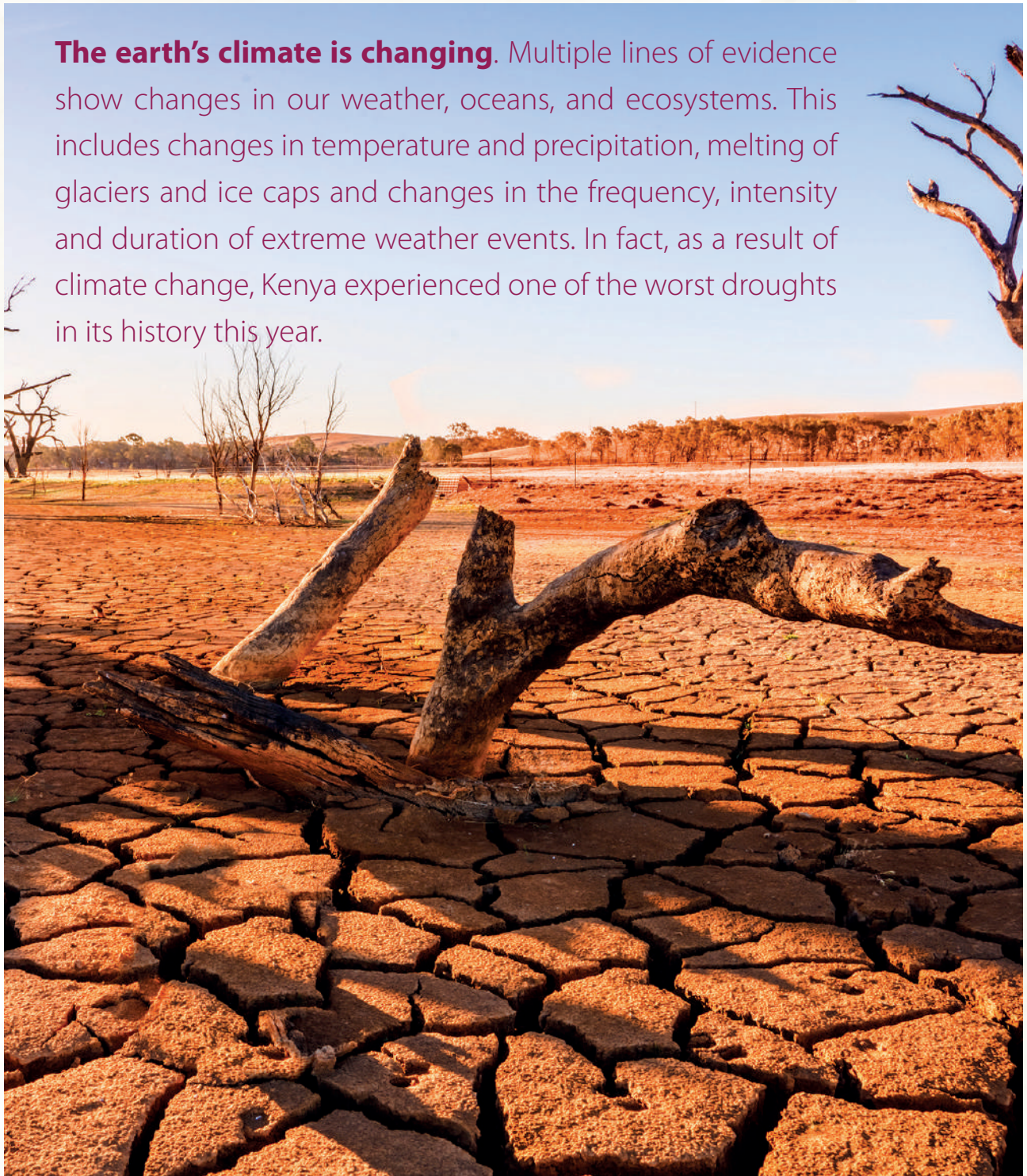




THEMATIC PIECE:
**ACCELERATING TO A
LOW CARBON WORLD**

The earth's climate is changing. Multiple lines of evidence show changes in our weather, oceans, and ecosystems. This includes changes in temperature and precipitation, melting of glaciers and ice caps and changes in the frequency, intensity and duration of extreme weather events. In fact, as a result of climate change, Kenya experienced one of the worst droughts in its history this year.



Carbon and Climate

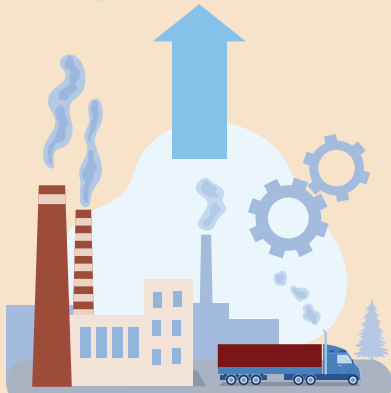
These extreme climate-related events are due to a buildup of greenhouse gases in our atmosphere and the warming of the planet due to the greenhouse effect. Carbon dioxide is the main greenhouse gas contributing to climate change. Carbon dioxide enters the atmosphere through burning fossil fuels, solid waste, trees, and other biological materials, and as a result of certain chemical reactions, such as cement manufacturing.

The scientific consensus is clear: Our current trajectory towards increasing carbon emissions is endangering ecosystems, livelihoods and future generations



Carbon Emissions:

You will often see references to carbon emissions in terms of Scope I, II and III. The reference first appeared in the Green House Gas Protocol of 2001, and today Scopes are the basis for reporting. The three categories essentially refer to:



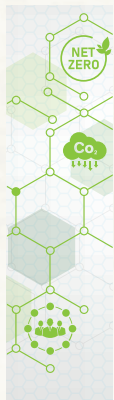
Scope 1 emissions: "Direct" emissions emanate from sources that are owned or controlled by a company, for example, boilers, vehicles, or industrial processes.



Scope 2 emissions: "Indirect energy" emissions result from the generation of purchased energy that is consumed by the company.

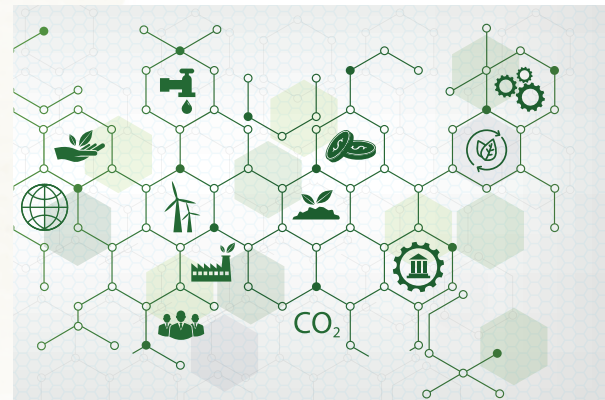


Scope 3 emissions: "Other" indirect emissions are a consequence of the company's activities, but occur from sources not owned or controlled by the company, for example, outsourced operations, business travel, or product use.



Global Response:

Different teams of scientists have built and run models to project future climate conditions under various scenarios for the next century. The model results project that global temperature will continue to increase. However, the decisions and behaviours we adopt today will determine how dramatically climate will change in the future.



The Paris Agreement

1.5°C

Limit the temperature increase to 1.5°C above pre-industrial levels.

The agreement is a legally binding international treaty on climate, adopted by 196 countries (including Kenya, Tanzania and Uganda) in 2015. The agreement seeks to limit the temperature increase to 1.5°C above pre-industrial levels. It also aims to strengthen countries' ability to deal with the impacts of climate change and support them in their efforts. In the face of escalating climate crises and the unequivocal evidence of our planet's warming, the need to accelerate our transition to a low-carbon world has never been more pressing.

We are Taking the Lead



A low-carbon world is not just a distant dream; it is a moral imperative and an urgent necessity. At EABL, through our Society 2030: Spirit of Progress Plan, we have made bold commitments to become net zero in our direct emissions (Scope I and II) by 2030 and use 100% renewable energy across all our direct operations.

What is Net Zero?



This refers to the balance between the amount of GHGs that are produced by a company and the amount that is removed from the atmosphere. It can be achieved through a combination of emissions reduction and emissions removal.

How are we doing this?

One of the emissions reduction projects that we have implemented in our operations is the use of biomass.

Biomass is renewable organic material that comes from plants and animals. It is a source of renewable energy that can generate electricity, be used in heat production as well as for fuel in vehicles. There are different sources of biomass, including agricultural residues like rice husks, macadamia husks, or coffee husks that would otherwise go to waste. We convert these to supply us with biofuel.



What is great about our approach is that it has created opportunities for an entirely new value chain: small-scale farmers are able to offload their agricultural waste products at a premium price, aggregators or consolidators mobilise different sources of biomass from various small-scale farms and then they supply us. This generates income across the value chain, while providing a consistent source of renewable energy for us.

REDUCE BY
95%

Our investment in biomass will reduce our carbon emissions by 95% (about 42,000 tonnes of carbon a year) bringing us very close to our net zero ambitions well before 2030.



Meet some of our leaders

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We have also installed state-of-the-art water recovery plants in Tusker and Kisumu to reduce our net usage.



KBL is at the forefront of ensuring we reduce the impact of our supply chain to the environment. We have significantly reduced our carbon footprint by installing and commissioning biomass boilers to supply thermal energy at our Tusker and Kisumu sites. We have also installed state-of-the-art water recovery plants at Tusker and Kisumu to reduce our net usage. Our continuous improvement mindset in our processes also ensures we have running initiatives to guarantee reduction in our environmental impact. This year, our Kisumu site won Diageo’s Brewery of the Year award. This is a testament to the overall site performance driven by the effective implementation of the Excellence In Supply Chain (EISC) manufacturing management system. The global recognitions have enabled KBL to supply talent to other Diageo Africa sites while continuing to deliver great performance.

Rosemary Mwaniki-Chesire

Operations Director, KBL

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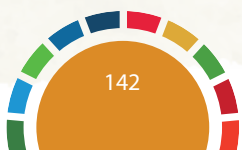
We’re cultivating a brighter, greener, and more inclusive future for generations to come.



In a world that craves innovation, environmental stewardship, and gender equality, we are proud to stand at the intersection of these ideals. UBL has effectively reduced our carbon emissions by 92%, driven by the substantive investment in biomass, a predominant source of energy. Together, we’re not just supplying biomass – we’re cultivating a brighter, greener, and more inclusive future for generations to come. As a result of our initiatives, UBL received an *Environmental Sustainability Award* from the National Environment Management Authority (NEMA) on World Environment Day (WED) for its state-of-the-art Effluent Treatment Plant (ETP) in Luzira. We were also awarded an *Excellence in Occupational Health and Safety* by the Ministry of Gender, Labour and Social Development.

Anthony Alogie

Supply Chain Director, UBL



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Our efforts to integrate sustainability into our supply chain are a testament to our dedication to creating a positive impact.



We recognise our responsibility towards the environment, society, and our stakeholders. Our efforts to integrate sustainability into our supply chain are a testament to our dedication to creating a positive impact. We are committed to minimising our environmental footprint by implementing various sustainable supply chain practices, such as reducing waste, conserving energy, and sourcing materials responsibly. For example, we have installed a heat recovery system (Equitherm) to reduce thermal energy usage. We are also in the process of exploring leasing double handler forklifts to drive warehouse efficiency and further reduce our carbon emissions. Our aim is to not only comply with local regulations, but to exceed them, ensuring that our supply chain activities contribute to the long-term health of the communities and ecosystems in which we operate. Equally important, we prioritise the well-being of our employees and the communities we serve. We invest in training and development programmes to enhance the skills and livelihoods of our local workforce. This year, we were recognised as the Best Employer – Local Content category– for the role we have played in driving the economy of Tanzania by the Association of Tanzania Employers (ATE). SBL has positively contributed to prioritising local sourcing, and availing opportunities for Tanzanian businesses to grow.

Alfred Balikagira
Supply Chain Director, SBL

Meet some of our EABL family

Catherine N. Mutugu – Business Owner



“I have been supplying EABL for the past year with various sources of biomass, including macadamia husks, wood chips and saw dust. I source from across the country. As a woman-owned business, I am proud to be providing sustainable biomass solutions. Like EABL, I am deeply committed to making a difference in the world by

providing real solutions while growing a business that provides jobs and a source of income. This is also an opportunity for me to showcase the potential of women-led businesses in driving positive change. We are breaking barriers and shattering stereotypes, proving that women can excel in any industry. Our success story is a testament to the fact that passion, expertise, and determination know no gender boundaries.”

Florence Nyambura – Business Owner



“From the moment we partnered with EABL (just over a year ago), it was clear that their dedication to sustainability runs deep. From their sourcing practices, to efficient

conversion processes, we have learnt a lot, and as a result grown as an organisation. As a woman-owned, 13-year-old small business, being exposed to the detailed procurement practices of such a large organisation helped us to streamline our own practices. It has also greatly scaled our business, as EABL is a pretty big offtaker. They pay on time and that helps us get access to credit, which is expanding my business. I supply them with macadamia shells from macadamia factories once done with their processing. We are in the process of testing out a new source that we hope to roll out for them soon”