABL keen on community investments?

Being a good corporate citizen is integral to our business. EABL believes that community investments are an important component of corporate citizenship which we view as a core business activity. We recognise that communities in which we operate have a wide range of unsatisfied needs and although we cannot tackle all the problems that they face, we wish to make our contribution to their efforts. In terms of support, EABL's policy is to focus on areas that our business has the greatest impact and where our efforts can have the greatest impact.

Which are these areas?

EABL's community investments are focused on specific areas or pillars. These are skill building, under which we offer the EABL scholarships; water for life which supports projects aimed at delivering water and sanitation services; health services and responsible drinking.

What has EABL achieved so far?

A lot of work has been done under our corporate social responsibility programme. The scope and impact of our projects is well documented in our Corporate Citizenship Report which we published last year. It is noteworthy that we were the first company to publish such a report in the region. I think the most significant achievement so far is the commitment by the group to set aside one per cent of after tax profits

to community investments and the setting up of the EABL Foundation.

How will the newly launched EABL foundation impact on the way the program is run?

Previously, the external affairs department has been executing EABL's corporate social responsibility initiatives. This has had its limitations given that we receive hundreds of requests for assistance every day. Setting a foundation to oversee the program has several advantages. First, it makes the operations of the programme more accountable and transparent, as its books will be open for independent auditing. Secondly, projects will have greater impact because the foundation will have access to greater amounts of money. Because EABL Foundation will have its own bank accounts, it will, for instance, be possible for employees of a business to give donations to it. Previously, this was not possible. But perhaps the greatest impact will be in enhancing the impact of the projects through dedicated, full time personnel and a more focused approach.

Will all corporate social responsibility initiatives be channelled through the foundation?

Not entirely. There are certain initiatives such as responsible drinking campaigns which will to a large extent be handled by external affairs department. Sports development, for which the businesses have committed KSh 330 million in the next three years, will continue to be done in the form of brand sponsorships such as Tusker Safari Sevens, Tusker Athletics, White Cap Polo and Malta's sponsorship of the volleyball team among others.

Which are some of the major projects this year?

In terms of size, EABL's KSh 19 million scholarship programme to fund 14 scholarships in Kenya, Uganda and Tanzania is perhaps the biggest. In Uganda, we continue to fund a sickle cell project and in Tanzania we are building an optical medical centre among others. In May, we commissioned a KSh 5 million water project in Kenya's Makueni district that will benefit 55,000 people. Later this year, KBL will commission a KSh 600 million effluent treatment plant that will ensure that water borne waste flowing from the brewery comply with international quality standards and poses no threat to the environment. In the next few weeks, we will be going to North Eastern province to sink boreholes for local communities. At the same time, we are looking at up scaling the Save a Life Fund into a sustainable program that will assist people grow their own food.

Is EABL becoming a trendsetter in corporate social responsibility?

I think we are. However, setting up a foundation is not a unique venture by itself. What's unique is the commitment that EABL has made to community investments. For instance, the automatic deduction of 1 per cent of our after tax profits and credit to our foundation firmly indicates our dedication. And because our foundation is East African, we have an

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opportunity to enrich more lives. Our aim is to reach 500,000 people throughout East Africa in the next five years. The fact that we were the first company in the region to launch a corporate citizen report was significant. The report gives evidence of the investments that we have made. Central to the process of implementing EABL's corporate citizenship policies in East Africa is monitoring progress, measuring performance and reporting publicly to our stakeholders. The report was a milestone in the way we review our programs and stimulated new thinking in other companies engaged in community investments.

What are some of the problems to be in the look out for when implementing community investments?

There are people who, out of selfish reasons, will stand in the way of a community project even when it holds great promise for local people. Others may want the project to collapse out of malice. At other times, local administrators and leaders can be a stumbling block. Local project leaders, with a little assistance, are often able to resolve such issues. But a constant challenge is of course sustainability. Any corporate community investment should be done in such a way that the project will continue long after the donor is out of the scene. For us, that means local capacity building. There is no need of setting up a water project without ensuring there are people with the technical skills to repair the pump if and when it breaks down. Ensuring an equitable distribution of projects can also be daunting because most requests for assistance may come from a particular region of the country.

Is it just big companies that can engage in community investments?

Hardly. Size may help but I think what is more important is the spirit behind the initiatives. Social responsibility is about doing what you have committed to do, when you have committed to do it. At EABL, we believe that those who have the ability to create positive change have the responsibility to create positive change. However small or big a project is, the goal is the same—touching people in a positive way. In this, we lead by example. Setting aside a portion of our profits means that whether the company is doing well or not there is a minimum that we will give back to our communities. And if the company is doing well, the communities benefit even more.