



2021







## FOREWORD

### **A Foreword by Professor Jacqueline McGlade Former UN Environment Chief Scientist, Director of Science and Chief Statistician. Professor in International Public Policy and Governance at Strathmore University Business School.**

The intertwined challenges of climate change, nature loss and mounting inequality have put the world in a state of 'Code Red'. If ever there was a time to act together, it is now.

The growing awareness of the potential health and environmental risks generated by global supply chains of goods and services, means that there is significant pressure on companies to generate, assess, and make available information on their sustainability performance and impacts. Corporate sustainability reporting represents an important mechanism to generate data and measure progress and the contribution of companies towards global sustainable development objectives, set goals, and support the transition towards a low carbon, resource efficient, and inclusive green economy.

At the international level, Corporate Sustainability Reporting is embedded in UN Environment Programme activities on Resources and Markets, Consumption and Production and the Circular Economy. The main goal is the promotion of sustainable production and consumption policies, practices and initiatives through the engagement of governments, the business community and civil society organizations.

Seen from this global perspective, I am pleased to see the efforts of EABL over the past year. EABL is demonstrating that it is possible for companies to go beyond compliance and ensure that sustainability is embedded within every function of the business. It is not surprising that EABL and KBL have been recognized for a host of global, regional and national sustainability awards. Mainstreaming SDGs and demonstrating a positive impact on economic, environmental and social dimensions of sustainable development should be the goal of any business. I am excited to work with such a transformative, forward thinking business and look forward to sharing EABL experiences with the world.

# CONTENTS

<b>OUR REPORTING APPROACH .....</b>	<b>6</b>
<b>FROM THE MANAGEMENT .....</b>	<b>8</b>
MESSAGE FROM THE CHAIRMAN .....	12
MESSAGE FROM THE GROUP MD.....	14
MESSAGE FROM THE MD - UGANDA BREWERIES LIMITED .....	16
MESSAGE FROM THE MD - SERENGETI BREWERIES LIMITED.....	18
MESSAGE FROM THE MD - KENYA BREWERIES LIMITED.....	20
MESSAGE FROM THE GROUP CORPORATE RELATIONS DIRECTOR .....	22
<b>OUR SUSTAINABILITY STRATEGY .....</b>	<b>24</b>
OUR GROWING VALUE TOGETHER PROJECTS .....	32
MATERIALITY AT EABL.....	36
SNAPSHOT OF RESULTS .....	42
<b>PILLAR: PROMOTE POSITIVE DRINKING .....</b>	<b>44</b>
SPIRIT OF PROGRESS: OUR 2030 TARGETS .....	48
<b>POSITIVE DRINKING: MOVING TOWARDS HEALTHY     CONSUMPTION/ ZERO ILLICIT ALCOHOL .....</b>	<b>49</b>
MEET SOME OF OUR EABL FAMILY.....	53
<b>PILLAR: CHAMPION INCLUSION AND DIVERSITY .....</b>	<b>54</b>
SPIRIT OF PROGRESS: OUR 2030 TARGETS.....	58
<b>BRIDGING GAPS THROUGH INCLUSION AND DIVERSITY.....</b>	<b>59</b>
EABL TAKING THE LEAD .....	64
MEET SOME OF OUR EABL FAMILY .....	65
<b>INCLUSIVE COMMUNITIES FOR BETTER STANDARDS OF LIVING.....</b>	<b>68</b>
MEET SOME OF OUR EABL FAMILY.....	74

<b>PILLAR: PIONEER GRAIN TO GLASS SUSTAINABILITY .....</b>	<b>76</b>
SPIRIT OF PROGRESS: OUR 2030 TARGETS.....	80
<b>PRESERVE WATER FOR LIFE .....</b>	<b>82</b>
EABL TAKING THE LEAD .....	87
MEET SOME OF OUR EABL FAMILY .....	88
<b>ACCELERATE TO A LOW-CARBON WORLD .....</b>	<b>92</b>
EABL TAKING THE LEAD .....	96
MEET SOME OF OUR EABL FAMILY .....	97
<b>SUSTAINABLE BY DESIGN.....</b>	<b>98</b>
EABL TAKING THE LEAD .....	104
MEET SOME OF OUR EABL FAMILY.....	105
<b>REGENERATIVE AGRICULTURE .....</b>	<b>106</b>
EABL TAKING THE LEAD.....	110
MEET SOME OF OUR EABL FAMILY .....	111
<b>PILLAR: DOING BUSINESS THE RIGHT WAY .....</b>	<b>114</b>
<b>ETHICS AND INTEGRITY: OUR CULTURE OF     DOING BUSINESS THE RIGHT WAY, FROM GRAIN TO GLASS.....</b>	<b>118</b>
<b>TRANSLATING STRATEGY TO GRI REPORTING.....</b>	<b>123</b>
<b>RECOGNITION .....</b>	<b>124</b>



## ABOUT THIS REPORT

This is **EABL's inaugural Sustainability Report**. It is the product of two years of research and design, including a detailed materiality assessment. The report highlights our accomplishments between financial year 2020 to 2021 as part of Diageo Society 2030: Spirit of Progress. It was prepared in line with **Global Reporting Initiative (GRI) standards** core option. The referenced disclosures are highlighted on page 123.

# OUR REPORTING APPROACH

**EABL's ESG (Environmental, Social and Governance) report** provides an overview of the processes and mechanisms we have in place to support our commitment to doing business the right way. We highlight the direct impact our sustainability work is having on our various stakeholders and our communities.



# THIS REPORT INCLUDES AN OVERVIEW OF:



## PEOPLE:

- The governance structure overseeing ESG at EABL
- Our material issues
- How we engage with our stakeholders



## OUR STRATEGIC PILLARS:

- Promote Positive Drinking
- Champion Inclusion and Diversity
- Pioneer Grain to Glass Sustainability



## HOW WE MANAGE RISK INCLUDING:

- Regulatory & compliance risk
- Occupational health and safety risks
- COVID-19

## OUR PLANS FOR THE FUTURE:

- Measures we are taking to increase our impact, and continue our progress towards Diageo in Society 2030 targets



## CONTEXT OF OUR WORK:

- How we respond directly to the most pertinent concerns and issues in our region with the most appropriate interventions



## OUR IMPACT:

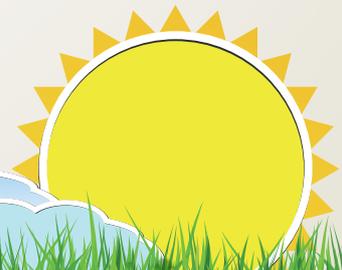
- Hear directly from our stakeholders and see how our various projects have changed their lives.

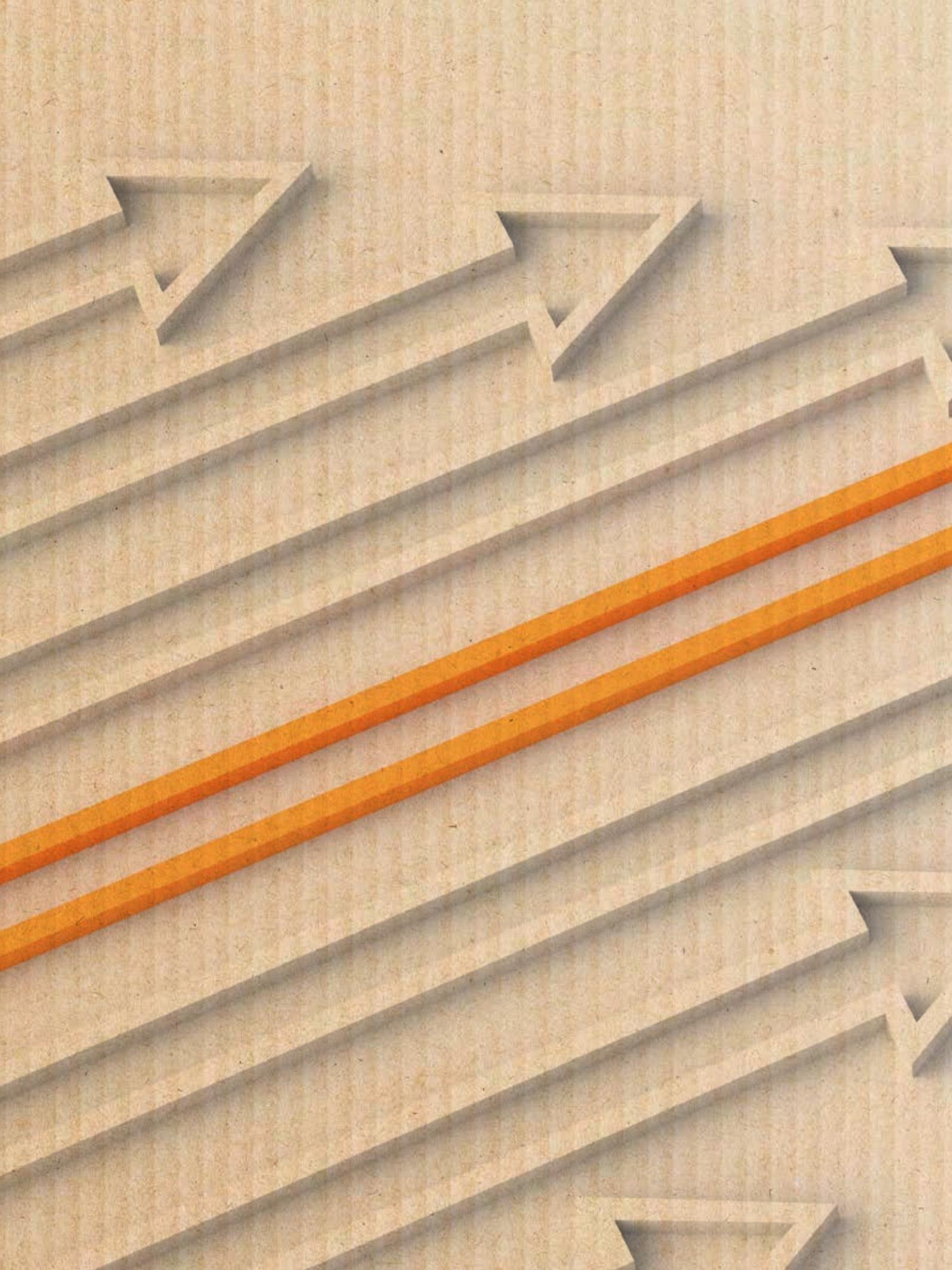
## HOW WE ENSURE APPROPRIATE BUSINESS CONDUCT, INCLUDING OUR COMPLIANCE WITH:

- Our ethics and integrity
- United Nations Global Compact
- Our Human Rights Statement
- Mechanisms for raising concerns/ Whistle-blowing



go  
GREEN







# FROM THE MANAGEMENT



2021





# MESSAGE FROM **THE CHAIRMAN**





**U**ndoubtedly, 2020 was a year of unprecedented challenges. The COVID-19 pandemic severely impacted everyone's life and created instability and uncertainty.

EABL responded immediately and effectively. Our top priorities were to safeguard the health and well-being of our people, and to support our communities. We made a substantial contribution through trade and community initiatives across the region. This included a US\$5 million fund to help pubs and bars recover from the COVID-19 disruptions. We also provided care to our communities as well as financial and in-kind support to business partners. For example, we funded the provision of hand sanitisers to vulnerable communities and distributed mattresses to frontline health workers. We also leveraged our expansive network and market presence to educate consumers about the pandemic. It is in the midst of challenges like this that we truly demonstrate the power of business as a force for good.



***Our top priorities were to safeguard the health and well-being of our people, and to support our communities. We made a substantial contribution through trade and community initiatives across the region. This included a US\$5 million fund to help pubs and bars recover from the COVID-19 disruptions.***



Despite the challenges of the past year, we have continued to respond to the needs of our consumers and to do our part for the planet by supplying products that deliver quality while minimising environmental impact. As a business, we take our strategic direction on sustainability from our parent company, Diageo. The Society 2030: Spirit of Progress, is Diageo's 10-year action plan to create a more inclusive and sustainable world. The targets set in the 10-year plan emphasise on our commitment towards promoting a positive role for alcohol, championing inclusion and diversity, preserving our natural resources — on which our long-term success depends — and making a positive contribution to the communities where we live, work, source and sell.

This inaugural report highlights our various sustainability initiatives in the region and the direct impact our work is having on our communities. It is the result of a yearlong process where detailed research and introspection was applied to determine our materiality. This enabled us to map out our various stakeholders, capture their experiences and document the impact of our work on the ground. This report provides a detailed overview of how EABL is making a significant difference in our region. We continue to strive to create a positive impact in our company, with our communities and for society. This belief is at the heart of our work, and it will drive our business in 2021 and beyond.

*Dr Martin Oduor - Otieno*

Group Chairman



**US\$5  
MILLION**

**FUND TO HELP PUBS  
AND BARS RECOVER  
FROM THE COVID-19  
DISRUPTIONS**



**10-YEAR**

**ACTION PLAN TO CREATE  
A MORE INCLUSIVE AND  
SUSTAINABLE WORLD**



# MESSAGE FROM **THE GROUP MD**





**H**ere at EABL, we recognise that we are in a unique position to respond to global as well as regional challenges our communities face every day. East Africa is largely dependent on natural resources for growth and development. Our business depends on natural resources, from farming and production of our ingredients, to the manufacture and distribution of each and every one of our products. However, every other day, another research finding, news story or environmental-related disaster, comes with more evidence that our planet is in a crisis. Climate change is a persistent threat to the communities that we work in and with. Regular droughts, floods and unpredictable rainfall patterns are wreaking havoc on farmers' efforts, making it increasingly difficult to achieve our regional development targets.

Water is becoming increasingly scarce. According to UNICEF, a quarter of East Africa's population must travel for more than half an hour to fetch water. In Kenya, often seen as the region's more developed economy, 17 million people (out of 52 million) still lack access to safe water. Unfortunately, Tanzania and Uganda are similarly struggling with water shortages.



***In 2020, we reaffirmed our support for UN Global Compact. We are globally recognised for adopting and tracking the most sustainable development goals (SDGs) — 12 out of the total 17 — in our business strategy in the region.***



These are all issues that affect our communities and our employees, and directly impact our supply chain. In spite of these seemingly insurmountable challenges, EABL is taking the lead in developing solutions. We are integrating social and environmental standards into our supply chain, ensuring that our entire business strategy is sustainable. We continue to see notable social and economic progress in the communities that we engage with, including the creation of much-needed jobs and increased access to green, innovative farming practices.

In 2020, we reaffirmed our support for UN Global Compact. We are globally recognised for adopting and tracking the most Sustainable Development Goals (SDGs) — 13 out of the total 17 — in our business strategy in the region. We have partnered with various stakeholders to design and implement collaborative projects, which advance the SDGs and further integrate global problem solving in our business model. We are committed to achieving the SDGs and have identified additional targets through our materiality assessment that we will look to pursue in our work.

EABL will continue to work to be a force for good. This report is simply another step in our ongoing journey. In documenting our successes and highlighting the experiences of our stakeholders, we hope to provide a platform for continuous learning and growth.

*Jane Karuku*  
Group Managing Director



**17**  
**MILLION**  
**PEOPLE OUT OF 52 MILLION STILL LACK ACCESS TO SAFE WATER.**



**13**  
**SDGs**  
**OUT OF 17 ADOPTED IN OUR BUSINESS STRATEGY IN THE REGION.**



# MESSAGE FROM **THE MD - UGANDA**





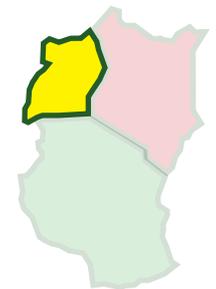
**U**ganda is blessed with significant natural resources, which are vital to the country's development. As UBL, we are pleased to be at the forefront of the country's sustainable development agenda, integrating our business goals with strong environmental, social and community development goals.

Over the years, we have invested in a number of Water Access, Sanitation and Hygiene (WASH) community projects as well as provided direct livelihood support to over 25,000 farmers countrywide. Our staff-driven Environment Team dubbed 'E-Green Team' has planted approximately half a million trees around the country and

contributed to forest cover restoration in Navugulu, Nawandigi and Ggangu Central Forest Reserves within the Lake Victoria Basin catchment area. In partnership with the Ministry of Water & Environment and other key stakeholders, we are now in the second year of an ambitious 5-year campaign to plant 40 million trees.

In 2019, we invested in a water recovery plant (worth over UGX 10 billion/\$2.8 million) to help us reduce the amount of water utilized in our production processes and our commitment remains to recycle 100% of water in our operations by 2030.

We have fully adopted Diageo's 10-year action plan as the ideal blueprint to scale up our efforts over the next decade as we transition to a green and more circular economy. We recognize that it will take time to create sufficient awareness, engage communities and the private sector, and make progress on our energy and water stewardship goals. However, we have embarked on a number of initiatives in the areas of energy efficiency and waste management, and we are committed to putting in the work and ensuring that we make that transition. We are also committed to leading the private sector into this new age of doing business.



***We have invested in a number of projects to improve community access to safe, potable water as well as provided direct livelihood support to over 17,000 farmers countrywide. Our staff-driven programme dubbed "E-Green Team" has planted thousands of trees around the country and contributed to forest cover restoration in Navugulu Forest and Ggangu Forest.***

*Alvin Mbugua*  
 Outgoing Managing Director - Uganda Breweries Limited



# MESSAGE FROM **THE MD - TANZANIA**





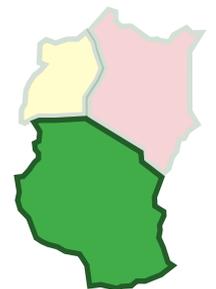
**A**t SBL, we believe that a strong agricultural sector is crucial for sustaining Tanzania's economic development. As such, we provide direct support to our network of more than 400 farmers through free seeds, field technical services and linking them to financial institutions to access credit facilities. We also link our farmers network with students through our agro-scholarship programme, Kilimo Viwanda. Students on the programme, who comprise bright children from underprivileged families among farming communities across the country, learn about the farming industry first-hand, giving them an opportunity to link theory to practice in their respective fields of study. This programme complements the government's efforts to strengthen the economy of Tanzania by training and building on the existing pool of agricultural experts. To date, over 100 students have benefitted from this programme.

We are also proud of our 'Water of Life' programme, which has to date provided 21 water

projects across the country and made a significant contribution towards addressing water shortages in communities. An estimated two million Tanzanians are directly benefitting from this programme through access to safe and clean water. In line with the UN Sustainable Development Goals, we have stepped up our efforts to protect the environment. We continue to keep waste from our operations to a minimum and run our operations and supply chains in a manner that contributes to a circular economy.

As a company, we are well equipped to take on this task of environmental protection, and we will continue to play our part. Every year we plant thousands of trees across the country to help conserve water catchment areas and increase vegetation cover. We have recently planted trees in Kongwa District in Dodoma region as well as in Same District in Kilimanjaro region, in partnership with government and non-governmental organisations.

We promote responsible drinking by teaming up with government institutions including the Tanzania Police Force and Surface and Marine Transport Regulatory Authority (SUMATRA) reaching out to thousands of people every year including bus drivers, university students, pedestrians and bodaboda riders. Our online campaigns on moderation of consumption and 'Don't Drink and Drive' in 2020 reached thousands of people across the country.



***We are also proud of our 'Water of Life' programme, which has to date provided 21 water projects across the country and made a significant contribution to addressing water shortages in communities***



*Mark Ocitti*

**Managing Director - Serengeti Breweries Limited, Tanzania**



# MESSAGE FROM **THE MD - KENYA**





**W**e are very proud of the groundbreaking sustainability work our team has implemented around the country. The key for us has been partnerships. We are collaborating with a wide range of stakeholders – from state, to non-state actors – to promote cooperative problem solving and ensure longevity of our projects.

On the environment side, to date, we have planted over 1,300,000 trees around the country with a strong success rate of 85%. Almost 400,000 of these were planted between 2017 and 2021. KBL has also made significant investments in retrofitting our plants to be completely green. This includes installing solar energy in all of our sites. This is already being partly implemented in our Kisumu plant, with 10% of our current electricity requirements being met by renewable energy from solar. We are committed to sourcing 100% renewable electricity by 2030 in all of our facilities. The investment also includes the production of biofuels, which will reduce our carbon emissions by 95% (about 42,000 tonnes of carbon a year) and create over 900 direct and indirect jobs throughout the supply chain particularly with local farmers providing the biomass fuel. This investment, which we hope to



***On the environment side, to date, we have planted over 1,300,000 trees around the country with a strong success rate of 85%. Almost 400,000 of these were planted between 2017 and 2021. KBL has also made significant investments in retrofitting our plants to be completely green.***



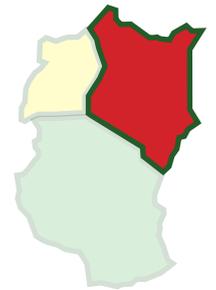
roll out in the beginning of 2022, represents the single largest climate action investment by Diageo across Sub-Saharan Africa. We have also invested in water treatment infrastructure. As a result, each day, three million litres of water is treated to the highest standards before being allowed to flow into the Nairobi River.

On the social side, our Heshima programme has provided over 1,400 women and youth from across the country with competency-based vocational and entrepreneurial training to empower them to attain better livelihoods. In addition, our Water for Life programme has impacted over 2.5 million people across the country, supporting access to clean and affordable water. These are just some of the highlights of our work, which is discussed in more detail in this report.

We have made great progress in ensuring that our sustainability agenda goes beyond compliance to government regulations, and that it is truly embedded within every function of our business. Last year, KBL was named the private sector winner of the 2020 Sustainable Development Goals (SDGs) Kenya Awards for successfully mainstreaming the SDGs into our business model and demonstrating a positive impact on economic, environmental and social dimensions of sustainable development. Furthermore, most recently, KBL was shortlisted for the Business Transformation Award at the World Sustainability Awards 2021. We want to continue to be an example to the world. We hold ourselves accountable to the communities in which we operate, we strive to ensure that as we grow, so do they. We believe that this not just the right way to do business, it is the only way.

*John Musunga*

**Managing Director - Kenya Breweries Limited**



# MESSAGE FROM **THE GROUP CORPORATE RELATIONS DIRECTOR**





**S**ustainability reporting is crucial for any business in this day and age. We strongly believe that if you have marketed or branded yourself as sustainable, you need information to back it up. At EABL, we take reporting to mean sharing concrete sustainability goals, achievements and actions. In our reporting, we share sustainability numbers, figures, years and baselines. We also share stories; we highlight the many members of the community across our areas of operation who have benefited from our projects and programmes. We want you to hear their experiences as we jointly learn and plan towards scaling up our activities in the coming years.

We have concrete goals, and a clear map to aid us in achieving them. For example, as an organisation, we intend to be net-zero carbon in our direct operations by 2030. We have started by reducing our footprint, investing in research and development to make our manufacturing sites more efficient and dependent on renewables, and building new partnerships to enhance our carbon sinks across the region. We believe that by focusing on all the different ways we can drive and implement transformation, we can make a positive

and significant impact in the global fight against climate change.

We have set many comprehensive and ambitious goals across seven sectors, namely: Carbon, Water, Regenerative Agriculture, Circular Economy, Inclusive Communities, Positive Drinking, and Inclusion and Diversity. Together with our parent company Diageo, we focus on the sectors where we know we can have the biggest impact through our business model. At EABL, every product we release into the market fulfills our strict environmental criteria and is at a minimum, compliant with all applicable government regulations. However, we aim to go beyond compliance. We believe that it is entirely possible to continue adding value to our business while diminishing environmental risks in the region. Thus, we have made substantial investments in building our sustainability department and ensuring that the entire business is trained, and well positioned to integrate sustainability throughout our value chain.

We set objectives and targets that ensure continual improvement in our business, both for our employees and our suppliers. We proactively identify environmental risks and areas for potential improvements. We are and will continue to play our part in addressing the world's most pressing sustainability challenges. In this report, you will find the lessons we have learned, plans for next year as well as data on our current work. We believe in the power of transparency and accountability to accelerate progress.



***We have set many comprehensive and ambitious goals across seven sectors, namely: Carbon, Water, Regenerative Agriculture, Circular Economy, Inclusive Communities, Positive Drinking, Inclusion and Diversity.***



*Eric Kinito*

Group Corporate Relations Director



**NET-ZERO  
CARBON**

**IN OUR DIRECT  
OPERATIONS BY 2030.**







# OUR SUSTAINABILITY STRATEGY



SPIRIT



PROMOTE  
POSITIVE DRINKING

SOCIETY

CHAMPION  
INCLUSION  
DIVERSITY

IN OUR COMPANY, WITH OUR COMMUNITY

PROGRESS

2030

PIONEER  
GRAIN TO GLASS  
SUSTAINABILITY

ON  
AND  
ITY

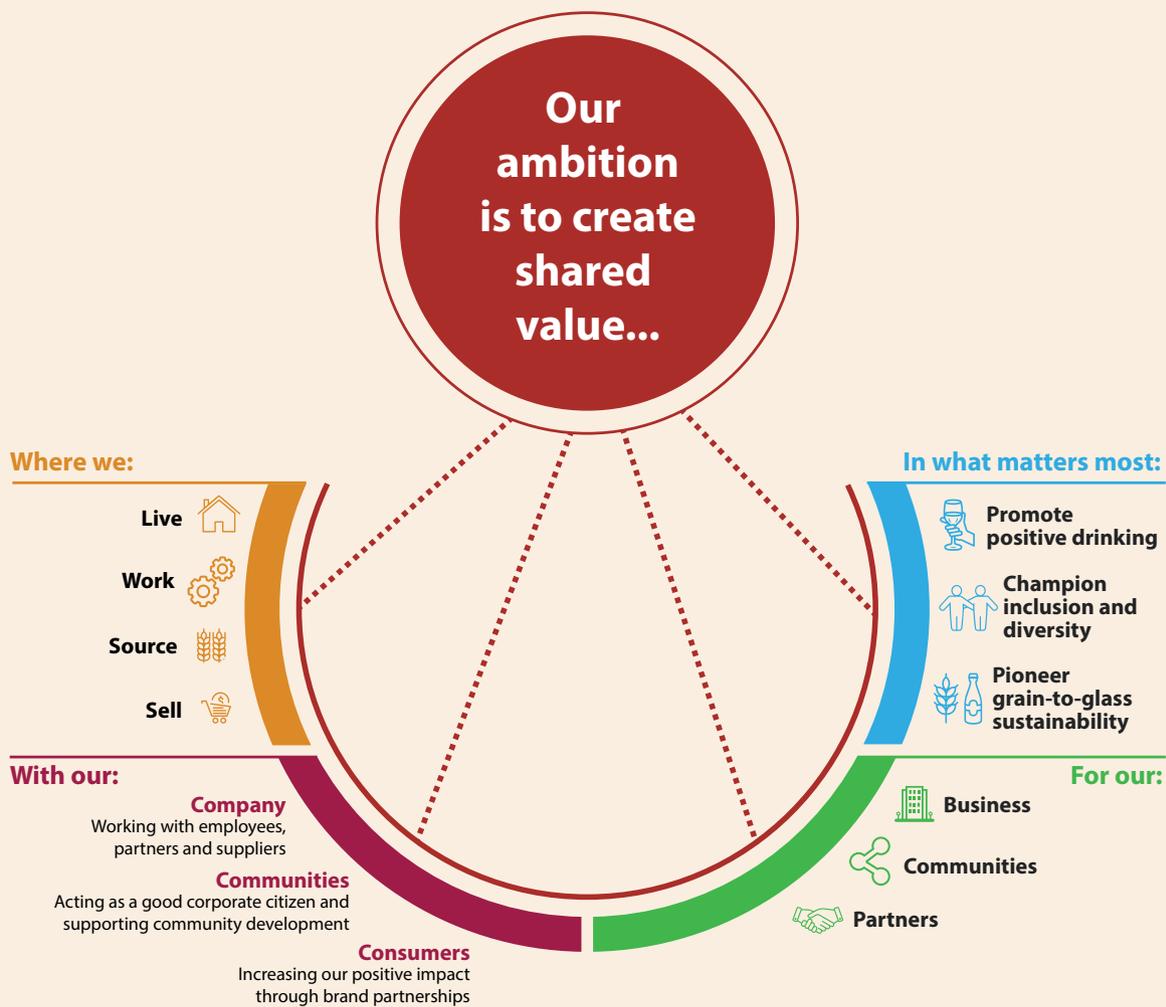
MUNITIES AND FOR SOCIETY.



# OUR SUSTAINABILITY STRATEGY

## Diageo in Society 2030

In 2020, our parent company Diageo began developing a comprehensive strategy to support sustainable growth over the critical decade to 2030. This included an updated, rigorous materiality assessment to inform the strategy. The findings of this exercise guided the development of the strategic priorities set in 'Diageo in Society 2030'.



Our sustainability work contributes to achieving the Diageo Society 2030 global targets. With the goal of sharing our results with our stakeholders, we track our progress annually against these global targets. For the purposes of our inaugural Sustainability Report, we have organised our achievements according to the following:



01

Our key performance indicators (KPIs) for each set of global targets.

02

Our areas of focus: to emphasise local context to the Society 2030 strategy, we break down Society 2030 pillars into seven focus areas.



03

The Sustainable Development Goals (SDGs): the relevant SDGs our work is actively contributing to.

# OUR SUSTAINABILITY STRATEGY



## SOCIETY 2030 TARGETS

## REPORT FOCUS AREA

- Champion health literacy and tackle harm through DRINKiQ in every market where we live, work, source and sell
- Scale up SMASHED partnership, and educate 10 million young people, parents, and teachers on the dangers of underage drinking
- Extend UNITAR partnership, and promote changes in attitudes to drink driving reaching 5 million people
- Leverage Diageo marketing and innovation to make moderation the norm – reaching 1 billion people with dedicated Responsible Drinking messaging

### Positive Drinking

- Champion gender diversity with an ambition to achieve 50% representation of women in leadership roles by 2030\*
- Champion ethnic diversity with an ambition to increase representation of leaders from ethnically diverse backgrounds to 45% by 2030\*
- We will use our creative and media spend to support progressive voices, measuring and increasing the % spend year on year
- Accelerate inclusion and diversity in our value chain measuring and increasing the percentage of Diageo suppliers from female and minority-owned businesses year on year
- Provide business and hospitality skills to 200,000 people, increasing employability and improving livelihoods through Learning for Life and our other skills programmes
- Through the Diageo Bar Academy we will provide 1.5 million people with the skills and resources to build a thriving hospitality sector that works for all
- 50% of beneficiaries of our community programmes are women & our community programmes will be designed to enhance ethnic diversity and inclusion of underrepresented groups

### Inclusion and Diversity

### Inclusive Communities

- Reduce water use in our operations with a 40% improvement in water use efficiency in water-stressed areas and 30% improvement across the company
- Deliver significantly improved water availability and quality in 100% of our local communities in water-stressed areas
- Replenish more water than we use for our operations at 100% of sites in water-stressed areas by 2026
- Invest in improving access to clean water, sanitation, and hygiene (WASH) in communities near our sites and local sourcing areas in 100% of our water-stressed markets
- Become net-zero carbon in our direct operations (scope 1 & 2)
- Reduce our value chain (scope 3) emissions by 50%
- 100% of renewable electricity across our direct operations
- Achieve zero waste in our direct operations and zero waste to landfill in our supply chain
- Ensure 100% of our packaging is widely recyclable (or reusable/compostable)
- Continue our work to reduce total packaging and increase recycled content in our packaging (delivering a 10% reduction in packaging weight + increasing the % recycled content of our packaging to 60%)
- Ensure 100% of our plastics is designed to be widely recyclable (or reusable/compostable) by 2025
- Achieve 40% recycled content in our plastics by 2025, and 100% by 2030
- Provide 100% of local sourcing communities with agricultural skills and resources, building economic and environmental resilience (supporting 150,000 smallholder farmers)
- Develop regenerative agriculture pilot programmes in 5 key sourcing landscapes

### Preserve Water for Life

### Accelerate to a Low Carbon World

### Become Sustainable by Design:

- Circular Economy
- Regenerative Agriculture

A 360-degree panoramic view of a lush green globe. The globe is covered in vibrant green grass and is surrounded by a city skyline with various skyscrapers and buildings. Several hot air balloons with colorful patterns are floating in the sky. The background is a clear blue sky with a large, bright moon visible on the right side. The overall scene is bright and optimistic, symbolizing growth and sustainability.

# OUR GROWING VALUE TOGETHER PROJECTS





GROWING VALUE TOGETHER



Nairobi ★

### Clean Water and Sanitation

- Murara in Meru County
- Sakutiek in Narok County
- Buchenge in Kericho County
- Kiaoni in Makueni County
- Kerwa and Mbomboini in Kiambu County
- Lukume in Kakamega County
- Mweiga in Nyeri County
- Maaini in Kitui County
- Kiprengwe in Kericho County
- Olembo in Kisumu County
- Tebeswet in Bomet County
- Magunga in Kisumu, Aora Chuodho in Migori and Okiki Amayo in Homa Bay County
- Kimana in Kajiado County
- Gatari in Murang'a County
- Sirandumb in Siaya County
- Machakos Town in Machakos County
- Jangwani and Kangemi in Nairobi County

### Tree Planting & Forest protection

- Naro Moru, Hombe, Kabaru and Gathiuru forests in Nyeri County
- Ndakaini dam in Murang'a County
- Kieni forest in Kiambu County
- Koguta forest in Kisumu County
- Purko community land in Narok County
- Karura forest in Nairobi County

### Water Treatment and Recovery

- Kisumu brewery in Kisumu County
- Tusker House in Nairobi County

### Vocational Training

- Kisumu County
- Nairobi County
- Kwale County
- Kiambu County
- Murang'a County
- Nakuru County
- Makueni County
- Machakos County
- Homa Bay County
- Migori County

### Local Raw Material Sourcing/ Contract Farming

- **Barley Farming**
  - Narok County
  - Meru County
  - Nakuru County
  - Uasin Gishu County
- **Sorghum Farming**
  - Tharaka Nithi County
  - Meru County
  - Embu County
  - Kitui County
  - Siaya County
  - Kisumu County
  - Homa Bay County

- Migori County
- Busia County
- Meru County
- Narok County
- Laikipia County

### Inclusion of PWDs

- Homa Bay County

### Renewable Energy

- Kisumu brewery in Kisumu County
- Tusker House in Nairobi County

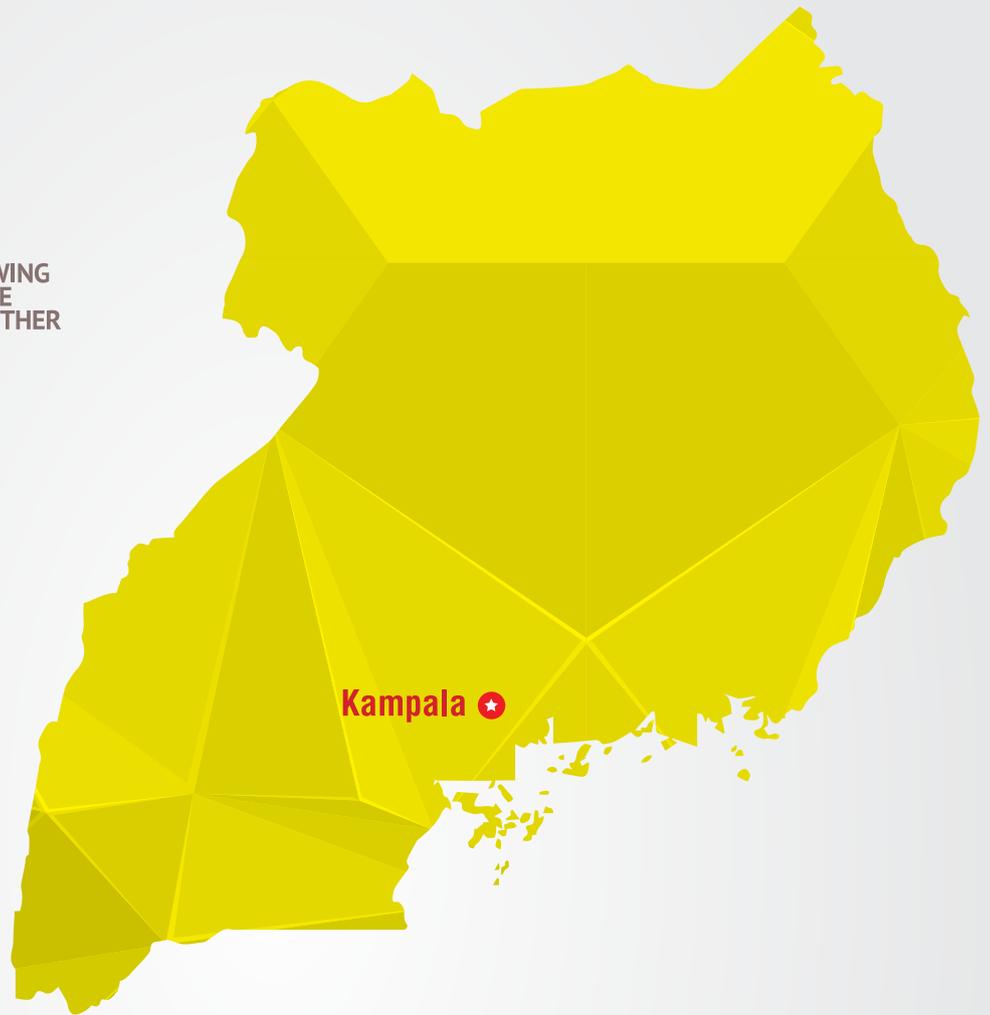
### Diageo Bar Academy

- Coast region
- Lake region
- Rift Valley region
- Nairobi region
- Mountain region





GROWING  
VALUE  
TOGETHER



### Clean Water and Sanitation

- Amuru, Gulu, Kitgum, Lamwo, Nwoya and Pader in Acholi sub-region, Northern Uganda
- Apac and Oyam in Lango sub-region, Northern Uganda
- Busia in Bukedi sub-region, Eastern Uganda
- Jinja in Busoga sub-region, Eastern Uganda
- Kaberamaido in Teso sub-region, Eastern Uganda
- Kapchorwa in Sebei sub-region, Eastern Uganda
- Bushenyi and Mbarara in Ankole sub-region, Western Uganda
- Kabale in Kigezi sub-region, Western Uganda
- Port Bell, Luzira, Nakawa, Mengo, Ggaba, Wakiso and Entebbe in Central region

### Tree Planting & Forest protection

- Gangu Forest Reserve
- Navugulu Forest Reserve
- Nawandigi Forest Reserve

(All are within the Lake Victoria Basin water catchment area in Central region.)

### Water Treatment and Recovery

- Uganda Breweries in Kampala, Central region

### Vocational Training

- Gulu, Northern region
- Kitgum, Northern region
- Kampala, Central region
- Masaka, Central region
- Kabale, Western region

### Local Raw Material Sourcing/

#### Contract Farming

- **Barley Farming**
  - Kigezi sub-region, Western Uganda
  - Rwenzori sub-region, Western Uganda
  - Sebei sub-region, Eastern Uganda
- **Sorghum Farming**
  - Acholi sub-region, Northern Uganda
  - Lango sub-region, Northern Uganda
  - Teso sub-region, Eastern Uganda

### Renewable Energy

- Uganda Breweries in Kampala in Central region.



GROWING  
VALUE  
TOGETHER



### Clean Water and Sanitation

- Basotu in Manyara
- Machochwe in Mara Region
- Ngalangal in Manyara
- Kilimanjaro
- Mwanza
- Dar es Salaam
- Coast
- Mara

### Tree Planting & Forest protection

- Kongwa in Dodoma
- Same in Kilimanjaro

### Local Raw Material Sourcing/ Contract Farming

- **Barley**
  - Arusha
  - Kilimanjaro
  - Manyara
  - Morogoro
  - Singida
  - Mara
  - Mwanza
  - Iringa
- **Sorghum**
  - Manyara

- Shinyanga
- Dodoma
- Mtwara
- Iringa
- Morogoro

### Kilimo Viwanda-Scholarship

- Kilimanjaro
- Arusha
- Manyara
- Dodoma
- Singida
- Mwanza
- Kagera
- Iringa
- Mara
- Bagamoyo

### Positive Drinking

- Tanga
- Kilimanjaro
- Dar es Salaam
- Iringa
- Singida
- Mwanza
- Dodoma

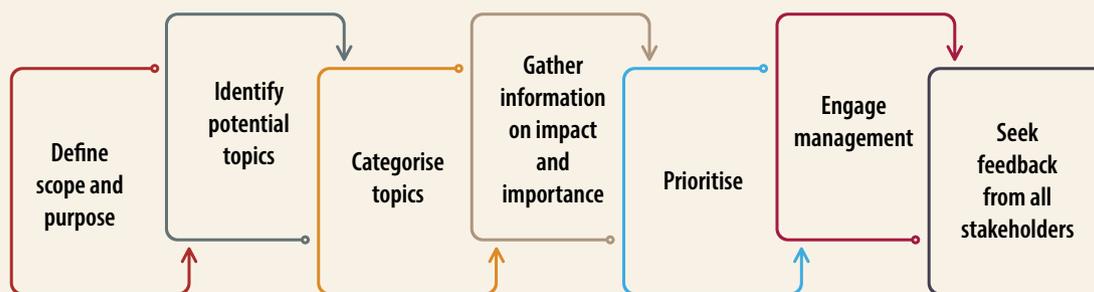


## What matters most - to our business and to our stakeholders

Late 2020, we carried out our first, in-depth materiality assessment to determine the environmental, social and governance issues that matter most to our business and our stakeholders. Following in the footsteps of Diageo, the materiality assessment looked at external trends shaping EABL's operating environment in the region and how we can most effectively align EABL's work with the UN Sustainable Development Goals.

### HOW WE DETERMINE OUR MATERIAL ISSUES

We view materiality as a participative process; a business tool that facilitates integrated thinking



We interviewed many internal and external stakeholders, analysing their interests and concerns as well as the risks and opportunities for EABL to ensure that our sustainability work is focused on achieving the greatest impact and tackling the issues that matter the most. Data for our comprehensive

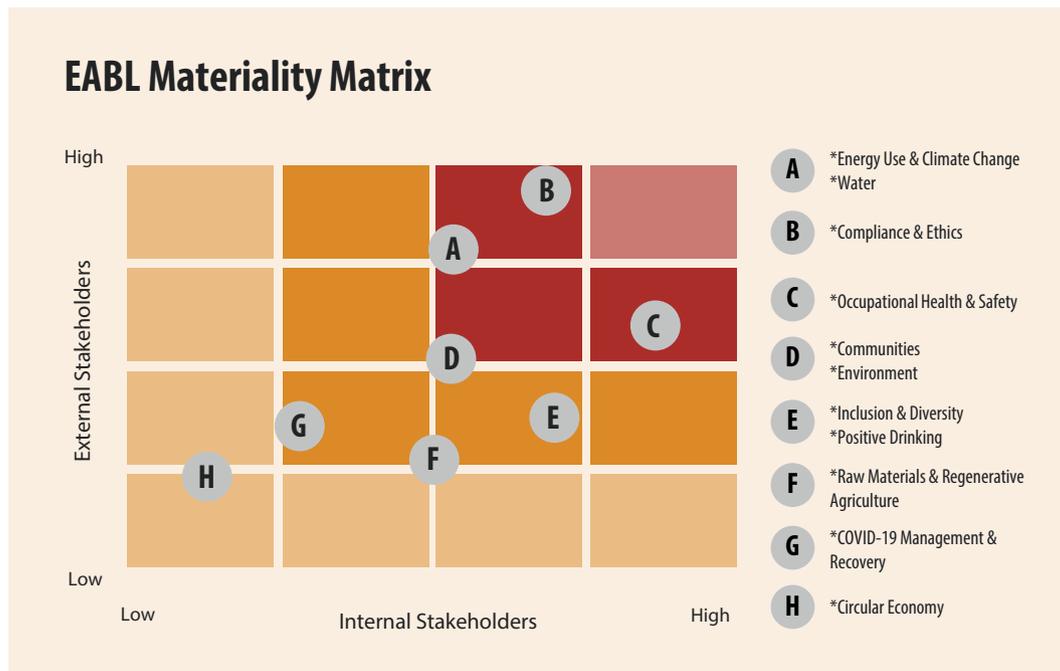


***We carried out an in-depth materiality assessment to determine the environmental, social and governance issues that matter most to our business and stakeholders.***



materiality analysis process was collected using a series of participative, qualitative and quantitative methods, including questionnaires, one-on-one interviews and focus group discussions.

The analysis identified 85 material issues, which were then organised into 11 categories. The findings were collated, organised and plotted on a materiality matrix, (see below) with each issue positioned relative to the degree of internal and external stakeholder interest and perceived business impact. The results emphasise the priority given to issues of occupational health and safety, compliance and ethics and the primacy of water and energy use by our business and our stakeholders.



# MATERIALITY AT EABL

## Material Issues Across the Value Chain

The 85 material issues identified were organised under 11 categories. Our stakeholders value occupational health and safety, compliance and ethics and water and energy use most.

Materiality Issue (prioritised highest to lowest)	Value Chain (Major – Significant – Moderate)		
	SOURCE	MAKE	SELL
<b>Occupational Health &amp; Safety</b>			
<p>Ensuring the occupational health, safety and wellbeing of our employees, contractors and visitors based on a proactive safety culture in which all employees believe that all injuries and illnesses are foreseeable and preventable.</p> <ul style="list-style-type: none"> <li>Occupational risks &amp; insurance e.g. Injury</li> <li>Safety culture</li> <li>Employee empowerment (better behaviours, decision making, leadership)</li> <li>Health and wellbeing</li> <li>Mental health</li> <li>Safety in the workplace</li> <li>Incident investigation</li> <li>Risk assessment</li> <li>Accident prevention and planning</li> <li>Severe and fatal incident prevention programme</li> <li>Embedding shared learning</li> <li>Safety alerts</li> <li>Benchmarking</li> <li>Dynamic hazard reporting and control</li> </ul>	Moderate	Major	Moderate
<b>Compliance &amp; Ethics</b>			
<p>Going above compliance, playing an active leadership role in the region in developing the standards and practices that help organisations proactively identify risks and improve ethical behaviour.</p> <ul style="list-style-type: none"> <li>Relationships and partnerships</li> <li>External communications and social media</li> <li>Human rights</li> <li>Culture of integrity</li> <li>Best practice OHS policy</li> <li>Legislative processes</li> <li>Accredited management systems</li> <li>Independent assurance</li> <li>Assured OH&amp;S global data</li> <li>Develop and implement balance safety scorecard</li> <li>Safety competencies framework</li> <li>Competent safety professional resource support</li> <li>Zero harm contractor assessment and management processes</li> </ul>	Significant	Major	Moderate

Materiality Issue (prioritised highest to lowest)	Value Chain (Major – Significant – Moderate)		
	SOURCE	MAKE	SELL
<b>Water</b>			
<p>Collaborating with local stakeholders to address local water challenges. This includes, promoting employee engagement, improving operational efficiencies and creating a range of engineering projects to increase efficiency in water use and access.</p> <ul style="list-style-type: none"> <li>• Water abstracted for production</li> <li>• Water use agriculture</li> <li>• Water discharge/quality/pollution</li> <li>• Water-related risks and management</li> <li>• Improving consumer use of water</li> <li>• Supporting community access to water and water services</li> </ul>	Major	Major	Moderate
<b>Energy Use &amp; Climate Change</b>			
<p>Collaborating with local stakeholders to address the global climate crisis. Reducing our emissions, contributing to the mitigation of, and adaptation to the effects of climate change.</p> <ul style="list-style-type: none"> <li>• GHG emissions from production</li> <li>• GHG emissions from consumers</li> <li>• Operational eco-efficiency</li> <li>• Access to renewables for production</li> <li>• Access to renewables across supply chain</li> <li>• Climate change partnerships and advocacy</li> <li>• Employee energy footprint</li> <li>• Operations footprint (HQ, other offices)</li> <li>• Climate change adaptation across supply chain</li> <li>• Tracking/ measuring direct energy consumption</li> </ul>	Major	Major	Significant
<b>Communities</b>			
<p>Focus on sustainable growth and development of our communities by providing local jobs, building local talent and leadership, fostering an enterprise culture throughout the value chain, prioritising local sourcing and implementing community investment programmes.</p> <ul style="list-style-type: none"> <li>• Women’s empowerment across the supply chain</li> <li>• Improving farmer knowledge</li> <li>• Sustainable farming practices</li> <li>• Community skills development</li> <li>• Community access to clean/ safe drinking water</li> <li>• Building farmers’ resilience to environmental conditions (drought, floods)</li> </ul>	Major	Moderate	Significant

# MATERIALITY AT EABL

Materiality Issue (prioritised highest to lowest)	Value Chain (Major – Significant – Moderate)		
	SOURCE	MAKE	SELL
<b>Environment</b>			
<p>Proactively identifying and preserving natural resources and ecosystem services. Supporting local communities in environmental stewardship and management.</p> <ul style="list-style-type: none"> <li>• Biodiversity</li> <li>• Environmental campaigns</li> <li>• Tree planting</li> <li>• Regular EIA and audits</li> <li>• Disaster risk reduction</li> </ul>	Major	Major	Moderate
<b>Inclusion &amp; Diversity</b>			
<p>Creating an inclusive culture where every individual can thrive in the workplace. Empowering women to participate fully in society and the economy across the value chain, in the workplace and community. Championing inclusion and diversity beyond our business.</p> <ul style="list-style-type: none"> <li>• Women's empowerment in the workplace</li> <li>• Safety of women in the workplace</li> <li>• Training &amp; skills for women</li> <li>• Gender equality</li> <li>• Maternity support / maternal health</li> <li>• 50/50 recruitment policy</li> <li>• Gender diversity at board level</li> <li>• Equal remuneration</li> </ul>	Significant	Major	Significant
<b>Positive Drinking</b>			
<p>Making a significant and sustainable impact on creating a more positive role for alcohol in society and making responsible drinking a valued, enjoyable part of life.</p> <ul style="list-style-type: none"> <li>• Drinking ambassadors/ positive leadership</li> <li>• Alcohol-related harm</li> </ul>	Moderate	Moderate	Major
<b>Raw Materials &amp; Regenerative Agriculture</b>			
<p>A commitment to local raw material sourcing that goes beyond ensuring supplies to forging sustainable partnerships with farmers and the agribusiness community. This includes working with technical and academic research institutions to develop high-yielding seed varieties and linking with regulatory agencies to ensure that the highest seed quality is supplied to our farmers.</p> <ul style="list-style-type: none"> <li>• Local sourcing</li> <li>• Low carbon sourcing</li> <li>• Food security &amp; food loss</li> <li>• Traceability</li> <li>• Responsible procurement</li> <li>• Food commodity pricing</li> <li>• Land use and land degradation</li> </ul>	Major	Major	Moderate

Materiality Issue (prioritised highest to lowest)	Value Chain (Major – Significant – Moderate)		
	SOURCE	MAKE	SELL
<b>COVID-19 Management &amp; Recovery</b>			
Supporting the safety and comfort of our customers, boosting trade and building resilience to the impacts of the COVID-19 pandemic. <ul style="list-style-type: none"> <li>• COVID-19 safety across supply chain</li> <li>• Hygiene</li> <li>• Social distancing in the workplace</li> <li>• Working from home</li> <li>• Hand washing and sanitising</li> </ul>	Significant	Major	Major
<b>Circular Economy</b>			
Eliminating waste from our value chain and developing solutions to reuse materials, collaborating with farmers to regenerate landscapes, and creating innovative solutions to grow sustainably. <ul style="list-style-type: none"> <li>• Manufacturing and office waste</li> <li>• Recycling (packaging)</li> <li>• Packaging waste</li> <li>• Water recycling &amp; reuse</li> <li>• Effluent analysis</li> <li>• Job creation</li> <li>• Youth employment</li> <li>• Youth training</li> <li>• Youth management opportunities</li> <li>• Youth innovation</li> </ul>	Major	Major	Significant



# OUR SNAPSHOT OF RESULTS



## EABL Promoting Positive Drinking



### Supporting Informed Choices:

Positive messaging, knowledge and awareness spread to over **13,000,000** people in the region.

DRINKIQ

## EABL Championing Inclusion & Diversity



### Women in Leadership:

- **14%** of those in our senior leadership roles are women
- **7.4%** increase in female hires: majorly a result of our graduate programmes focusing on building gender diversity
- **42%** of our board are women

### Business and hospitality skills training:

- Over **500** youth trained over the year and equipped with skills to improve their employability and ability to start their own entrepreneurial journey
- Over **5,000** bartenders trained in our Diageo Bar Academy



## EABL Doing Business the Right Way



- **Closing the Gap: US\$5 million** raised to support our bars & restaurants negatively impacted by the COVID-19 pandemic
- **Occupational Health & Safety: 36%** reduction in total safety incidents and 100% pass in safety audits
- **65%** decline in reported breaches of code of conduct





## EABL Pioneering Grain-to-Glass Sustainability

### Caring for Water:

Improved water availability and access for **30,000** people in Kenya, Uganda and Tanzania between 2020 and 2021.

Between 2020 –2021, **198,000m<sup>3</sup>** of water used on our sites was replenished and reused. Between 2016 to date, a total of **1,006,138 m<sup>3</sup>** of water has been replenished. This represents **30.6%** of our target to replenish **3,282,463 m<sup>3</sup>** by 2026.

### Tackling global climate change:

**20.6%** reduction in Scope 1 and 2 emissions between 2019 and 2021.

Our sites across Kenya, Uganda and Tanzania utilise an average of **82%** sustainable grid electricity.

### Achieving zero waste:

We maintain zero waste in our direct operations and zero waste to landfill throughout our supply chain.

### Collaborating with farmers to regenerate landscapes:

We provide over **60,000** farmers across Kenya, Tanzania and Uganda with agricultural skills and resources to support sustainable farming practices.







# PROMOTE POSITIVE DRINKING



2021







# SPIRIT OF PROGRESS: OUR 2030 TARGETS

Champion health literacy and tackle harm through DRINKiQ in every market where we live, work, source and sell.

Scale up SMASHED partnership, and educate 10 million young people, parents, and teachers on the dangers of underage drinking.

Extend UNITAR partnership, and promote changes in attitudes to drink driving reaching five million people.

Leverage Diageo marketing and innovation to make moderation the norm – reaching one billion people with dedicated Responsible Drinking messaging.

## POSITIVE DRINKING: MOVING TOWARDS HEALTHY CONSUMPTION/ ZERO ILLICIT ALCOHOL

### Why does it matter?

The consumption of illicit alcohol is widespread across the world, particularly in low and lower-middle income countries, including Kenya, Tanzania and Uganda. According to data published by the World Health Organisation (WHO), about 25 percent of all alcohol consumed globally is unrecorded and as such, not subject to stringent health requirements and quality standards.

Illicit alcohol is unregulated, untaxed and potentially toxic. The International Alliance for Responsible Drinking (IARD) reports that unrecorded beverages may present increased health risks from the presence of toxic compounds (due to denaturation, adulteration, or lack of control during beverage production and/or storage) and

a high ethanol content, facilitating intoxication and increasing risk of alcohol poisoning and contaminated water supply. Further, the production and consumption of unrecorded alcohol is closely linked with broader economic variables. The production of illegal alcohol, which is cheaper and



***The production and consumption of illicit alcohol is fuelled by high unemployment rate, unmet consumer demand, inadequate legislation and weak enforcement.***



NTSA Director General, George Njao and EABL MD and CEO Jane Karuku after signing an MoU towards partnering to educate and sensitize road users on responsible drinking.

# PROMOTE POSITIVE DRINKING

**OUR WORK ON PROMOTING POSITIVE DRINKING CONTRIBUTES TO THE FOLLOWING SDGs:**



EABL Group Corporate Relations Director, Eric Kiniti during the launch of mental awareness week that was organized by the National Youth Council of Kenya.

often more readily available than regulated alcohol, is largely driven by poverty. The production and consumption of illicit alcohol is fuelled by high unemployment rate, unmet consumer demand, inadequate legislation and weak enforcement.

**Our commitment to promoting positive drinking**

As a responsible company, EABL wants to make a significant and sustainable impact on creating a more positive role for alcohol in society and making responsible drinking a valued, enjoyable part of life. Bringing unregulated alcohol production into the regulated sector and tackling illicit alcohol is essential in supporting the WHO's whole-of-society response to the harmful use of alcohol.

**Our Progress:**

Key Performance Indicator

	2020-2021			
	Kenya	Tanzania	Uganda	TOTAL
UNDERAGE DRINKING PROGRAMME REACH	0*	0*	4,450	<b>4,450</b>
DRINKIQ QUIZ COMPLETIONS	23,000	5,130	3,136	<b>31,266</b>
DRINKIQ SITE VISITS	10,000	201	347	<b>10,548</b>
MESSAGES OF MODERATION REACH	13,059,730	0	0	<b>13,059,730</b>

\* Kenya and Tanzania underage drinking programme launch delayed by COVID-19-related restrictions.



***We surpassed our annual targets for promoting positive drinking in the region, providing much-needed education and knowledge to over 16,000,000 people.***

**Our achievements:**

We surpassed our annual targets for promoting positive drinking in the region, providing much-needed education and knowledge to over 16,000,000 people. As a company we are committed to the production of affordable and safe brews that our customers can enjoy with the full confidence





SBL Corporate Relations Director, John Wanyancha congratulating Mwanza regional traffic commander Mkadam Mkadam after the latter officially launched the 'Don't Drink and Drive' campaign

that it will not affect their health. We recognise the social and economic factors that contribute to the widespread use of illicit alcohol in the region, and as such, our programmes are designed to empower local communities to produce affordable and safe alternatives.

### DRINKiQ

DRINKiQ is a unique platform that pools together different resources to build knowledge on responsible drinking options. The resources include articles, polls and questionnaires all specifically curated to educate and inform consumers on alcohol-related matters. The detailed, regularly



***DRINKiQ is a unique platform that pools together different resources to build knowledge on responsible drinking options. The resources include articles, polls and questionnaires all specifically curated to educate and inform consumers on alcohol-related matters.***

updated, open access information enables our consumers to make more informed decisions.

### Campaigns Targeting Underage Drinking, "Under 18 Asipewe"

This Kenyan initiative has targeted more than 27,000 alcohol retailers and 9,000 heads of schools for training on how to combat underage drinking. We educate them on the factors that may expose a child to alcohol use, including depression and anxiety, and how to identify and intervene early.

### Positive Drinking Partnerships

We have partnered with a range of organisations and state actors across the region, including the National Transport and Safety Authority in Kenya (NTSA), Dodoma Regional Traffic Police Division and the Alcoholic Beverages Association of Kenya (ABAK), to launch a series of campaigns aimed at enhancing road safety and instilling responsible behaviour amongst road users. For example, our Don't Drink and Drive Campaign in Tanzania has reached over 300,000 people, including bus drivers and boda boda riders.

# PROMOTE POSITIVE DRINKING

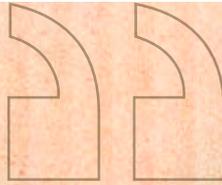


## LOOKING AHEAD



*As we look ahead to meeting the global 2030 target of reaching one billion people with dedicated responsible drinking messaging, we are excited to launch a series of new projects, including SMASHED – life changing education about the effects of alcohol for the next generation. SMASHED, a responsible drinking education module, is being implemented in partnership with the NTSA and will supplement the curriculum for training and testing of drivers and instructors in Kenya.*

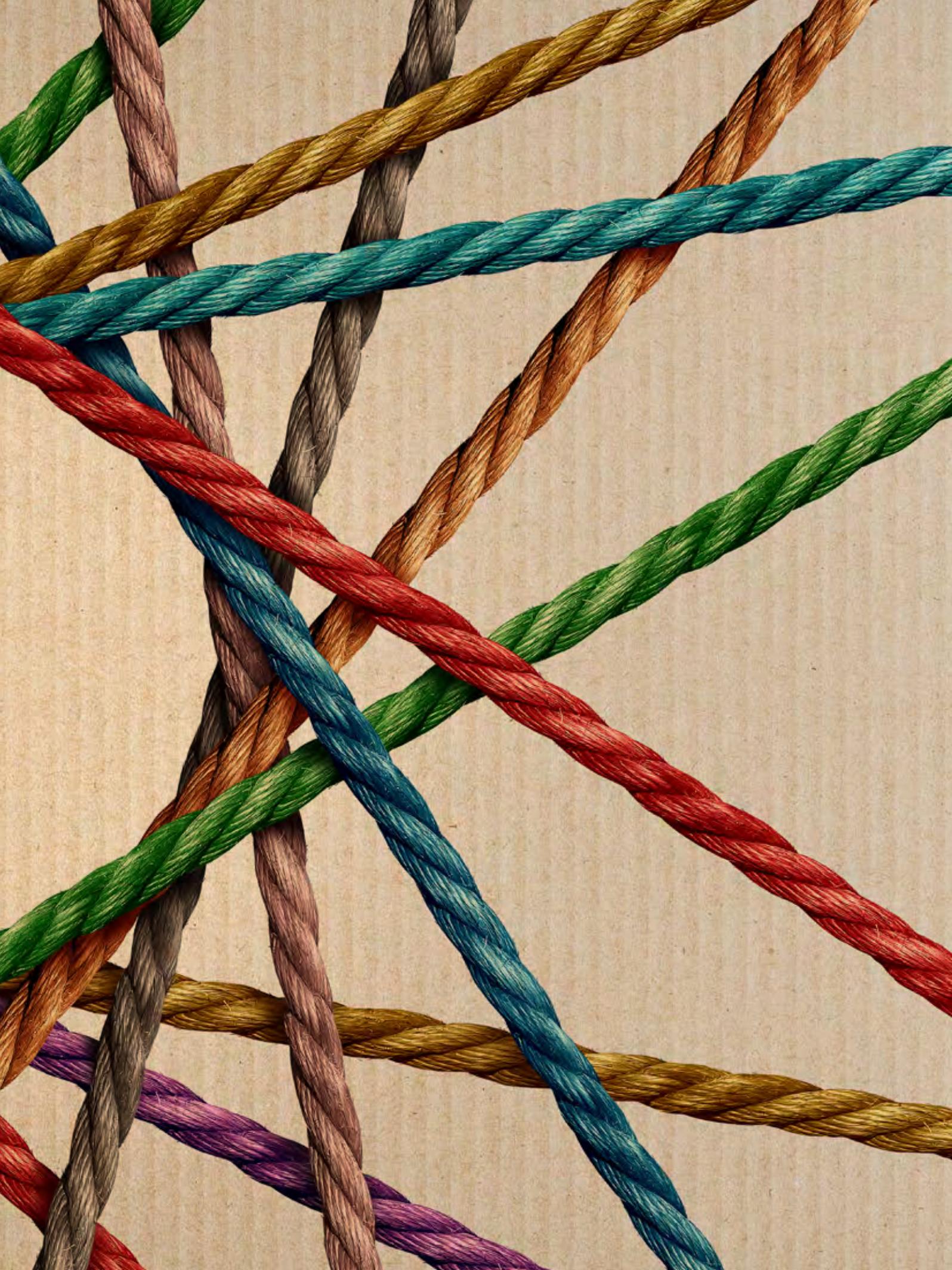
## MEET SOME OF OUR EABL FAMILY



My friend runs a successful bar near my office. It was through him that I was introduced to the SBL team conducting training on positive drinking in our area. The SBL team came to my office one afternoon and shared detailed information on alcohol consumption and how to drink better. I found this training very useful, as they shared tips and tricks on how to enjoy my drink in a more responsible way that I had really never thought about. For example, they taught me that it is important to have a meal before consuming my favourite beer at the local pub. I also learned about my limitations, the risks associated with drink-driving and the disadvantages of overdrinking. I have incorporated these tips in my lifestyle, and found them to be very helpful. I shared them with my younger brother and my friends with whom I enjoy sharing a drink with over the weekend. They are also using this knowledge to become more responsible when they go out and have stopped drinking and driving.

*Joakim Lema*  
**Tanzania**







# CHAMPION INCLUSION & DIVERSITY



2021







# SPIRIT OF PROGRESS: OUR 2030 TARGETS

**50%**

in leadership roles by 2030\*  
our ambition in championing  
gender diversity.

**45%**

increase representation of leaders  
from ethnically diverse backgrounds by  
2030\* in our ambition of championing  
ethnic diversity.

Accelerate inclusion and diversity in our  
value chain measuring and increasing the  
percentage of Diageo suppliers from female  
and minority-owned businesses year-on-year.

**200,000**

people provided with business and  
hospitality skills increasing employability  
and improving livelihoods through Learning  
for Life and our other skills programmes.

**1.5 MILLION**

people provided with skills and  
resources to build a thriving hospitality  
sector that works for all through the  
Diageo Bar Academy.

**50%**

of beneficiaries from our community  
programmes are women and our community  
programmes will be designed to enhance ethnic  
diversity and inclusion of underrepresented  
groups.

## BRIDGING GAPS THROUGH INCLUSION AND DIVERSITY

### Why does it matter?

Gender inequality remains a significant impediment to growth and wellbeing across East Africa. Despite great strides in economic growth and increased representation of women in leadership in the region, significant gender gaps remain. Women face differential barriers in access to markets, capital, training, and technologies. They are underrepresented in decision-making spheres at all levels. This limits them from reaching their full potential and fully contributing to their countries' economies.

According to the United Nations Conference on Trade and Development (UNCTAD), 76% of women in Kenya, 71% in Tanzania and 77% in Uganda still work in agriculture. Women's contribution to home and childcare, which is time-consuming, limits their ability to get paid work. Furthermore, women's land tenure also remains low in the region. For example in Kenya, only 10.3% of women own land while in Uganda, 16% of women have land titles. Women also make up the majority of the poor in the region, where the poorest represent 70% of the East African population. In contrast, men are more likely to find a job and enterprises run by men have easier access to support from institutions such as banks.

### Our commitment to promoting inclusion and diversity

Across East Africa, we are committed to driving an ambitious inclusion and diversity strategy that is consistent with our performance targets and relevant to the consumer base we serve. After a number of years focusing predominantly on gender representation, we have taken a more progressive approach, reframing our inclusion and diversity strategy to include ethnicity and people with disabilities (PWDs). In each of these areas, we have defined the impact we want to make on industry and



**According to the United Nations Conference on Trade and Development (UNCTAD), 76% of women in Kenya, 71% in Tanzania and 77% in Uganda still work in agriculture.**

society in general. To achieve our ambition, we have signed strategic partnerships with organisations that are trailblazers in building inclusive corporate organisations, including the local chapter of Global Compact. Through our partnerships, we encourage the participation of our partners and suppliers and have shared our progressive approach.

We strongly believe that the power of an organisation lies in its ability to represent different voices (diversity) and ensure that everyone has equal opportunity to contribute to and influence every part and level of the workplace (inclusion). Diversity – from gender diversity to culture, age, and race – fosters creativity and innovation. We therefore strive to create greater supply and demand for women's involvement in our supply chain. When women are financially empowered they are likely to share or reinvest their financial resources in their families, or community through education, health and nutrition.

We launched a framework that is aimed at driving Inclusion and Diversity, anchored on four pillars: representation and talent planning; inclusive leadership and capability; our suppliers, partners and communities; and our brands and employer brand. We subsequently set up a cross-functional task force in each market, supported by a cross-functional team aligned to each pillar. These task forces are charged with analysing and recommending actions aligned to each pillar.

# CHAMPION DIVERSITY & INCLUSION

## PILLAR 1

### Representation and talent planning

Our ambition for ethnic diversity is to export a minimum of five percent of East African talent (based on performance and potential) by 2025. EABL is currently a net exporter of talent, leveraging the multi-country market structure with 50 percent of outbound assignees being East Africans working within the region, but outside their own country of origin.

Our goal is to ensure gender parity through insight-driven, accelerated and multifaceted actions. We have broadened the scope of representation to include the third-party workforce, which acts as a significant source of early career talent specifically in sales and supply. Setting similar representation goals for suppliers of the extended workforce will ensure gender parity in the FTE base and offer a balanced talent pool for future hiring. In addition, we have initiated specific acceleration programmes in supply and commercial functions.

## PILLAR 2

### Inclusive leadership and capability

Our leaders will play a key role in the achievement of our diversity and inclusion goals. We will invest in capability that drives our leaders to be more progressive and disruptive, whilst challenging all forms of bias and removing stereotypes that reinforce inequality. Our leaders will leverage the existing culture of high engagement, strong collaboration and inclusive decision making through cross-functional teams. To arrive at the right set of goals for inclusive leadership, we will drive actions focusing on the role of leaders, the role of learning and the role of our ways of working to effectively embed an inclusive culture.

## PILLAR 4

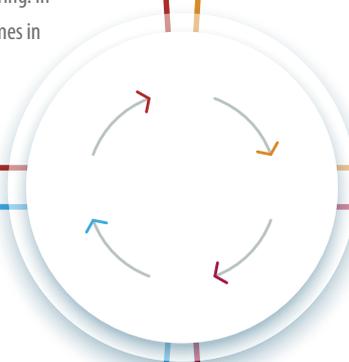
### Our Brands and Employer Brand

Our brands and employer brand will play a key role in dismantling harmful stereotypes that impact equality. We will leverage the power of our brands and employer brand to contribute to building a better-informed and more inclusive society. Our plans for this pillar will be based on working with local partners on progressive portrayal (media agencies, brand promoters and content creators), influencing policy (government institutions, global influencer institutions and other corporates), providing thought leadership, and building capability consistently.

## PILLAR 3

### Our Suppliers, Partners and Communities

We will invest in and build structures that ensure we have a diverse and inclusive supplier base. The supplier diversity dimensions we are prioritising are aligned to our overall priority areas of gender diversity, ethnic diversity, and persons with disabilities.



## Twofold goals for our brands:



01

Deliver brand-promoted gender parity and respectful representation.

02

Roll out a progressive media index, buy media for domestic and ethnic diversity and not just reach.

### Progressive Portrayal

Progressive Portrayal is essentially recognizing that we all have an unconscious bias that may have an impact on various groups in society. Progressive Portrayal focuses on bias against gender, ethnicity, sexual orientation, ageism, and more. We drive Progressive Portrayal via four pillars that are:



#### Pillar 1:

#### Creative Excellence

Creating work that changes representation and encourages progressive portrayal. The goal is to equip our marketers in the creation of work, which is significantly more representative, progressive and equal.



#### Pillar 2:

#### Closing the Gap

Driving and accelerating diversity in our creative agencies and production partners. The goal is to promote equal representation of who's behind the camera: agency, directors, influencing the industry through our creative selection process.



#### Pillar 3:

#### Changing the media Context

Shaping the progressive media landscape of tomorrow through Media Investment Activism. The goal is to change the context of our advertising and ensure our content is in line with our progressive values.



#### Pillar 4:

#### Innovation & Design

Creating consumer and customer propositions that reflect the diverse groups we serve.

# CHAMPION DIVERSITY & INCLUSION



**70%**  
OUR GOAL FOR  
HIRED WOMEN FOR  
ALL OUR ROLES

## Our Progress:

Key Performance Indicator

	2020-2021			Total (Average)
	Kenya	Uganda	Tanzania	
% OF WOMEN IN LEADERSHIP ROLES	19%	11%	12%	<b>14%</b>
% OF WOMEN ENROLLED IN COMMUNITY PROGRAMMES	50%	52%	61%	<b>54%</b>

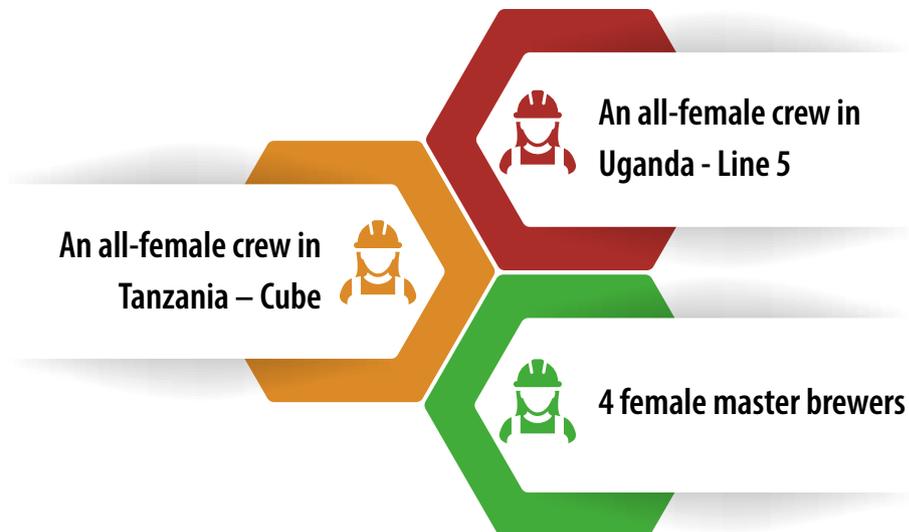
## Our achievements:

Increased training, strengthened policies and unique opportunities have transformed our workplace into a truly inclusive space. The range of approaches to support women along our supply chain is helping to shape the entire economic outlook of the communities that we work with. We are well on our way to achieving and surpassing our 2030 goal of 50% of women in leadership roles, as well as increasing the number of women suppliers along our value chain.

## Women in STEM

We launched our apprenticeship programme for female university students taking courses in

Science, Technology, Engineering and Mathematics (STEM) in 2019. The programme entails a one-on-one, one-year foundational internship that is followed by a robust selection and vetting process to identify potential candidates who will be picked for permanent employment based on business needs. STEM apprentices have an opportunity to gain hands-on experience, giving them a head start in their careers in our supply chain. In addition to the hands-on experience, each candidate is assigned a coach who is responsible for supporting him or her throughout the programme to ensure they are continually learning and growing their skills. This year we targeted 35 women on our STEM apprenticeship programme across EABL.





**OUR WORK ON PROMOTING INCLUSION AND DIVERSITY CONTRIBUTES TO THE FOLLOWING SDGS:**



**Spirited Women**

Spirited Women is a network of mid-level to senior women working in our business with a voluntary mandate to support other women as they navigate their corporate careers. Our spirited women provide breakthrough leadership through peer mentoring. They reach out to university students and women at the onset of their corporate careers to share their personal experiences in the hope that their journey will be a source of encouragement and learning.

**Heshima**

Through the Heshima project, over 1,400 women and youth in the region have received competency-based vocational and entrepreneurial training to empower them for a better livelihood. We recognise the unique challenges that women experience in

building a business and aim to give them direct support to overcome some of these challenges. Our support includes training on how to access finance, build a scalable business and manage day-to-day business functions.

**People with Disabilities (PWDs) in our Supply Chain**

We are working hard to ensure that there are more people with disabilities (PWDs) represented across our supply chain as suppliers, distributors, and employees. In Kenya, we have partnered with Sight Savers to enlist 71 farmers with disabilities to date in Homa Bay County to grow sorghum, a key ingredient in the production of our value beer Senator Keg.

## LOOKING AHEAD

We want to scale up our efforts, and boost the strong results we have achieved to date with our women-focused training and graduate opportunities. This includes adding more women to our graduate training programme and increasing our investment in training and capacity building for local communities. Our goal is to recruit 30 women into the commercial early career programme in 2022. We also hope to increase the number of PWDs in our supply chain, as well as extend our reach to include Uganda and Tanzania in the coming year.





## EABL TAKING THE LEAD



Jane is part of the World Economic Forum (WEF) Taskforce on Women's Economic Empowerment and Financial Inclusion. Ms Karuku provides guidance on securing public-private sector cooperation in support of women economic empowerment that impacts their lives and livelihoods. Jane also provides guidance to the African Women Leaders in Government and Business – Global Compact. EABL's work around inclusion and diversity is well recognised globally and frequently used as a case study for other organisations to learn from.

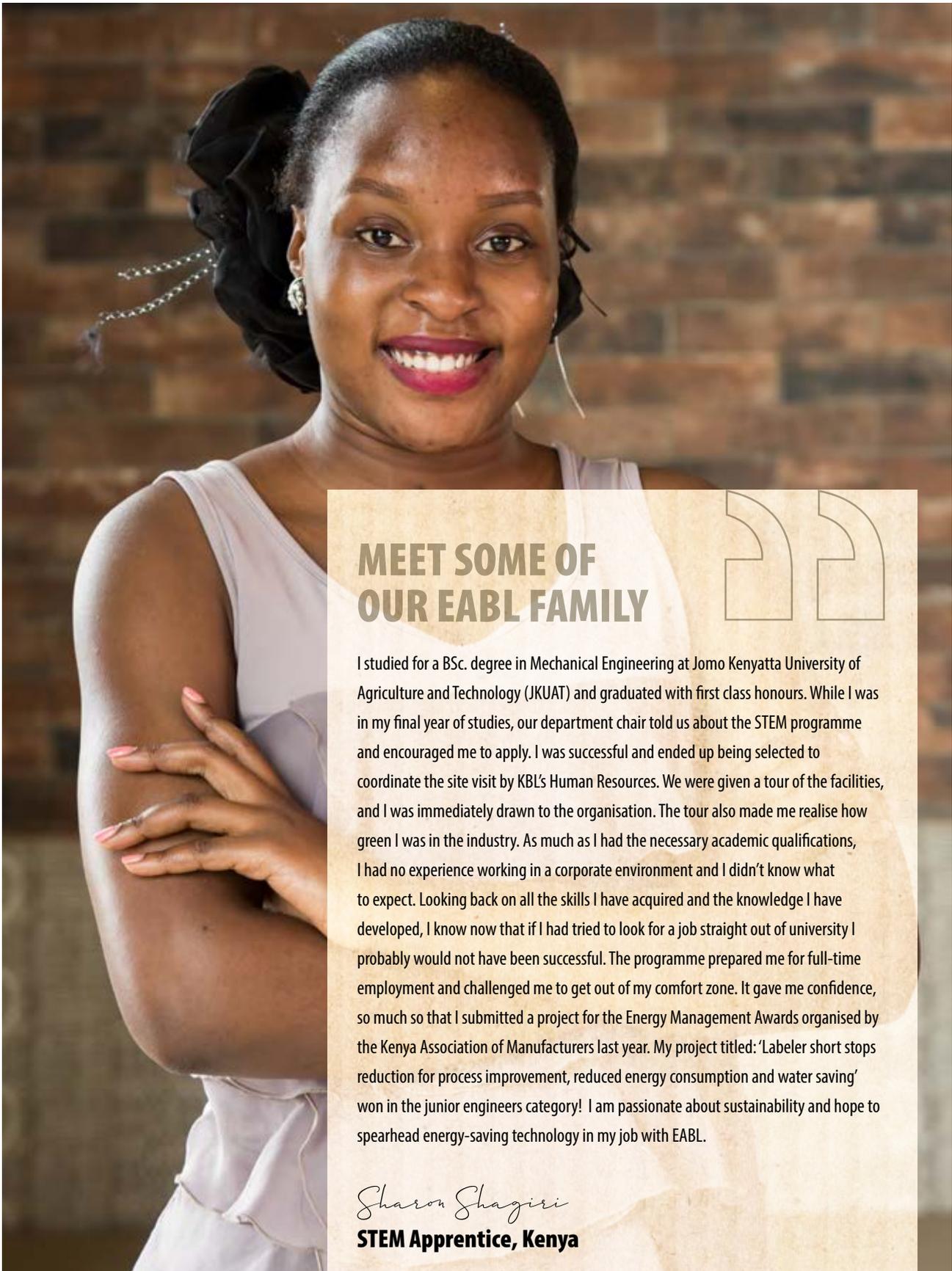
*Jane Karuku*  
**EABL CEO**



## MEET SOME OF OUR EABL FAMILY

I was a mechatronic engineering student at Dedan Kimathi University when the opportunity arose to pursue an internship with KBL. I enjoyed the internship thoroughly. When our department mentioned the STEM programme, I quickly applied and was elated to be selected. It is so rare to find a programme tailored to the needs and challenges that women experience when trying to enter the engineering field. This programme gave me the chance to operate in a male-dominated field, and feel supported and welcome. I would love to see more women on the shop floor in the future. I encourage every young woman in STEM to apply for this programme! The best thing about working for EABL is that you are an asset rather than a liability, you feel valued and important to the company's growth and business goals. You are encouraged to develop and given all the tools you need to succeed in your career.

*Victoria Githengi*  
**STEM Apprentice, Kenya**



## MEET SOME OF OUR EABL FAMILY



I studied for a BSc. degree in Mechanical Engineering at Jomo Kenyatta University of Agriculture and Technology (JKUAT) and graduated with first class honours. While I was in my final year of studies, our department chair told us about the STEM programme and encouraged me to apply. I was successful and ended up being selected to coordinate the site visit by KBL's Human Resources. We were given a tour of the facilities, and I was immediately drawn to the organisation. The tour also made me realise how green I was in the industry. As much as I had the necessary academic qualifications, I had no experience working in a corporate environment and I didn't know what to expect. Looking back on all the skills I have acquired and the knowledge I have developed, I know now that if I had tried to look for a job straight out of university I probably would not have been successful. The programme prepared me for full-time employment and challenged me to get out of my comfort zone. It gave me confidence, so much so that I submitted a project for the Energy Management Awards organised by the Kenya Association of Manufacturers last year. My project titled: 'Labeler short stops reduction for process improvement, reduced energy consumption and water saving' won in the junior engineers category! I am passionate about sustainability and hope to spearhead energy-saving technology in my job with EABL.

*Sharon Shagiri*  
**STEM Apprentice, Kenya**

## MEET SOME OF OUR EABL FAMILY



Before I started growing sorghum for EABL, I was barely making a living out of peasant maize farming. I have a physical impairment that forces me to use crutches. It is challenging for me to plough, weed, and constantly have to scare irritant birds away. I was very happy when EABL gave me good quality seeds and fertilizer to grow sorghum. From the proceeds, I have been able to buy food, household items and books for my children and to pay school fees. I've started teaching other women now, as I want them to also uplift their standards of living. I was recently able to lease an additional acre of land to farm more sorghum so that I can grow my earnings even further!

*Jennifer Opiyo*

**Farmer with disability, Western Kenya**





**INCLUSIVE  
COMMUNITIES  
FOR BETTER STANDARDS OF LIVING**

# CHAMPION DIVERSITY & INCLUSION



Mark Ocitti, SBL MD and beneficiaries of Kilimo Viwanda Agro-scholarship during a visit to Serengeti Breweries Limited.

## Why does it matter?

There are a myriad of challenges facing local communities in our region – from poverty and unemployment to lack of education, proper healthcare, water scarcity and environmental degradation. These challenges are much worse for marginalised members of the community, including women, youth and people with disabilities. Communities also face the additional challenge of the COVID-19 pandemic that is affecting millions of people around the globe. To date, the cumulative number of COVID-19 cases in East Africa is well over 700,000. A recent IFC report shows



***Our success is therefore pegged on the sustainable growth and development of our local communities. Our supply chains create value directly for local economies and are one of the most important ways in which we support and build capacity in our local communities.***



that the pandemic will trigger severe economic contraction in sub-Saharan Africa, which in turn will have a detrimental effect on local community development. To put it in context, the pandemic threatens to derail progress made over the past decade developing local communities and pursuing the sustainable development goals.

## Our commitment to building thriving communities

We are passionate about our communities. We believe that our business can only thrive in a healthy community environment. Our success is therefore pegged on the sustainable growth and development of our local communities. Our supply chains create value directly for local economies and are one of the most important ways in which we support and build capacity in our local communities. From farming and production of our ingredients, to the manufacture and distribution of marketing materials or merchandising, each stage of every supply chain has an impact on our employees, local communities, the environment and other stakeholders.

# CHAMPION DIVERSITY & INCLUSION

## Our Progress

Key Performance Indicator

	2020 -2021			Total
	Kenya	Uganda	Tanzania	
Business and hospitality skills reach	6,161*	40	31	<b>6,232</b>

\*5,711 of the 6,161 are trained under the Diageo Bar Academy launched in Kenya on World Bartenders Day, 24th February 2021.

### Our achievements:

We have provided much-needed training to hundreds of youth, some of whom come from troubled backgrounds and have limited access to tertiary education. Many of these youth represent the vulnerable members of the community, including women and people with disabilities.

### Diageo Bar Academy

Diageo Bar Academy is the leading trade advocacy programme in Kenya. Through the academy we empower our bartenders with skills in bar management, branding hygiene and safety. In spite of COVID-19 restrictions, we managed to train 5,711 bartenders between 2020 and 2021, 66% of them women. Our goal is to **reach 10,000 bartenders in Kenya.**

### Skills for life

Skills for Life is a programme that provides education and training opportunities to youth in the communities that we operate in to help prepare them for employment. This initiative enables youth to achieve their potential, explore a range of employment opportunities in various industries and improve their life prospects. Through this programme, we have given many bright, hardworking but needy students scholarships to pursue university education. The programme has also provided seed capital to young people with innovative start-up ideas. It builds on the unique entrepreneurial abilities of the participants, enabling them to develop their own businesses with seed money that is otherwise difficult for them to raise or access.



KBL Head of Spirits, Flavia Othim, KBL Commercial Director, Joel Kamau and EABL Head of Sales Nairobi, Yvonne Mwangi during the launch of the Diageo Bar Academy in Kenya.



UBL launched UGX 3.6bn program to facilitate the safe reopening of bars. The Trade Minister, Amelia Kyambadde was present.

OUR WORK ON BUILDING THRIVING COMMUNITIES CONTRIBUTES TO THE FOLLOWING SDGS:



### Raising the Bar

The COVID-19 pandemic has hit small businesses in the region especially hard. Widespread restrictions have forced several small businesses to shut down their operations entirely. In response, we launched a US\$5 million two-year fund to provide support to local bars and eateries struggling to survive amidst COVID-19 closures and restrictions. In addition to financial support, Raising the Bar offers eligible outlets and bars free access to digital training

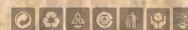
and support, enabling them to meet government regulations and pay for the equipment they need to reopen safely. This includes purchasing hygiene kits, high quality sanitiser dispenser units, medical grade hand sanitiser, and a range of personal protection equipment such as masks and gloves, cashless systems, mobile bars and outdoor equipment.

### PWDs Inclusion

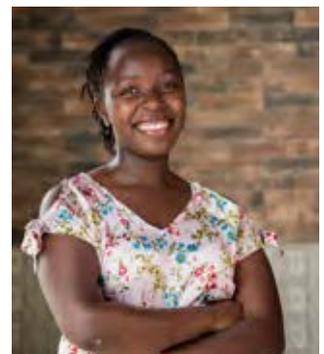
In our journey to make our value chain disability-inclusive, KBL piloted a project geared towards ensuring the inclusion of PWDs. The project kicked off in Homa Bay County in partnership with Sight Savers, an international development organization working to support equality for people with disabilities. We attracted 42 farmers with disabilities to plant 76.5 acres of white sorghum, a key ingredient in the production of our value beer, Senator Keg. We provided the farmers with pre-financing of inputs at KES. 8,200, underwriting of sorghum minimum yield at 0.8 tonnes per acre and free seeds, as well as free extension service that we offer all our smallholder farmers. Phase two of the project kicked off in March this year in Homa Bay County with 71 farmers, which is almost double the pilot numbers.



***In response, we launched a US\$5 million two-year fund to provide support to local bars and eateries struggling to survive amidst COVID-19 closures and restrictions. In addition to financial support, Raising the Bar offers eligible outlets and bars free access to digital training and support, enabling them to meet government regulations and pay for the equipment they need to reopen safely.***



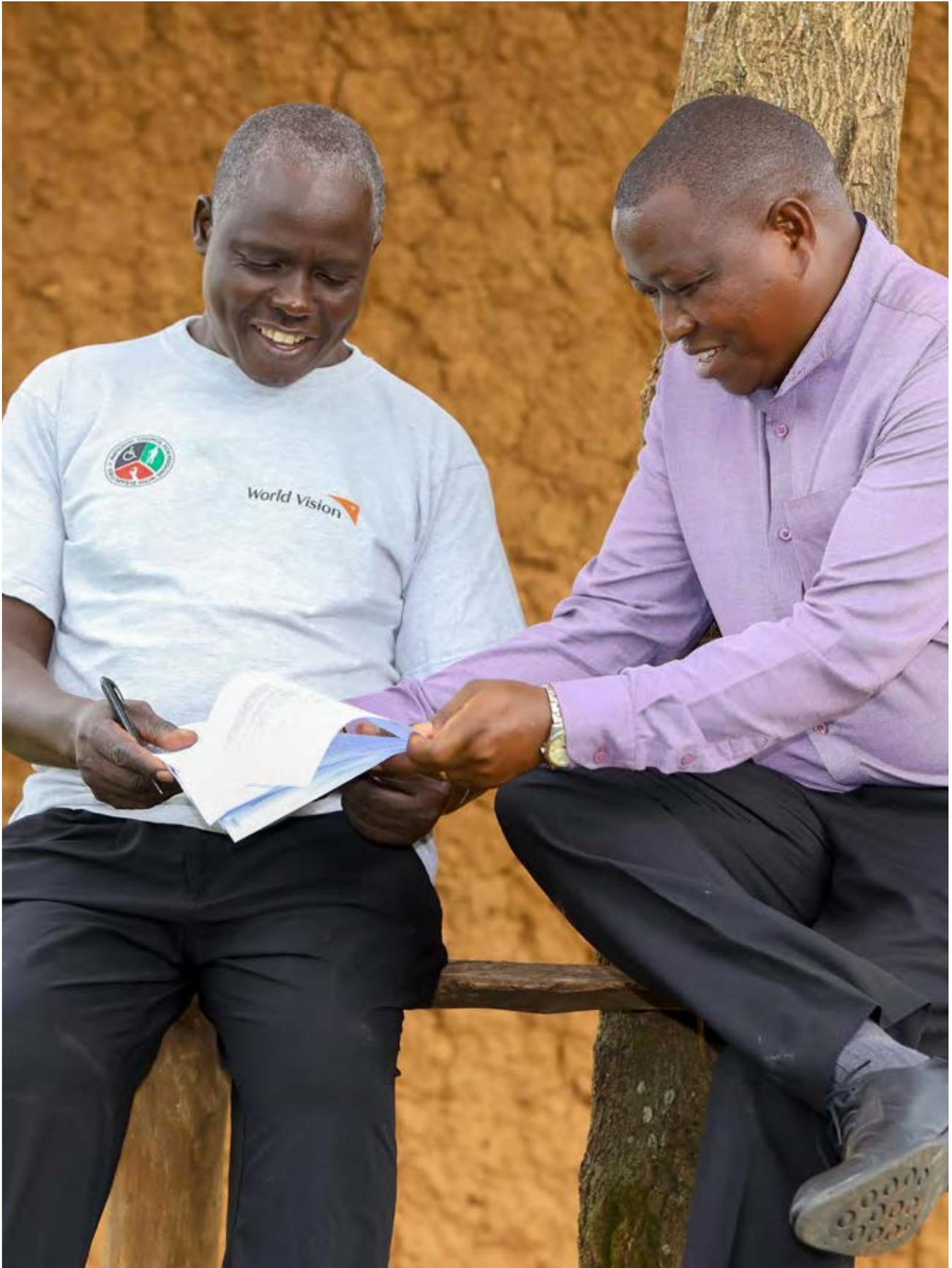
# CHAMPION DIVERSITY & INCLUSION



## LOOKING AHEAD



*We want to educate and train more young people, and give them the skills and exposure they need to build better lives. We are also looking to finance more university scholarships as well as provide more seed capital for the incredible business ideas that are continually shared with us. We are on our way to closing the gap on our 2030 targets.*



## MEET SOME OF OUR EABL FAMILY



UBL first sponsored my training in fashion and garment design at the African College of Commerce and Technology (ACCT). It was always my dream to start my own business, but I didn't know where to begin. The capital investment was too high for me, so the boost from UBL really changed my life. While I was in training, I received Ugsh. 500,000 (\$150) from UBL as start-up capital to get my business off the ground. I buy and sell clothes from my shop, and I make some myself. Business has been picking up slowly but surely. My dream is to one day have my own workshop where I can make all the clothes myself.

*Arinda Confudensi*  
**Uganda**





## MEET SOME OF OUR EABL FAMILY



I studied ICT at ACCT, with UBL sponsorship. I wished to start a stationery business, as I had identified a market in the city. People struggled to find a place to photocopy, print and source their stationery. UBL gave me Ugsh. 1,000,000 (\$300) as seed capital for my business idea. In addition to the financial support, they also provided me with entrepreneurial training. This I found to be priceless! They taught me how to create a market for my product, how to build a brand and how to generate sales. They also taught me how to overcome losses, lessons that have especially been useful during the COVID-19 pandemic when my sales haven't been good. In future, I want to grow my business and build the capital base I need to open my own computer training institution.

*Nsabiyanwa Vian*

**Uganda**





# PIONEER GRAIN TO GLASS SUSTAINABILITY



2021





★ ★ ★  
**SENATOR**  
KEG LAGER



**SPIRIT OF  
PROGRESS:  
OUR 2030  
TARGETS**



- Reduce water use in our operations by increasing usage efficiency by 40% in water-stressed areas and 30% across the company.
- Improve water availability and quality in 100% of our local communities in water-stressed areas.
- Replenish more water than we use for our operations in 100% of sites in water-stressed areas by 2026.
- Invest in improving access to clean water, sanitation, and hygiene (WASH) in communities near our sites and local sourcing areas in 100% of our water-stressed markets.



## Preserve Water for Life



## Accelerate to a low-carbon world

- Become net-zero carbon in our direct operations (Scope 1 and 2).
- Reduce our value chain emissions (Scope 3) by 50%.
- Use 100% of renewable electricity across our direct operations.



## Become Sustainable by Design

- Achieve zero waste in our direct operations and zero waste to landfills in our supply chain.
- Ensure 100% of our packaging is widely recyclable (or reusable/compostable).
- Continue our work to reduce total packaging and increase recycled content in our packaging (delivering a 10% reduction in packaging weight and increasing the recycled content of our packaging to 60%).
- Ensure 100% of our plastics are designed to be widely recyclable (or reusable/compostable) by 2025.
- Achieve 40% recycled content in our plastics by 2025, and 100% by 2030.
- Provide 100% of local sourcing communities with agricultural skills and resources; build economic and environmental resilience (supporting 150,000 smallholder farmers).
- Develop regenerative agriculture pilot programmes in five key sourcing landscapes.



**PRESERVE  
WATER FOR LIFE**

# PIONEER GRAIN TO GLASS SUSTAINABILITY



(Far right) KBL Head of Sustainability and Community Engagement, Arnolda Shiundu at the Olembo water project with members of Magunga community in Homabay.

## Why does it matter?

Water is the most important ingredient in our products. It is also a precious shared resource that is under increasing pressure around the globe. Water scarcity will be exacerbated as rapidly growing urban areas put pressure on neighbouring water resources. Water scarcity in Africa is expected to reach dangerously high levels by 2025. East Africa's fresh water resources are among the lowest in the world. They have decreased by two-thirds in the last 40 years, and by 2050 are expected to drop further by over 50 percent. At the same time, agriculture in the region uses approximately 85 percent of the total available freshwater. In Kenya, with a population of 50 million, for example, 16 million people lack access to safe water, while a further 24 million - lack access to improved sanitation. When

water is insufficient, people can't get enough to drink, wash or water crops, and economic decline is imminent.

## Our commitment to preserving water for life

The challenges associated with declining water supply hit very close to home. Water stewardship is a longstanding strategic priority for us and we are focused on preserving this critical resource, particularly in water-stressed areas. We also acknowledge that we have a responsibility to preserve vulnerable water sources and ensure that we manage our water use sustainably. By working closely with other stakeholders and applying a comprehensive strategy, we aim to achieve an overall positive water impact in our supply chains and beyond.

# PIONEER GRAIN TO GLASS SUSTAINABILITY

## Our Progress:

Key Performance Indicator

KPI	KENYA		TANZANIA		UGANDA		Total
	2020 Baseline	2021	2020 Baseline	2021	2020 Baseline	2021	
Volume of water replenished (m <sup>3</sup> )	-	125,866	-	49,640	-	22,995	<b>198,501 (m<sup>3</sup>)</b>
Number of community WASH beneficiaries	-	20,798	-	6,800	-	3,150	<b>30,748 (beneficiaries)</b>
Litres of water used per litre of packaged product	3.22	2.94	4.68	4.22	4.01	3.22	<b>12.8%</b> ▼
Wastewater polluting power measured in BOD	41	42	11	10.2	20	13.9	<b>8.2%</b> ▼

## Our achievements

Between 2020 and 2021, 198,000m<sup>3</sup> of water used on our sites in Kenya, Uganda and Tanzania was replenished. However, from 2016 to date, we have replenished a total of 1,006,138m<sup>3</sup>. This represents 30.6% of our F26 3,282,463m<sup>3</sup> target. We have also reduced the quantity of water used per litre of packaged product by 12.8 percent between 2020

and 2021 alone. Our water projects have improved access and availability of clean and safe water to over 30,000 people in Tanzania, Uganda and Kenya. We are well on our way to accomplishing our 2030 targets on preserving water for life.

## Water for Life

Under the banner 'Water for Life', we have launched



Serengeti District Commissioner Nurdin Babu during the commissioning of Water for Life project in Machochwe Village by SBL.



Former Uganda Breweries Managing Director Alvin Mbugua during the commissioning of Bududa water project by UBL.

**OUR WORK IN PRESERVING WATER FOR LIFE CONTRIBUTES TO THE FOLLOWING SDGs:**



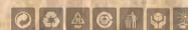
a series of community-based water projects aimed at providing safe, reliable and sustainable supply of the commodity to communities across the East African region. These projects include support



***In Kenya, we have impacted over 2.5 million people, improving their access to potable water and its availability. The Buchenge Water Project in Kericho County, for example, serves 5,000 residents. Through this project, a 100,000 litre tank was erected and five kilometres of water pipes laid.***



for boreholes, water tanks, pipes, pumps, water purification, integrated water and sanitation blocks and other improvements in community water and sanitation. In Kenya, we have impacted over 2.5 million people, improving their access to potable water and its availability. The Buchenge Water Project in Kericho, for example, serves 5,000 residents. Through this project, a 100,000 litre tank was erected and five kilometres of water pipes laid. A similar water project in Kajiado serves 11,000 residents, while 21,000 traders and 20,000 residents have benefited in Nyeri and Kiambu respectively from improvements in water infrastructure. In Tanzania, SBL has drilled over 18 boreholes across the country, providing water to over one million people in water-stressed areas since 2017. Between Uganda, Tanzania and Kenya, 'Water for Life' has



# PIONEER GRAIN TO GLASS SUSTAINABILITY



improved access and availability of water for over 30,000 people in the past year.

## **Water Recovery and Efficiency on Site**

When it comes to delivering efficiency in water and energy use per litre of beer produced, our sites are in the top five ranking of all global beer production sites. Through employee engagement, consistent operational efficiency improvements and creative engineering projects, we have a high rate of water recovery at all of our sites. Furthermore, we equip our suppliers with the necessary tools to protect water resources in water-stressed locations in the region. Most recently, KBL invested in a Ksh750 million (£5.5 million) water treatment plant (one of the biggest in East Africa) to ensure that water flowing from the plant is safe. As a result, each day,

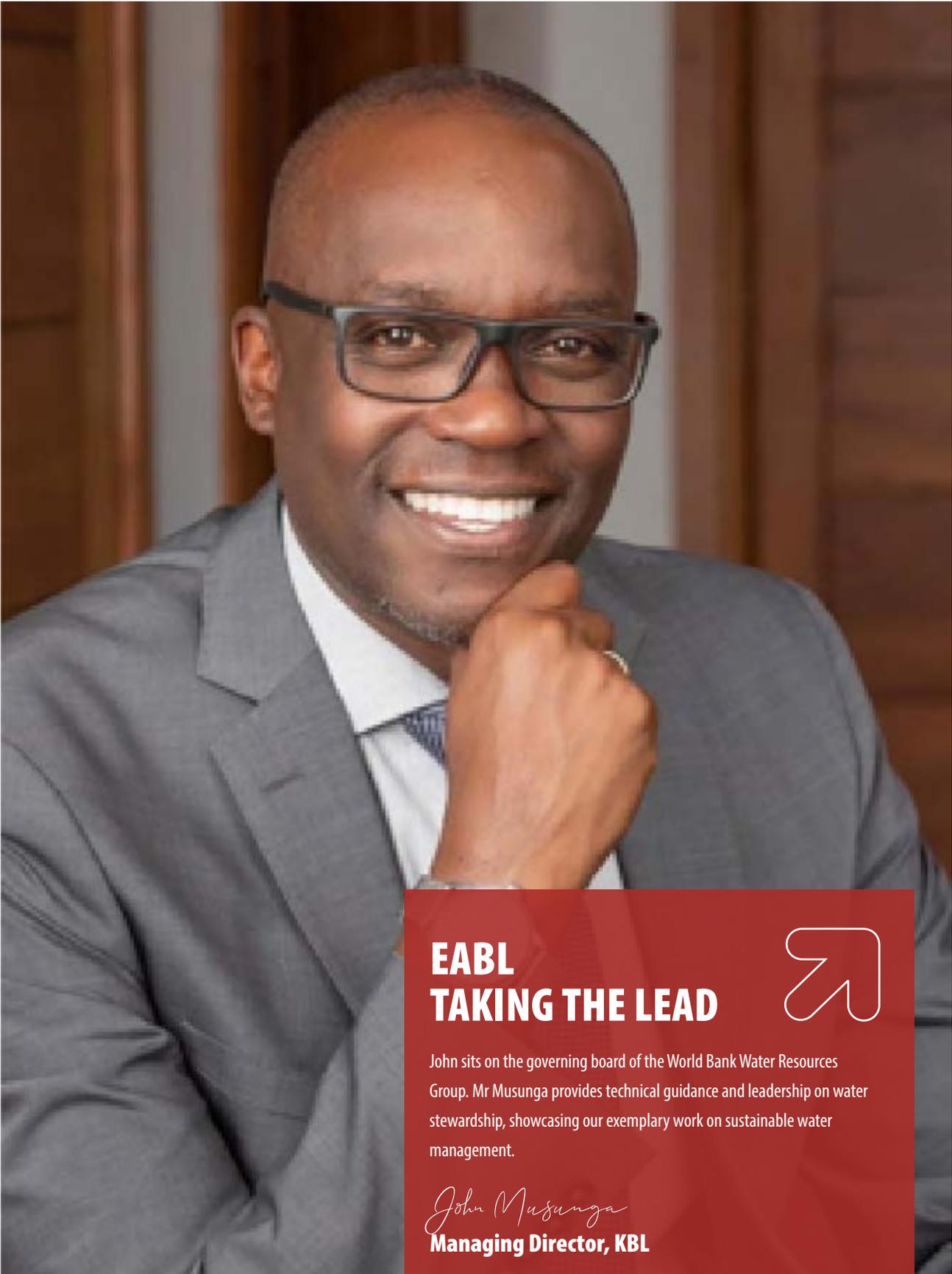
three million litres of water is treated to the highest standards before being allowed to flow into the Nairobi River. The water recovery and purification facilities are helping to save 1.2 billion cubic litres of water every year.

To reduce the amount of water used, UBL launched a similar water treatment plant worth Ksh280 million (£1.9 million). The plant can treat 1,000 cubic metres of water per day. The effluent treatment plant has the ability to deliver 80% permeate recovery. The water is treated according to UBL's specifications for general purpose use. At usage efficiency of 2.99l of water for every litre of alcohol from the current 4.0 litres of water per litre of alcohol, the effluent water recovery will improve efficiency to 30% at minimum use and 80% at maximum use, clocking 2.6 litres of water per litre of beer by end of F23.

## LOOKING AHEAD



*We are continually reducing our impact on watersheds in our areas of operation. We are moving towards 100 percent replenishment of water used in water-stressed areas. However, we know we can achieve more through collective action and engaging all our stakeholders. We are taking the steps necessary to have an integrated approach to sustainability. We aim to pursue systemic change in water use by strengthening partnerships with our suppliers, industry peers, governments, academia, scientists and sustainability organisations in order to better the lives of even more communities in water-stressed areas.*



## EABL TAKING THE LEAD

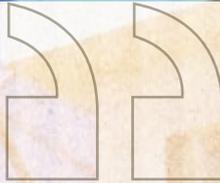


John sits on the governing board of the World Bank Water Resources Group. Mr Musunga provides technical guidance and leadership on water stewardship, showcasing our exemplary work on sustainable water management.

*John Musunga*  
**Managing Director, KBL**



## MEET SOME OF OUR EABL FAMILY



Before the project started, community members were walking several kilometres a day to fetch water from natural sources. Children would have to fetch water before they went to school in the morning and again in the evening on their way home. KBL and their implementing partner AMREF installed a main tank, a water pipe, a water pump, and three water kiosks. They also provided electricity to facilitate the pumping of water to the different households. Close to 10,000 beneficiaries in Malava now have access to potable water. In addition, the project has directly supplied three schools with potable water. This was not available before, and the community is grateful to have water coming directly to their households!

*Felix Wasia*

**Chairman Lukume Water Project in Malava, Kakamega**



THIS WATER KIOSK WAS CONSTRUCTED IN PARTNERSHIP WITH EABL FOUNDATION IN KENYA AND AMREF HEALTH AFRICA IN KENYA AND LUKUME WATER PROJECT 2019



## MEET SOME OF OUR EABL FAMILY



We used to walk four kilometres to get water before KBL financed our new water pipes and borehole project. Four kilometres - all the way to Russigetti, which is very far! When it rained, the area would flood and it be difficult to access entirely. The new pipes and newly installed borehole have completely changed our lives! Because we don't have to walk too far to get water, we have more time to spend with our families and to work.

*Peter Wanjohi*

**Chairman Mbomboini Water Project in Kikuyu,  
Kiambu**



## MEET SOME OF OUR EABL FAMILY

We had to walk for more than 6 kilometers to fetch water that we thought was clean enough to drink because the water from our seasonal ponds is too filthy for domestic use. On the way we sometimes encountered wild animals which were a constant threat to our lives and those of our children. If there's a greatest gift that God has given to us, it's this water project; we still cannot believe that we have reliable water here. We are really grateful to Serengeti Breweries Limited and Water Aid for relieving us of this huge burden that we had because most of us women were unable to carry out our daily chores effectively for, most of our time was spent traveling long distances in search of water. Now, with the availability of clean, safe and reliable water in our village, courtesy of SBL, our children are able to freely go school uninterrupted.

*Bhoko Nyamisi*

**Tanzania**





**ACCELERATE**  
**TO A LOW-CARBON WORLD**

# PIONEER GRAIN TO GLASS SUSTAINABILITY



KBL staff (Maryanne Nderu, Peter Kibe and Sadia Bonface) during a tree planting exercise in Koguta Forest.

## Why does it matter?

Africa accounts for only 2-3 percent of the world's carbon dioxide emissions from both energy and industrial sources. According to the World Resources Institute, Africa's per capita emissions of carbon dioxide in the year 2000 were 0.8 tons per person, compared to a global figure of 3.9 tons per person. In spite of this relatively low contribution to global emissions, Africa remains the most vulnerable to the impact of climate change.

According to the Intergovernmental Panel on Climate Change (IPCC), much of Africa is already experiencing temperature rises of approximately 0.7°C. With predictions that temperatures will rise further, the continent is facing a wide range of effects, including increased droughts and floods. In the near future, climate change will contribute to decreased food production; floods and inundation of its coastal zones and deltas; spread of water-borne diseases and the risk of malaria; and changes in natural ecosystems and loss of biodiversity. Under

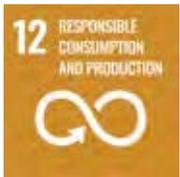
the Paris Agreement reached at COP21, all countries undertook to take collective action on climate change to keep global temperature increases to no more than 2°C above pre-industrial levels. African countries have outlined bold objectives to build climate-resilient and low-carbon economies in their Nationally Determined Contributions (NDCs) to the Paris Agreement.

## Our commitment to reducing carbon emissions and acting on climate change:

Conscious companies like ours face a critical challenge; we need to advance our business practices in order to more responsibly source, produce, distribute, and sell our products with sustainability at the top of our minds. We prioritise fighting climate change with the resources we have and the knowledge we continue to build, knowing that doing so will help millions of stakeholders across our supply chain.

# PIONEER GRAIN TO GLASS SUSTAINABILITY

**OUR WORK ON REDUCING CARBON EMISSIONS CONTRIBUTES TO THE FOLLOWING SDGs:**



Scope 1	Scope 2	Scope 3
Covers direct emissions from owned or controlled sources.	Covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the company.	Includes all other indirect emissions that occur in a company's value chain.
<b>Example:</b> Emissions from fuel combustion and company vehicles.	<b>Example:</b> Purchased electricity, heat and steam.	<b>Examples:</b> : Purchased goods and services, business travel, transportation and distribution, and employee commuting.

**Our Progress:**

Key Performance Indicator

	2017-18	2018-19	2019-20
Total value Env - CO <sub>2</sub> emissions from total Energy (Market based) tonnes CO <sub>2</sub> e [t GHG (metric)] Scope 1 & 2	72,645	69,152	54,906
Percentage Decrease	-	4.8%	20.6%

	Kenya	Uganda	Tanzania
Percentage of sustainable grid electricity used at sites *	80%	95%	70%

*\* In July 2019 we procured international renewable energy certificates for the power we use. This essentially means that the power we are using is attributed to renewable power sources (primarily hydro schemes in Uganda).*



Speaker of the National Assembly Job Ndagai and Serengeti Breweries MD Mark Ocitti during tree planting exercise in Kongwa district Dodoma region.

**Our achievements:**

Our determination to meet the global 2030 targets has resulted in significant emission reduction at our sites. From 2018 to 2020, we have achieved a 25 percent decrease in our direct and indirect emissions and are well on our way to supporting 100 percent renewable energy across our direct operations.

**Tree planting for climate crisis management**

At EABL, we believe that tree planting has a huge potential to tackle the climate crisis. Research suggests that a worldwide tree-planting programme could remove two-thirds of all emissions that remain in the atmosphere today. In the past decade, EABL has planted and nurtured over 1.5 million trees in Kenya, Uganda and Tanzania, with a success rate of 85 percent. In addition, through a series of tree

planting exercises, we have cumulatively restored over 2,150 hectares of forest cover in Mt. Kenya and the Navugulu Forest Reserve in Mpigi District, Uganda. To ensure the survival rate of our trees and that they are indigenous to the sites planted, we have partnered with a number of local stakeholders and grassroots-based organisations such as Nature Kenya, KenGen and Rotary Uganda. We also continue to partner with state actors across the region, including Kenya’s Ministry of Environment and Forestry, county governments and Lake Basin Development Authority and the Uganda National Forestry Authority.

**Investing in Renewable Energy**

In 2019 Diageo announced that it will invest £180 million in renewable energy resources across its African sites to ensure its breweries are the most carbon and water efficient possible. This commitment confirmed our commitment to reducing our carbon footprint and addressing global climate change.

Part of this investment has been allocated to KBL sites, enabling us to substantially green our production and work towards eliminating use of fossil fuels in our production processes.



***We have made a substantial investment in greening our production and are working towards completely eliminating the use of fossil fuels in our production processes.***

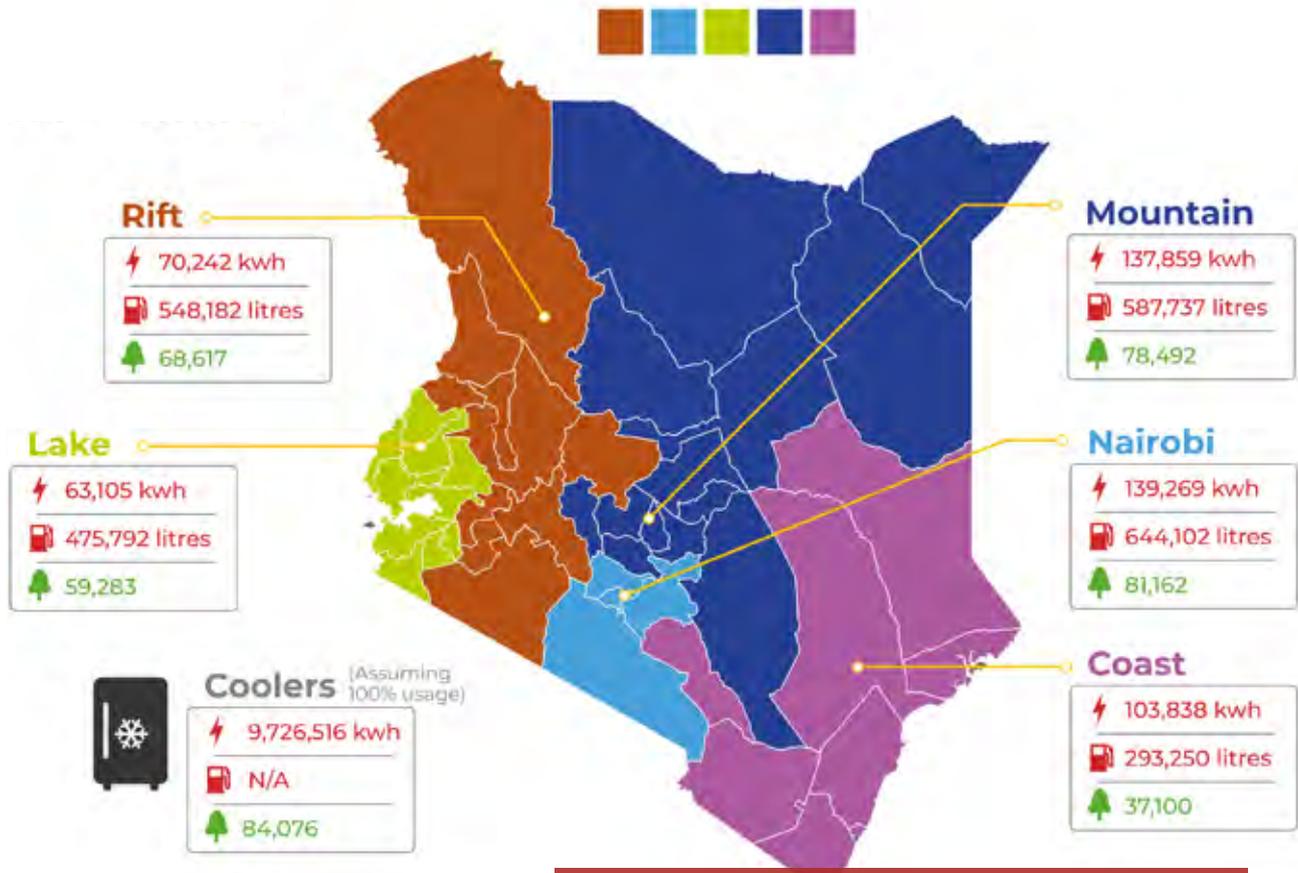


**LOOKING AHEAD** 

*We will be further implementing our substantial investment in greening our facilities, and utilizing clean energy. This includes rolling out biomass boilers in the beginning of 2022 with locally sourced renewable fuel. This has the potential to create 900 jobs in our supply chain, particularly as local farmers will be providing the biofuels. This also includes implementing solar installations in all of our breweries with the capacity to meet a tenth of our electricity needs. Eventually we will work towards 100% renewable electricity by 2030 in all of our plants.*

*Since the beginning of the implementation of the Diageo Society 2030: Spirit of Progress Sustainability Plan, we have focused on emissions that are produced within our own factories (Scope 1) as well as those related to the energy we utilise in our facilities (Scope 2). To achieve net-zero carbon by 2030, we must now address emissions across our value chain. A significant amount of our emissions comes from activities within our supply chain (Scope 3) and that is where we commit to focus efforts in the future. We will collaborate with partners and stakeholders to achieve our expansive goals. We also want to draw attention to the adaptation needs of our supply chain, and see how we can support stakeholders who are already experiencing the impacts of climate change to adapt and be more resilient to climate shocks.*

# KBL DISTRIBUTOR ENVIRONMENT TOOL



### Key

- Annual Electricity Consumed (kwh)
- Fuel Consumed
- Trees Required to offset

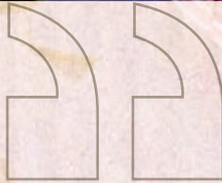
## EABL TAKING THE LEAD IN TRACKING CARBON FOOTPRINT



KBL is taking the lead in pioneering new ways of tracking our impact. We mapped our carbon emissions by distributor (in terms of fuel consumed and electricity utilised), and the number of trees it would take to offset each distributor's carbon footprint. The second phase of this endeavor will involve mapping our coolers per distributor, and the associated number of trees it would take to offset the impact. Tracking distributor usage is key in driving our ambitious carbon reduction targets.

A portrait of Jonan Mugisha, a man with a mustache, wearing a blue suit jacket over a pink and white striped shirt. He is standing in front of green foliage and a pink rose. The background is dark blue.

## MEET SOME OF OUR EABL FAMILY



We have a total of 506 forest reserves across the country under our mandate. UBL has played a key role in the restoration of three of these reserves to date. This is over 200 hectares of forest that UBL has restored! These forests need to be restored as they have been severely degraded by adjacent communities, which have a high demand for forest products. Local communities rely on the forests for firewood to cook and keep their houses warm. They also clear forests to get land for agriculture. The forests act as water catchment areas, and the more degraded they are, the more the quality and quantity of water supplied is negatively affected. This partnership has been incredibly important to us. Together with UBL, we worked closely with the local communities and directly involved them in the restoration. We allocated them small parcels of land where they were invited to plant indigenous trees. They are also responsible for maintaining the trees and ensuring their survival. Since they work the land, they have a reason to ensure that the trees survive. In addition, the partnership has enabled us to educate the communities on the numerous benefits of trees and change their attitude to the trees. If you visit any of the UBL forest reserves today, you will find a thriving, restored forest!

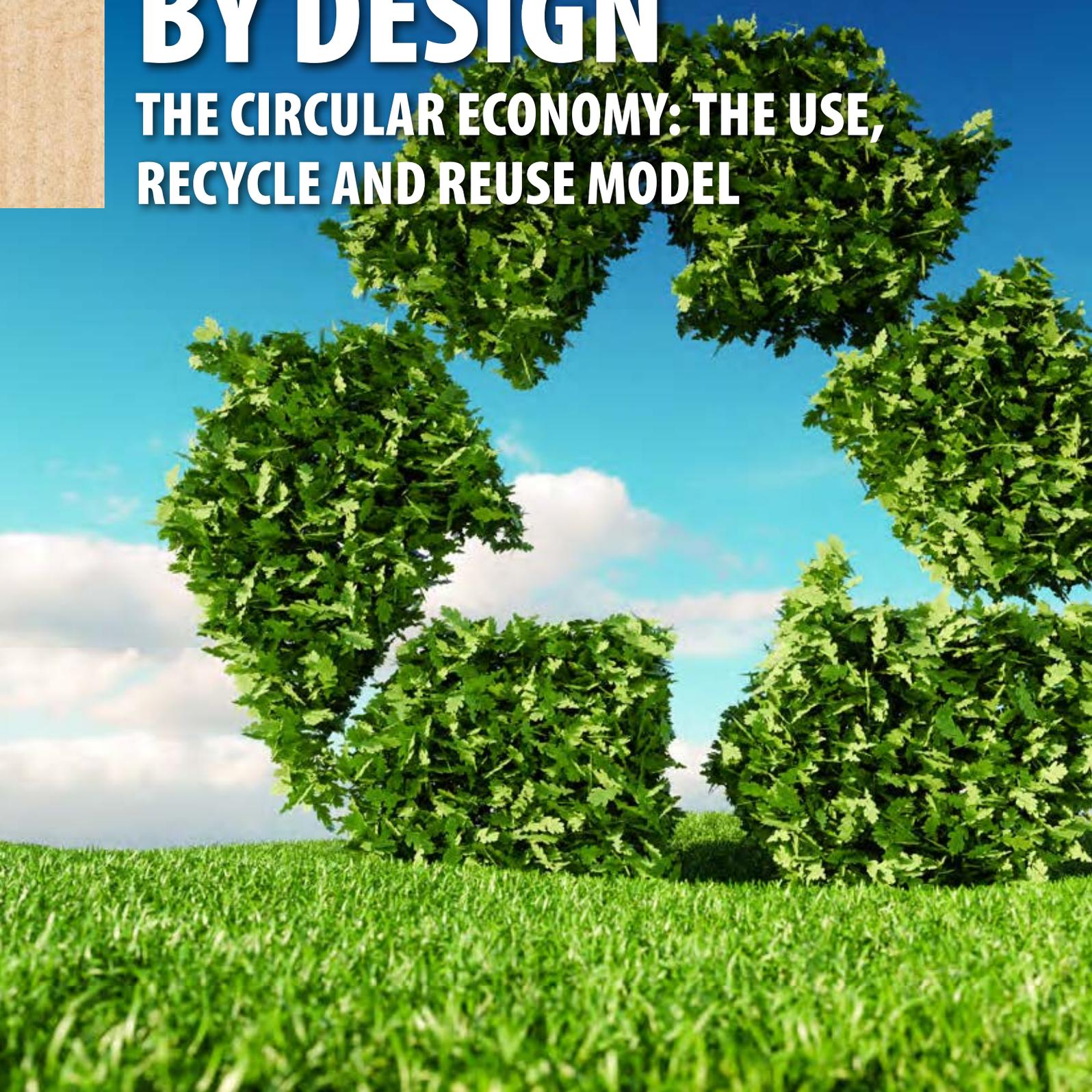
*Jonan Mugisha*

**Sector Manager, Uganda National Forestry  
Authority**



# **SUSTAINABLE BY DESIGN**

**THE CIRCULAR ECONOMY: THE USE,  
RECYCLE AND REUSE MODEL**



# PIONEER GRAIN TO GLASS SUSTAINABILITY

## Why does it matter?

According to the United Nations Environment Programme (UNEP), Africa is only recycling four percent of its waste. This is a far cry from the African Union vision that African cities will be recycling at least 50 percent of the waste they generate by 2023. More than 90 percent of the waste generated in Africa is disposed of in uncontrolled dumpsites and landfills, often associated with open burning.

On average, 13 per cent of waste generated in African cities is plastic while 57 percent of it is organic, the bulk of which is dumped. The present system of mining resources from the planet to make products which we use and then discard when we don't need them any more, is no longer working for businesses, people or the environment. The circular economy is a new way to make, design and use things within planetary boundaries. This means that resources are kept in use for as long as possible, maximum value is extracted from them whilst in use and the materials are recovered and the products are regenerated at the end of each lifecycle.

## Our commitment to developing the circular economy

We believe that the future for the region is to look at the numerous socio-economic opportunities of utilising waste as a resource. Through a sustainable business model and new developments in technology, it is possible to transition from a purely waste disposal model to waste prevention, reuse, recycling and recovery.



***On average, 13 per cent of waste generated in African cities is plastic while 57 percent of it is organic, the bulk of which is dumped. The present system of mining resources from the planet to make products which we use and then discard when we don't need them any more, is no longer working for businesses, people or the environment.***



Waste collection by Takataka Solutions during the Oktoberfest in 2019.

# PIONEER GRAIN TO GLASS SUSTAINABILITY

**OUR WORK IN BUILDING THE CIRCULAR ECONOMY CONTRIBUTES TO THE FOLLOWING SDGs:**



## Our Progress

Key Performance Indicator

KPI	KENYA		TANZANIA		UGANDA	
	2020 Baseline	2021	2020 Baseline	2021	2020 Baseline	2021
Total waste to landfills (Tonnes)	0	0	302	0	67	0
Tonnes of recycled content/ Total tonnes of plastic used	0	0	N/A	N/A	0	0
Tonnes of plastic widely recyclable / Total tonnes of plastic used	80%	95%	N/A	N/A	80%	90%
Tonnes of plastic that is recycled through post-consumer partnerships / total tonnes of plastic used	0	0	N/A	N/A	0	0

*\*Tanzania at zero plastics used in local production*

## Our achievements

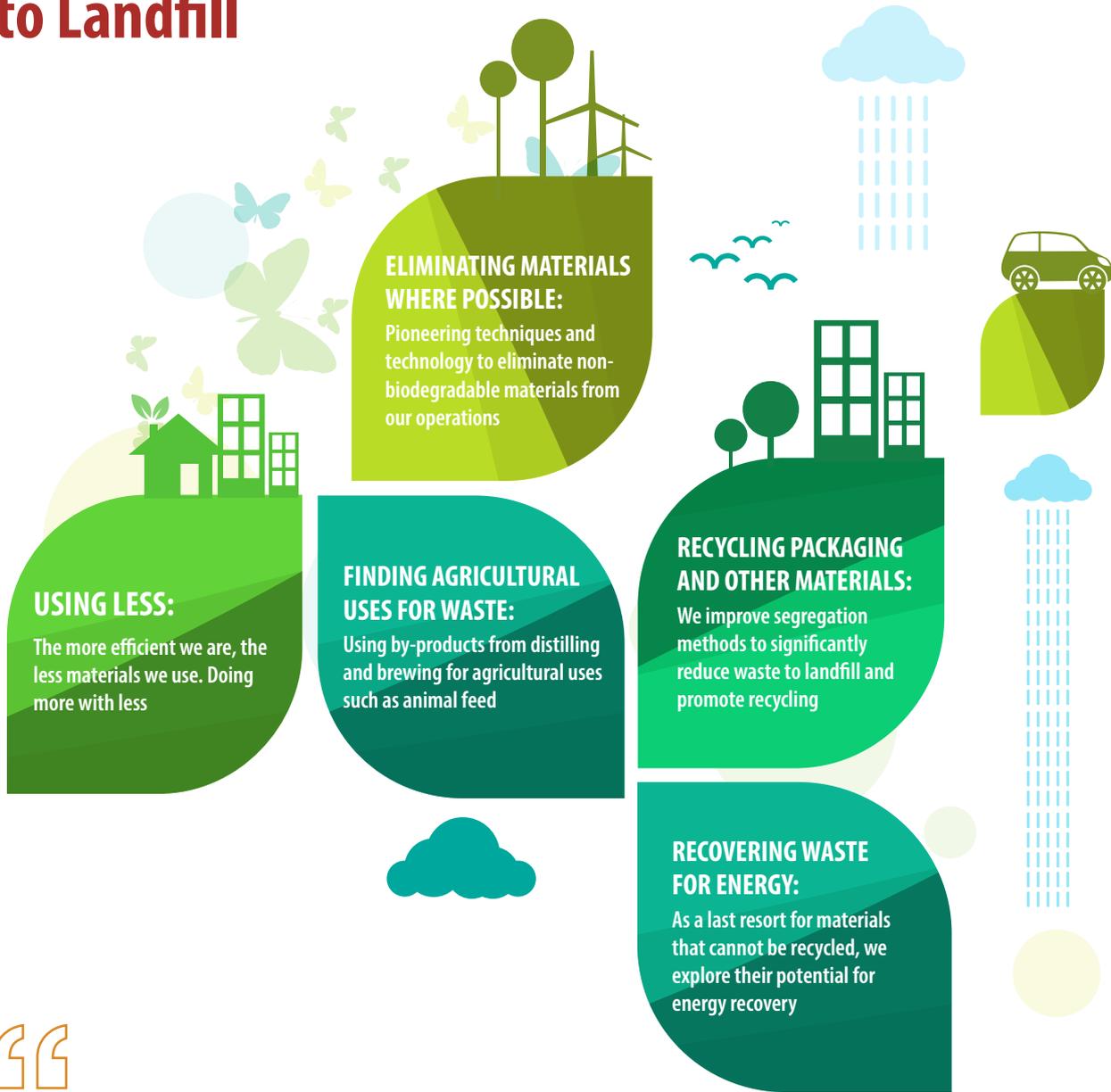
While we are still in the early stages of implementing Society 2030, and in particular our targets around the circular economy, reducing, reusing and recycling waste, are all priorities to us. We are proud of the fact that we maintain zero waste in our direct operations and dump zero waste in landfills throughout our supply chain.

## Zero Waste to Landfill

Sustainable waste management at our production sites and offices not only contributes to our efforts to reduce carbon emissions, water use and other environmental impacts, but it is also directly linked to cost savings. We have achieved zero waste to landfills from our operations by deploying the following strategy:



# ZeroWaste to Landfill



***Sustainable waste management at our production sites and offices not only contributes to our efforts to reduce carbon emissions, water use and other environmental impacts, but it is also directly linked to cost savings.***



# PIONEER GRAIN TO GLASS SUSTAINABILITY



Waste collection by Takataka Solutions during the Oktoberfest in 2019.

## **Total waste management at our events: Tusker Oktoberfest**

KBL partnered with the Kenya Association of Manufacturers to provide sustainable waste management and environmental education at the Tusker Oktoberfest in Nairobi. During the event, we collected 100 percent of the waste generated

for recycling. This ensured that zero waste went to the dumpsite, which is often the case at any big event held in the city. We deployed 32-labelled bins, worked with 33 waste pickers and sorters, and had four environmental educators on site to provide sustainability and environmental stewardship training to all attendees.

## LOOKING AHEAD



*KBL has taken the lead in implementing our 2030 goals around the circular economy. It is our intention to see UBL and SBL replicate, as well as scale up the ongoing initiatives to reuse, reduce, and recycle our waste. Furthermore, we have additional KPIs that we will seek to report against in the future:*

- i.) Percentage reduction in total packaging weight.*
- ii.) Percentage recycled content in packaging by weight and*
- iii.) Percentage of packaging widely recyclable by weight.*

*Finally, we have some exciting partnerships and projects to look forward to, including Project Safi, an innovative recyclables and waste management programme for post-consumption waste.*



Installation of biomass boilers at our plants.



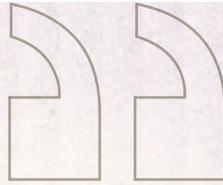
## EABL TAKING THE LEAD



Arnolda shares the EABL approach to promoting the circular economy at the Kenya Private Sector Alliance (KEPSA) Circular Economy Webinar. KEPSA has frequently relied on EABL as a case study owing to our strong sustainability targets and strategic approach to implementing our sustainability goals.

*Arnolda Shiundu*  
**Head of Sustainability & Community  
Engagement, KBL**

## MEET SOME OF OUR EABL FAMILY



We worked with EABL on two major events. With the exception of bottles (for which EABL have their own recycling system), we were responsible for recycling all other waste from attendees. It was an honor for us to work with such a big, established brand such as EABL. They really went beyond corporate speak, and committed to completely recycling all of the waste produced at the events. We would love a chance to work with EABL again, particularly on helping them to recycle their branding material (e.g. bottle packaging). It is not easy to have a big brand like EABL give us this sort of support and exposure, so we really appreciated the partnership.

*Jonathan Symekher*

**Logisitcs Manager, TakaTaka Solutions**





**REGENERATIVE  
AGRICULTURE FOR SUSTAINABLE  
CROP FARMING**

# PIONEER GRAIN TO GLASS SUSTAINABILITY



KBL MD, John Musunga with sorghum farmer Willis Owino in Ahero, Kisumu.

## Why does it matter?

A recent UNEP report states that 33 percent of the global land surface is affected by desertification. Over the past 40 years, soil erosion has removed nearly one-third of the world's arable land from production. Soil degradation is of particular concern in Africa as it causes decreased agricultural productivity while the demand for food continues to increase. Desertification affects around 45 percent of Africa's land area, with 55 percent of this area at high or very high risk of further degradation.



***A recent UNEP report states that 33 percent of the global land surface is affected by desertification. Over the past 40 years, soil erosion has removed nearly one-third of the world's arable land from production.***

Sustaining soil is not enough, it is necessary to regenerate it. Regenerative agriculture essentially involves farming practices that rejuvenate soil health.

## Our commitment to regenerative farming:

We believe that farmer-managed natural regeneration has tremendous potential to be an effective restoration strategy. Thus, we have cultivated partnerships with farmers to promote sustainable farming practices and secure local supply networks.

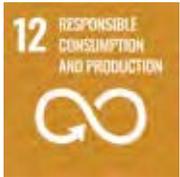
## Our Progress:

Key Performance Indicator

KPI	2020 - 2021
Number of smallholder farmers provided with agricultural skills and resources	60,000

# PIONEER GRAIN TO GLASS SUSTAINABILITY

## OUR WORK ON REGENERATIVE FARMING CONTRIBUTES TO THE FOLLOWING SDGs:



### Our achievements:

We have a strong commitment to empowering our farmers and supporting inclusion and diversity across our value chain. This commitment has enabled us to increase profitability for farmers by providing resilient seed varieties and a direct market for sorghum farmers. KBL, for instance, is sourcing 80 percent of its barley and sorghum from 47,000 local smallholder farmers, paying out over KSh. 2 billion annually. We are improving the sustainability of our supplier farm operations and farming practices, as well as targeting farmers with disabilities with the goal to increase PWDs to at least three percent across our value chain by 2025.

### Local Sourcing and Support to Smallholder Farmers

Our smallholder farmers are already feeling the effects of climate change, which is unfortunately likely to get worse in the coming decade. We provide direct support to our farmers in the form of regular trainings on sustainable farming practices, early warning and assessment. We also provide drought-resistant seed varieties to our farmers to help them be more resilient in the

face of climate challenges. We have helped local farmers to diversify their crops and increase the revenue generation for entire communities. We have developed close relationships with all of our farmers, a network of continuous support with easy access. Our farmers are using their training to enrol others, particularly youth in their regions looking for work and opportunities.

For example in Tanzania, the Kilimo-Viwanda Scholarship program was established by SBL in 2020 to support bright students from humble backgrounds to pursue tertiary education in agricultural disciplines. The program covers all academic-related expenses including school fees for the entire period of study – which is primarily two to three years for diploma level agricultural courses. The program complements the government's effort to strengthen the economy of Tanzania, by enhancing the existing pool of agricultural experts. Kilimo-Viwanda program builds on both the student's theoretical learning as well as practical exposure through visits to our breweries and local suppliers. In partnership with a network of 400 farmers that produce and sell cereals to SBL, we arrange field visits for the students to spend time in





Jackson Yenko (Left), Agronomist at Agventure Ltd demonstrates to barley farmers the importance of crop rotation with the canola crop during an annual barley field day in Mau Narok.

the farms, giving them an opportunity to link theory and practice in their fields of study.

### **Inclusion of PWDs in Supply Chain**

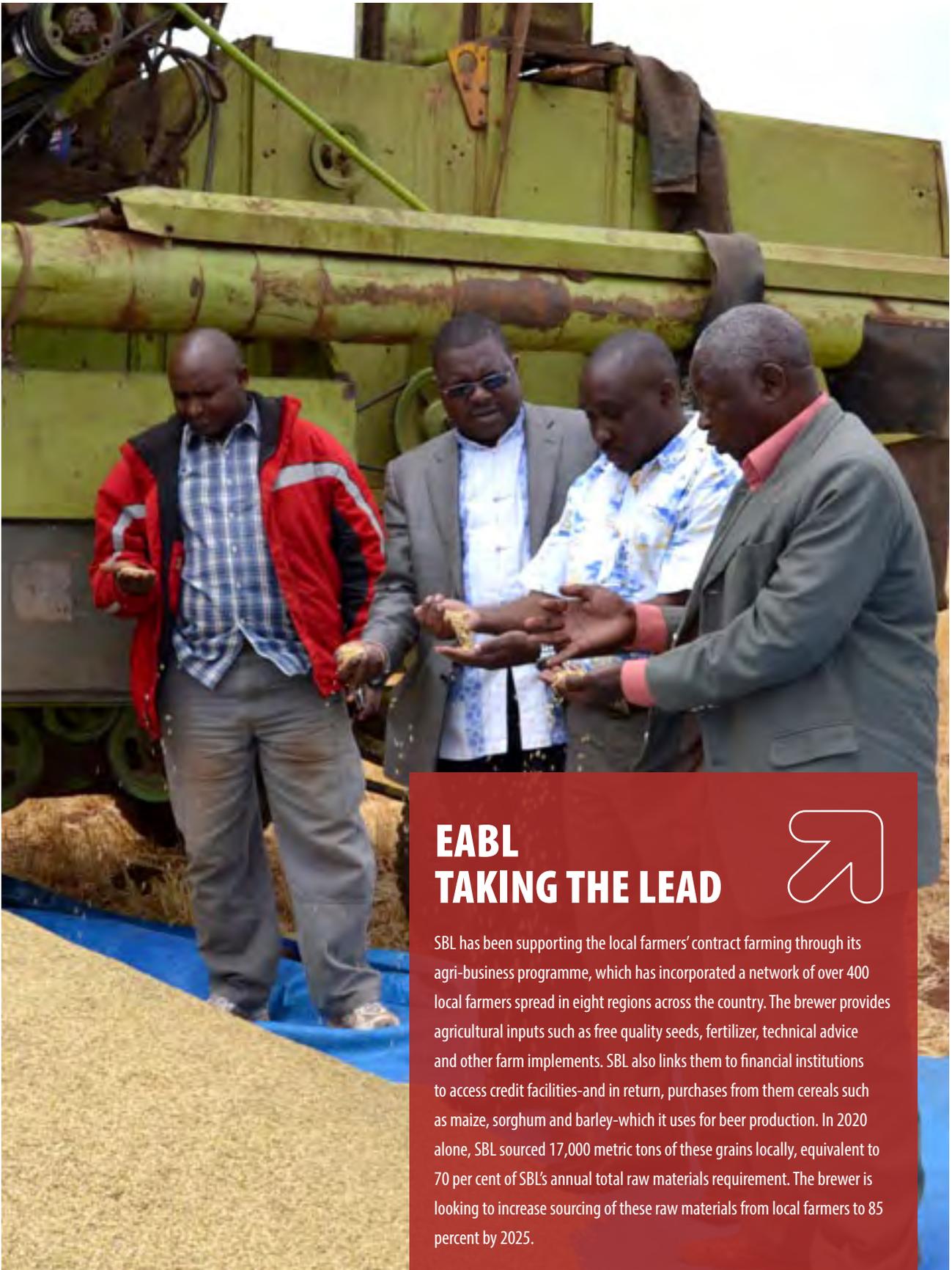
Through our pilot PWD farmer project, we attracted 42 farmers with disabilities planting a total of 76.5 acres of white sorghum for use in the production of Senator Keg beer. To accomplish this, we partnered with Sightsavers, an international NGO that runs programmes promoting the rights of people with disabilities in Kenya. Sightsavers brought in their expertise to support mobilisation of the PWDs,

inclusive recruitment and ensuring compliance with applicable laws. As a safety net package, we provided the farmers with pre-financing of inputs at KSh. 8,200 per acre, underwriting of sorghum minimum yield at 0.8 tonnes per acre and free seeds. The group also benefited from the free extension service that we offer our smallholder farmers. The farmers harvested in June 2020 and we purchased a total of 1.5 tonnes of grain for the production of Senator Keg Beer. Phase two of the project kicked off in March this year in Homa Bay County with 71 farmers, which is almost double the pilot numbers.

## **LOOKING AHEAD**



*We want to continue supporting our farmers, and extending our reach throughout the region. In addition to the work we are already doing through farmer trainings, we want to focus on helping smallholders professionalise their farm operations and increase their incomes even more. We have seen the impact that smallholder farmers can have on helping our planet. They are recovering soil, locking away carbon and preserving water. The more we support them with the right tools and opportunities, the better the outcome for our communities.*



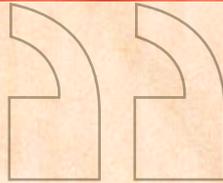
## EABL TAKING THE LEAD



SBL has been supporting the local farmers' contract farming through its agri-business programme, which has incorporated a network of over 400 local farmers spread in eight regions across the country. The brewer provides agricultural inputs such as free quality seeds, fertilizer, technical advice and other farm implements. SBL also links them to financial institutions to access credit facilities—and in return, purchases from them cereals such as maize, sorghum and barley—which it uses for beer production. In 2020 alone, SBL sourced 17,000 metric tons of these grains locally, equivalent to 70 per cent of SBL's annual total raw materials requirement. The brewer is looking to increase sourcing of these raw materials from local farmers to 85 percent by 2025.



## MEET SOME OF OUR EABL FAMILY



In 2018, I was forced, due to lack of fees, to postpone my studies. My peasant mother could not afford the fees, so I had to seek for low-paying jobs in order to fund my education. It was sweet relief when I was told that I was the proud recipient of Serengeti Breweries Limited (SBL)'s *Kilimo-Viwanda* scholarship. Today, my mother and I no longer have to struggle for the fees. (SBL) has been our proverbial Guardian Angel. I can now comfortably continue with my studies with a renewed hope of successfully completing and help my family. I am very grateful to SBL. Without their support, my chances of ever completing my studies would have been very remote. I urge other companies to emulate SBL by supporting other students out there who are in a similar predicament as I was in.

*Grateful Domina Minja*  
**Tanzania**

## MEET SOME OF OUR EABL FAMILY



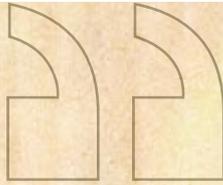
We decided to come together and find an activity that could benefit us all. We got in touch with Sightsavers - an organisation that supports persons living with disabilities. They told us about the benefits of sorghum farming, and we immediately took on the challenge. So far, our group has 42 farmers planting white sorghum, exclusively for Senator Keg beer production, on a total of 76.5 acres of land. While sorghum farming has its share of challenges, it has been really good for me. It is a source of employment, and as a man living in Western Kenya, it is also a source of dignity and wellbeing. When we plant sorghum we make money and at the same time we have something to eat. At home, we make our ugali and porridge from sorghum which is sweet and extra nutritious.

*Jacob Odete*

**Secretary, Homa Bay Farmers with Disabilities**



## MEET SOME OF OUR EABL FAMILY



Before KBL came to our community, the farmers in our area, including me, were focused on maize as a cash crop. The yields were low, costs high and the market was too volatile. We weren't getting much for our sweat. When KBL encouraged me to switch to sorghum as my main cash crop, my life and that of the entire community drastically changed! Sorghum has a high yield, low cost of production and steady market. We have been farming and supplying KBL directly with high-value sorghum. We have also received a lot of support from EABL. They have made numerous site visits during which they trained us and even provided us with high-yielding seed varieties to plant in the right season. Their training and support have helped me to become a trainer and mentor to the other farmers as well! Before EABL encouraged us to plant sorghum, there was a noticeable lack of development in the community. But now that the people are making more money from sorghum farming, you can see the change. Farmers are putting up decent houses, they are comfortably sending their children to university and they are able to support the small businesses that their children are also setting up. In addition to farming, I act as an agent for sorghum as a side hustle. It has generated an additional income for me.

*Stella Munene*

**Meru, Kenya**







# DOING BUSINESS THE RIGHT WAY



2021







The background of the image shows the silhouettes of four people in a meeting room. They are gathered around a table, with one person standing and gesturing. A large window in the background shows a bright sunset or sunrise, creating a lens flare effect. The overall color palette is dominated by warm yellows and oranges from the sun, and cool blues from the window frame and the sky.

# **ETHICS AND INTEGRITY:**

**OUR CULTURE OF DOING BUSINESS THE  
RIGHT WAY, FROM GRAIN TO GLASS**

# DOING BUSINESS THE RIGHT WAY

## Our commitment:

To operate in the right way in everything we do. This means embedding business integrity in the way we work, every day, everywhere.

## Our objective:

To create the best performing, most trusted and respected consumer products company in the region.

### How we Manage Compliance

Doing the right thing, in the right way, is the foundation of our business. That means embedding business integrity into the way we work, every day, everywhere. We remain deeply committed to operating in the right way in everything we do. Compliance and conducting our business with integrity are non-negotiables. We go beyond the basics of risk and compliance to encourage the right behaviours and attitudes everywhere, every day.

EABL's Business Integrity team ensures the business complies with the Diageo global Code of Business Conduct (COBC) and applicable policies and standards. We undertake annual mandatory policy training, with an integrated Annual Certification of Compliance (ACC) for all employees. This was completed by 100% of eligible employees in 2020. Global training is delivered in an easily accessible e-learning format through My-Learning Hub. Our Know Your Business Partner (KYBP) programme is designed to help us evaluate the risk of doing business with a third party prior to entering into a contractual relationship, as well as monitor any changes throughout our interactions. We assess all our business partners for potential compliance risks such as bribery and corruption, money laundering, tax evasion facilitation, data privacy breaches or other reputational red flags,

and implement additional due diligence processes for those that pose a potentially higher risk. Central oversight is provided by our Business Integrity and Legal teams, which undertake regular reviews of the programme's effectiveness.

### Breach Management

We encourage our employees and anyone we do business with to raise concerns about potential breaches of our code or policies. Our confidential whistle-blowing help line, SpeakUp, is available via phone or web portal, enabling anyone to report a concern. *An independent company administers SpeakUp, reducing possible bias in addressing matters touching on our integrity. This service is available 24 hours a day, seven days a week, and can accommodate calls in more than 75 languages. One does not have to be an employee of EABL to report a matter.*

**0800-211-124**



Additionally, we encourage employees to report breaches to their line managers, legal, HR or risk and compliance and business integrity partners. This year 19 allegations of breaches were reported, a -65% decline from last year. The decline in reported



***Unexpected changes in legislation and government directives can have an immediate impact on our RTC and supply processes, material supply, COGS and general inability to achieve business targets***

breaches could be potentially due to COVID-19 disruption, with some staff out of normal duty stations and therefore unable to detect and report breaches for investigation. We maintain vigilance as the situation starts to return to normal.

### **Managing Risk**

We believe that great risk management starts with the right conversations to drive better business decisions. Our focus is to identify and embed mitigation actions for material risks that could impact our current or future performance, and our reputation. Our approach is holistic and integrated, bringing together risk management, internal controls and business integrity, and ensuring that our activities focus on the risks that could have the greatest impact.

Accountability for managing risk is embedded in our management structures. Each market and function undertakes an annual risk assessment, establishes mitigation plans and monitors risk on a continual basis. Similarly, our Audit & Risk Committee regularly assesses risk and the Board independently reviews the assessment. This Committee met quarterly and received regular reports on the risks faced across the business and the effectiveness of the actions taken to mitigate these risks. We use internal and external data to monitor our risks and make proactive interventions. We also establish cross-functional working groups and draw on the advice of experts where necessary to ensure significant risks are effectively managed, and where appropriate, escalated to the Executive and Board for consideration.

### **Addressing supply chain disruptions and constraints**

We have applied more detailed and robust planning processes throughout our supply chain. This includes providing early warning and assessment services to our suppliers to promote better long-term planning and production. We also adapted our grain varieties to secure grain supplies amidst unpredictable rainfall. We continue to focus on building government stakeholder relationships to build a better support network throughout our supply chain.

### **Participation in Regulatory Frameworks**

Unexpected changes in legislation and government directives can have an immediate impact on our RTC and supply processes, material supply, COGS and general inability to achieve business targets. Furthermore, frequent changes on customs duties and tariffs have an impact on the affordability of our products. In response, we have engaged directly with the National Treasury/Ministry of Finance and tax authorities, lobbying for favourable tax regimes. We have periodic tax health checks done by tax experts and a tax working group that meets quarterly to discuss any tax risks and probable mitigations.

### **Health and Safety**

EABL has a robust safety strategy that ensures that everyone (our employees, contractors, visitors) goes home safely, every day. The strategy is anchored on our zero-harm goal, which has 4 key pillars:



This strategy is consistently executed every day across all our sites. This has ensured our performance has improved year on year. This year we noted:

**Nil**  
Lost Time Accidents (LTA)



**100%**  
Pass rate in safety audits



**Nil**  
Occupational Health Incidents



**35%**  
Reduction in total safety incidents



# DOING BUSINESS THE RIGHT WAY

## **Addressing the adverse impact of COVID-19 on our business operations**

Our business operations and performance have been impacted by the lockdowns imposed by the three governments (Tanzania, Uganda and Kenya). To mitigate the impact of the pandemic, we activated Crisis Management Teams and Business Continuity Teams (BCT) through regular meetings to monitor principal indicators, discuss evolving COVID-19 risks, people safety and security, and business continuity measures as well as formulate appropriate mitigating actions (including standard operating procedures – SOPs). We also utilised e-commerce sales opportunities to deliver products directly to off-trade customers and consumers.

*We enforced special measures to safeguard women working for EABL against COVID-19.*



***We believe that great risk management starts with the right conversations to drive better business decisions. Our focus is to identify and embed mitigation actions for material risks that could impact our current or future performance, and/or our reputation.***



We allowed all pregnant female employees to work from home immediately the first COVID-19 infection was announced. We also asked those returning from maternity leave to continue working from home to minimise the risk to their children and families.

## **Human Rights**

Everyone who works at EABL is a custodian of our trusted reputation. As part of our 2020 targets for societal impact, we made an external commitment to conduct Human Rights Impact Assessments in our markets in order to identify potential risks in our value chain and develop action plans to mitigate against those risks. These assessments were coordinated by the CR function working in collaboration with market teams. These assessments identified three external risks as particularly salient to our business: labour rights, including the risk of child labour; labour standards for contract workers and sexual harassment in the hospitality sector. We have responded to these risks in a number of ways, including awareness programmes focused on child protection in our agricultural supply networks, commissioning an independent study into contracted labour, and developing our Brand Promoter Standard and training aimed at protecting brand promotion teams from harassment.

## LOOKING AHEAD



*We will continue to promote compliance and integrity in doing business with our employees. Our future efforts will also continue to focus on identifying and assessing potential and emerging risks.*

# TRANSLATING STRATEGY: REPORTING MECHANISMS

We adopted the GRI definition of materiality and highlighted our material issues as illustrated on page 36-41. We will continue to develop our approach to reporting, following closely in the footsteps of our parent company Diageo, and report as fully as we can on our most material issues. We have reported on as many standards as possible, against the priorities set by our materiality review. This report has been prepared in accordance with the GRI Standards Core Option. It should be jointly read with our Annual Report which details our governance structures and mechanisms.

GRI STANDARDS			EABL Sustainability Report Focus	
Universal Standards	101	<b>Foundation – Reporting Principles</b>	<ul style="list-style-type: none"> <li>• Approach to reporting</li> </ul>	<ul style="list-style-type: none"> <li>• EABL Sustainability Strategy</li> </ul>
	102	<b>General Disclosures</b>	<ul style="list-style-type: none"> <li>• Strategy</li> <li>• Stakeholder Engagement</li> <li>• Ethics &amp; Integrity</li> </ul>	<ul style="list-style-type: none"> <li>• EABL Sustainability Strategy</li> <li>• Doing Business the Right Way</li> </ul>
	103	<b>Management Approach</b>	<ul style="list-style-type: none"> <li>• Material topics and their boundaries</li> </ul>	<ul style="list-style-type: none"> <li>• EABL Sustainability Strategy: Materiality at EABL</li> </ul>
Topic – Specific Standards	200	<b>Economic</b>	<ul style="list-style-type: none"> <li>• Indirect economic impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Pioneer grain-to-glass sustainability</li> </ul>
	300	<b>Environmental</b>	<ul style="list-style-type: none"> <li>• Water</li> <li>• Energy</li> <li>• Emissions</li> <li>• Effluent and Waste</li> <li>• Environmental Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Pioneer grain-to-glass sustainability</li> </ul>
	400	<b>Social</b>	<ul style="list-style-type: none"> <li>• Occupational health and safety</li> <li>• Diversity and equal opportunity</li> <li>• Training and education</li> <li>• Local communities</li> </ul>	<ul style="list-style-type: none"> <li>• Promote positive drinking</li> <li>• Champion inclusion and diversity</li> </ul>



# DIAGEO RECOGNITION

## Recognition for our approach

We submit non-financial information to a range of indices throughout the year. This enables us to benchmark our sustainability work against our peers and the wider business community and is an important way for us to understand how our approach measures up to current standards, best practice and expectations. We are very pleased that our progress on ESG issues continues to be recognised externally.

	Index	2020 rank or rating
	CDP	Climate Change A, Water Security A: Diageo was one of only eight beverage companies globally and 65 companies overall (out of 9,600) to achieve A for both Water Security and Climate Change
	Bloomberg Gender Equality Index	Member of the index since its inception
	Corporate Human Rights Benchmark	Scored 18.5 out of 26, well above the Agricultural Products industry category average which was 10.3 out of 26
	Dow Jones Sustainability Index	Member of the Dow Jones World Index, ranked as one of the top four beverage companies worldwide
	Gartner Supply Chain Top 25	Ranked 17th for supply chain excellence among companies globally
	MSCI ESG Rating	AAA rating: Diageo has scored a AAA rating for the last five years
	Sustainalytics ESG Risk Rating	Score 15.5 (low risk): as of July 2021, Diageo was ranked third out of 578 companies in the food product industry*

# EABL RECOGNITION



Won Public Relations Society of Kenya Social Investment Campaign of the Year for the Free Sanitiser Handover Campaign - 2020



Emerged 1st Runner Up Best Realignment through COVID 19- Public Health Response Campaign during the Marketing Society of Kenya Awards for the Hand Sanitiser Distribution programme - 2020



Emerged 1st Runner Up Best Future Marketing – Sustainability Marketing Campaign during the Marketing Society of Kenya Awards for Join The Pact digital Campaign - 2020



Recognition by KEPSA as the only corporate in Kenya that has adopted and is tracking 13 of 17 SDGs - 2020



Named Private Sector Winner of The 2020 SDGs Kenya Awards and recognized by the Sustainable Development Goals Forum in Kenya for mainstreaming the SDGs in our business model

#### Shortlisted in the following awards:

- World Sustainability Awards for how we have transformed our business through adopting a ten-year plan: our 2030 sustainability strategy.
- 9th Gender Mainstreaming Awards for our work in empowering women at the workplace as well as in the community.
- Reuters Events: Responsible Business Awards for the Diversity, Equity & Inclusion category.

## ACKNOWLEDGEMENT

Dr. Yvonne Maingey-Muriuki (LLB, MA, PhD Climate Change and Adaptation) – CaelKlima/ EABL Consultant as the lead author/researcher, the contributions from EABL Corporate and Sustainability teams, Oxygène Marketing Communications and Diageo.







[www.eabl.com](http://www.eabl.com)

