

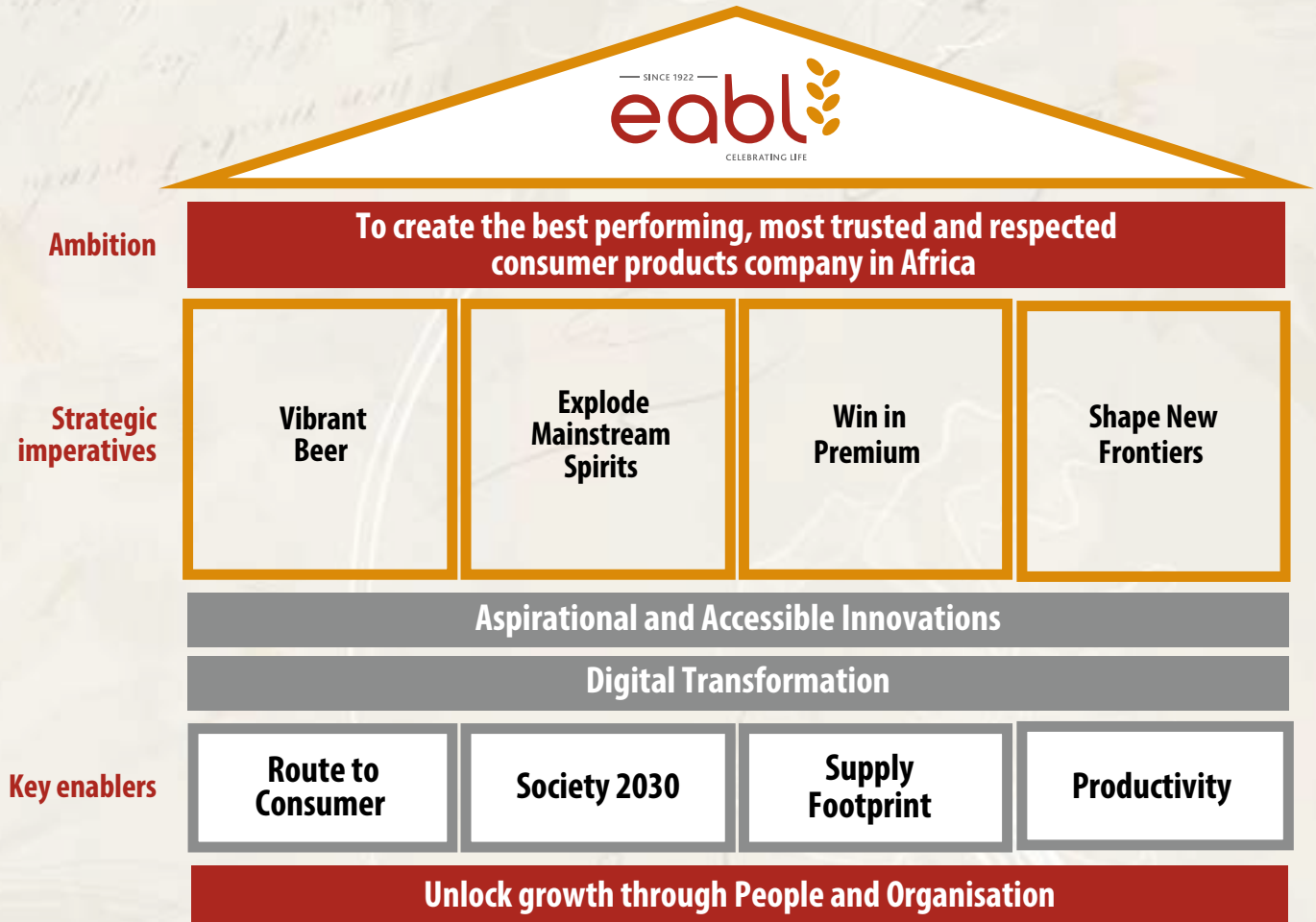
SINCE 1922  
**eabl**  
CELEBRATING LIFE



**2022 INTEGRATED REPORT  
& FINANCIAL STATEMENTS**



# Our Strategy



Our strategy is underpinned by our passionate desire to serve our consumers with high-quality brands to suit every occasion and economic level, and our desire to deliver long-term shareholder value to our investors. We are committed to serving the communities in which we operate by ensuring alcohol continues to play a positive role in society as part of a balanced lifestyle.

We have reset our culture, and step changed how we will deliver our refreshed strategic objectives through investment in time and resource across the business to focus on important emerging issues around consumer, digital, ESG and our people. Through our new ways of working, we seek to drive simplification, break down country silos and leverage our Group expertise to enable learnings and best practices exchange across East Africa.

Our strategy is delivered through four execution priorities: bringing vibrancy and dynamism to beer; exploding mainstream spirits with an affordable and aspirational portfolio; accelerating and winning in premium by building aspiration and availability of our brands, and shaping new frontiers by recruiting new consumers within total beverage alcohol.

The informal sector is still the largest source of growth in the region, with as high as 50% of alcohol consumed and sold through informal channels. Hence, we will continue to innovate at scale to provide safe and accessible alternatives to our value-driven consumers.

We are also committed to partnering with governments across the region in addressing the health risks associated with the consumption of illicit alcohol.

We are moving with the trends and embedding a digital first mindset across the organisation and with our customers and consumers to drive efficiencies and get better insights to strengthen our competitive edge. Delivery of our ambition is further reinforced by our laser focus on: building an effective route to customers, ensuring our brands are highly accessible and available; investing across our supply chain from grain to glass, guaranteeing supply through an advantaged but fit for purpose value chain, and enforcing a culture of continuous evaluation to optimise our costs for maximum returns.

Lastly, we pride ourselves in the reputation we continue to build and solidify as a respected partner in the community by enforcing a culture of integrity and compliance across the business.

# Strategic Imperatives

## Vibrant Beer

Beer is at the core of our business and represents a sizable opportunity for us and our value chain. Our heritage and strong footprint across East Africa allow us to continue growing the category, led by our iconic national brands and strong global Guinness trademark.

**+27%**  
+27% vs F19  
(pre-Covid) } Net Sales Growth



### Tusker Lager

Tusker Lager is Kenya's finest beer. It is brewed in Kenya, by Kenyans and made from 100% Kenyan ingredients. A national beer, Tusker is a source of fellowship, identity and pride since 1922.

Since the rollout of its new positioning, which we brought to life through activities that connect Tusker Lager with the next generation of consumers, the brand has started to see marked growth in its equity.

We took this to the next level by launching #KenyaMilele – a campaign rooted in our brand purpose of bringing Kenyans together to each stand tall and a celebration of our indomitable Kenyan spirit. Starting off with the launch of a new television commercial, the campaign has had resoundingly positive consumer feedback.



### Guinness

Guinness Foreign Extra Stout is a beer born of a thirst for adventure and brewed to travel the world. Since 31<sup>st</sup> December, 1759, when Arthur Guinness made a bold decision to begin brewing this extraordinary beer, no beer has gone further, no beer has a greater depth of history. For 258 years, Guinness has contributed to the cultures where it landed, and in turn, has absorbed part of the cultures. As a result, Guinness has evolved to reflect these in culture: Bright and Vibrant in Africa. Guinness is MADE OF MORE; we want to inspire greatness in all our consumers and everyone who encounters us.

Guinness remains the most loved alcohol brand in East Africa as the brand's equity grows from strength to strength every year. Guinness' partnership with EPL and DSTV and the launch of the new campaign "Black Shines Brightest", continue extending into more vibrant and creative occasions and add a dash of magic to real life.



### Fresh and Renewed Life for Bell Lager

Bell Lager is on course to register its second straight year of volume growth, set against a backdrop of strong supporting activity anchored in sound strategy. Uganda Breweries Limited's flagship brand continues to be amongst Uganda's most loved brands, with a clear focus on building a dynamic proposition that is relevant to the new crop of Uganda's adults.

We have achieved this through a refreshed translation of what we stand for as Bell Lager, coming to life through new and vibrant packaging that has not only accentuated our quality credentials but also made us an icon of progression amongst Ugandan brands. We have also been very intentional about anchoring the brand in the right consumption occasion through consumer engagements in low tempo, vibey spaces and places that foster camaraderie, places where we have the right to win.

This has allowed us to make significant gains in consumption and trial amongst consumers countrywide.

Uganda's first beer continues to break new frontiers.



### Pilsner Lager

Pioneering spirit - Pilsner Lager was first brewed in the 1930s at the now-defunct Allsopps brewery, growing to become one of

EABL's leading beer brands in Kenya, Uganda and Tanzania.

Unrivalled Taste and Quality - Pilsner boasts superior liquid clarity through cold filtering for a crisp, refreshing taste that is inspired by the original Pilsner brewing process in Europe.

Legendary Boldness - Pilsner celebrates the success of Africa's urban youth culture. It's a toast to their resilience and grit, and an invitation to savour every moment on the journey to success.

Hustling every day to keep Pilsner roaring for the next 100 years.

#### Our Time is Now!



### Balozhi Lager – A Kenyan Gem

A Kenyan gem we toast to honest and determined character, honed over years to withstand the test of time.

Like its consumers, Balozhi stands true in character and taste. Made from the finest malted barley and with no added sugar, it reflects the richness of friendships centred on a positive attitude, patience, and effort to build a better life each day.

A beer that recognises and honours the success of a disciplined and diligent life, Balozhi is a reminder that true character is refined every day.

#### Cheers to the rich taste of true character.



### Tusker Cider

Tusker Cider is East Africa's biggest cider. Since its launch in 2016, its performance has consistently grown year-on-year, as the

brand continues to be the perfect drink for life's moments and delivers an understated sophistication to any everyday occasion. Celebrations, milestones or just a simple lunch with friends – big, small, everyday moments of meaningful connection all call for a Tusker Cider. It is crafted from premium apples and delivers a deliciously crisp and refreshing drink.

Tusker Cider is the fastest growing variant in the Tusker portfolio and continues to be one of our most successful beer innovations yet. In FY23, we plan to go bigger and bolder to safeguard and grow our current Cider captaincy whilst leveraging the growing flavour territories.



### Serengeti Lager

Serengeti Lager, which proudly takes its name from one of the world's most famous natural wildlife habitats - the Serengeti National Park in Tanzania - is the original 100% Malt Beer of Tanzania. Its unique nature comes from its full body, malty grainy flavor and slightly bitter taste that has a smoothness to it, all qualities that make it stand tall and well differentiated from other beers in the market.

Serengeti Lager is stepping into its rightful place to be the Beer of the Nation celebrating its roots, pioneering attitude, award-winning quality and true Tanzanian pride by leveraging two of the most endearing consumer passion points including football and choma.



### Serengeti Lite

Serengeti Lite is currently the number two most loved brand in Tanzania. Its growth trajectory in the highly competitive market that is Tanzania is a testament to the brand's strength. As competition dials up in the lite category, Serengeti Lite continues to be resilient, leveraging its premium character, consumer love and mainstream price strategy to recruit light drinkers across TAB. The brand is single-mindedly going after LPA-24 drinkers via its tone of voice and vibe, demonstrated through each brand execution touch point.

## Explode Mainstream Spirits

Mainstream spirits is a fast-growing, resilient segment across East Africa, commanding the biggest share within the spirits sub categories. Our robust and vibrant portfolio across price points and types allows us to command a strong presence and shape this space.

**+27%**  
+54% vs F19  
(pre-Covid)

Net Sales Growth



### Chrome

This is Kenya's No. 1 most loved spirits brand. Its success has been anchored on consistency in quality, whilst remaining affordable with modern, international cues that drive aspiration for the young, trendy, vibrant Kenyan consumer. The launch of Chrome Gin in 2020, a distinctively crisp and smooth gin packaged in a sleek, green bottle with a bold, vibrant, multi-coloured label has continued to elevate the brand's modern, aspirational cues.

Chrome continues to sustain its leadership within the total spirits category in Kenya, with the highest volume and value contribution and market share. The popularity that the brand continues to enjoy is driven by a strategic partnership with popular, leading music group 'Sol Generation' and launch of an exciting in-culture brand campaign dubbed 'Street Filosofia' (street philosophy in Kiswahili) that celebrates the Chrome consumer's street culture.



### Captain Morgan

Captain Morgan exists to 'Champion the power of fun'. Amongst our LPA-24 target consumers, we are anchored on fun and bringing people together in moments that are shared, joyful and fun. We have delivered this through execution of fun, exciting experientials dubbed 'The Captain's Yard' that are centred on connecting our consumers with our purpose.

The brand continues to demonstrate strong year-on-year growth. As the rum category leader in Kenya and as a strategic priority brand, our ambition in F23 is to accelerate margin accretive growth for Captain Morgan Gold. Our vision for the brand is to cement our leadership position within the upper mainstream spirits segment.



### Uganda Waragi

Uganda Waragi is the country's most loved brand. Its resilience shines through a highly fragmented gin category that is characterised by an upsurge of new entrants in the market.

The Uganda Waragi flavoured variants, coconut and pineapple, have continued to reinvigorate gin consumption, created vibrance, driven recruitment and differentiation.



### Primary Scotch

The primary Scotch portfolio comprises Black and White, VAT 69 and J&B Blended Scotch whiskies. In F22, the 3 brands have continued

to reboot scotch to grow EABL share of International Whisky. Black and White plays the role of being the primary recruiter into scotch, with VAT 69 being a strategic fighter International Premium Spirit and J&B creating room for accelerated growth.

Through in-culture partnerships, consumer offers in bars, wines and spirits and supermarkets as well as value added packs, the brands have maintained relevance with target consumers as well as enjoyed great volume and value performance. The brands are rooted in culture and connect with consumers in a bid to strengthen their equity.

## Win in Premium

Consumers want higher quality products that stand out for authenticity, taste, and cultural relevance – spurring demand for premium and luxury brands. Our exciting, globally-leading brands partnered with local jewels across beer and spirits position us well to grow, accelerate, and expand the category.

**+26%**  
+34% vs F19  
(pre-Covid) } Net Sales Growth



### Johnnie Walker

Johnnie Walker celebrated 200 years of bold taste, heritage and tradition last year. KEEP WALKING has been the brand's positioning since 1999. Keep Walking was further relaunched with massive cultural relevance in Africa with a partnership with Burna Boy and an acclaimed filmmaker to spotlight and celebrate the spirit of progress by tracing the journeys of changemakers in the continent.

During the financial year, we made bold steps in stepping out of our comfort zone and confidently showcased our spirit. We have been resilient in maintaining our market share leadership in International Whiskey. We unveiled our partnership with local and global icons to drive meaning and salience amongst consumers. Other initiatives included driving capability through Diageo Bar Academy training 5,000 bartenders across the country. We consistently pushed boundaries in sports, connecting with our consumers through golf.



### The Singleton

The Singleton is committed to making single malts enjoyable for all, not just the few. Driven by love and passion for making perfectly balanced, smooth yet rich whisky that is delicious from the very first sip.

We are for the lovers of good taste, the chasers of the finer things in life, not for status but because they reward us with moments of absolute enjoyment.

During the financial year, we have transcended beyond whisky's rules of marketing, boldly winning with our epicurean personality and inviting many consumers. This made Singleton the biggest brand in Reserve, with double digit revenue contribution and growing share. We have ensured we stand out, both in and out of home, growing our footprint and consumption. Through occasions, we have driven liquid on lips in both the on and off trade, showcasing there is no single way to enjoy the Singleton, and lastly in culture through our Singleton stories reached 7.8 million consumers driving brand talkability, growing our awareness.



### Gilbey's

When the Gilbey's brothers first set up shop in 1857, they were driven by a great ambition – to bring high-quality spirits to all. We are proud to say that the vision they held dear is still at the heart of the brand today. We are the inclusive international gin brand, with

a down-to-earth character and a legacy of over 150 years that allows everyone to enjoy a high quality gin at an accessible price.

Delivering on our strategic intention and connecting to our consumers in a fun, easy-going and authentic manner has enabled us to grow; Gilbey's now has the highest value contribution within the spirits category.

We champion good times with friends whenever and however they may occur, opening up new drinking experiences for all to enjoy.

***So pick up our bottle in any bar, in any town, and we will introduce you to Gilbey's refreshing world of quality.***

## White Cap Lager

White Cap continues to boldly take the lead in cementing its role as the mass premium beer. A beer of credible heritage, synonymous with legendary peaks, and unrivalled, natural quality.

Naturally, it has come to be seen as the choice of distinction.

White Cap's legendary brand icon, Mount Kenya, is revered globally as a natural wonder and has long-held significance in local traditional belief as the dwelling of their deity, Mwene Nyaga. Mount Kenya is the representation of all that White Cap is - unassuming, natural, pure and consistent. It is the very spring water from this legendary source that ensures our lager delivers unrivalled flavour and refreshment every time.



## Tusker Lite

Our mission was to create an easy drinking experience with a low-carb beer, uniquely brewed with natural ingredients.

We achieved this by formulating a special recipe consisting of the finest barley, corn starch and hops.

The final product was a rich golden liquid, laden with delightful aromas, and every sip best described as 'magical'.

Tusker Lite delivers a great-tasting, easy drinking experience that blends right into relaxing with friends after a day's work. Mission accomplished.



## Tusker Malt

To 'Behold the Finest' is to discover, and unapologetically savour Tusker Malt. This premium lager is slow brewed with the finest ingredients, and matured twice as long as other beers. The result? A rich hop-filled aroma, coupled with a smooth, crisp and satisfying brew. A truly unique, sensory-

stimulating, experience that's not easily forgotten.

Additionally, the premium liquid resonates well with consumers – as evidenced by the overall brand love.





## Centenary Reflections

I think the need for the ultimate customer will evolve as the customer tastes evolve. East African Breweries is selling a physical product, but the way that product is consumed, enjoyed and distributed will continue to evolve as digital evolves. EABL has already done a lot on automation and digitisation of its actual value chain, for instance, in going cashless so retailers don't need to worry about cash. What we anticipate going forward is the use of technology to allow selling of the product to the individual, marketing to the individual rather than marketing to segments or category, but also ensuring that the individual makes the choice at the comfort of the handset. The smartphone will continue to be a big enabler of the route to consumer experience of the ultimate customer, but also reduce the cost to serve as small businesses can therefore reduce their costs significantly, because price continues to be a challenge in terms of accessibility.

East African Breweries has to continue to evolve and partner with companies such as Safaricom to evolve their digital offering. EABL has been an early adopter of technology and we are very happy to continue partnering with the business and industry, to ensure that we unleash the power of technology in the way that we drive penetration, and the customer experience.

**PETER NDEGWA**  
*Former EABL Strategy Director*



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## Shape New Frontiers

We have a big focus on expanding total beverage alcohol by addressing new and incremental consumer occasions. Brands like Senator in Kenya have allowed us to help society by recruiting consumers from informal alcohol whilst our strong play in ready to drink allows us to reach beyond traditional beer and spirit occasions.

**+35%**  
+25% vs F19  
(pre-Covid)

Net Sales Growth



### Senator

Since its inception, Senator has been rooted in creating and driving value to local farmers, suppliers, local communities, government and most importantly, to the consumer. It takes pride in uncompromising quality, with locally sourced ingredients, allowing consumers to enjoy great taste at an affordable price.

Senator is deeply entrenched in the hearts and minds of Kenyans. It has also demonstrated its resilience as, during the Covid lockdown, it faced a lot of challenges

and decline in sales. Through a national consumer promotion, dubbed “Shikisha Form na Senator”, the brand has really managed to bring its purpose to life! recruiting and re-recruiting the DE consumers from illicit and local brews and in the process enriching their lives, through awards that restored dignity and gave an uplift in the livelihoods of the consumers and the communities which they hail from.

## Ready To Drink (RTD)



LPA-24 trendsetters are looking for exciting and unique experiences to express themselves and portray status in new ways and spaces especially creativity with flavourful drinks (sweet and fruity) that can be tailored to moments in which they drink to socialise. This has been demonstrated through the rapid growth of the flavoured drinks category in Kenya.

The RTD portfolio is well positioned to win with these consumers, with a variety of offerings across flavours, price points and formats. We have adapted to these new drinking behaviours, nurtured our relevance

and role in our key occasions to continue to be an important vehicle to recruit the next generation of drinkers and female consumers to the world of spirits.

This year we rolled out the “Choose flavour with edge” Smirnoff Ice campaign to drive more awareness, trial and penetration of the category.

Through this campaign, Smirnoff Ice is now connecting with its very dynamic consumers, building relevance in culture through music and fashion with Smirnoff Ice Fiesta’s platform, and driving everyday relevance in occasions.

# Enablers

## Aspirational and Accessible Innovations

### Disrupting and Shaping the Future of Total Beverage Alcohol

Driving sustainable growth across our four imperatives, led by consumer insights, lies at the heart of our innovation: we use purposeful innovation to recruit new consumers to our brands and access new occasions in which they can be enjoyed.

Our innovation process comes from a deep understanding of consumer needs and their world, an identification of portfolio gaps, continuously scanning the environment for emerging trends and clarity on future sources of growth for the business. Coming off this process we identify the consumer opportunity, their unmet needs and the

size of this opportunity. This process helps us in prioritisation and development of a multi-year innovation pipeline that not only addresses current portfolio gaps but is also future fit.

The multi-year innovation pipeline is sufficiently funded to ensure that the brands we launch are well supported for the next 5 years. This has enabled us to successfully disrupt the drinks landscape, expand into new occasions, launch brands in culture and ensure sustained growth at scale for the new launches, which include:

- Tusker Cider
- Chrome Vodka and Chrome Gin
- Flavour explosion in gin space
- White Cap Crisp



### Tanqueray Flavours

Tanqueray is a brand rooted in true quality. We strive for the best and in doing so deliver a taste experience like no other, our consumer value being able to discern true quality from the smoke and mirrors of modern life. We are Inspired by the classics but with our own distinctive take, we are about boldly leading the way, not following the pack. We embody substance, charisma and style. It is that late afternoon/early evening drink with friends and family, when you just want to add a touch of glamour and quality.

**Tanqueray 10** – small batch distilled. A citrus heart gin.

**Tanqueray Sevilla** – sun-kissed with bitter-sweet oranges from Sevilla.

**Tanqueray London Dry** – four perfectly balanced botanicals.

### Gilbey's Mixed Berry

Gilbey's Mixed Berry combines the authentic and smooth taste of Gilbey's Gin with the delicious twist of mixed berries for a flavourful drinking experience.

Gilbey's exists to make every moment a good time. We spark everyday moments of fun and connections, championing good times with good friends.

Gilbey's Mixed Berry celebrates the unshakeable optimism in everyday moments of connection.

#OpenGoodTimes





### The World's Favourite International Gin

From its humble beginnings, Gordon's has grown to become the number one international gin. We consider Gordon's the essential gin, not only because of its popularity but because it is light, vibrant and effervescent, enabling our consumers to focus on what really matters to them: enjoying each other's company over a good gin.

The launch of Gordon's Premium Pink Gin, a delicious raspberry and red currant gin, has been incremental to the trademark as it has enabled the brand to recruit younger and female consumers. Gordon's is refreshingly vibrant with a dash, with playful and off-the-cuff humour that encourages moments of light relief with friends; those important moments that connect us, where the chat just flows.



### It's Here! It's New! It's Big! White Cap Crisp

Consumers are constantly changing, and are now more deliberate on their choice of foods/drinks. They are becoming more health conscious and looking for choices that meet this trend, either in low alcohol, low calorie, less sugar and so on.

We have introduced a new brand that is of crisp quality at 3% ABV, with NO ADDED SUGAR, in a small format of 300ml bottle, and a sleek can format of 330ml brewed to distinction to provide an immeasurable

option to moderators and those seeking healthier, lighter offerings.

Our objective is to recruit into the category of light beers, break boundaries and create new spaces for beer using White Cap Crisp, bring in new consumption, new occasions; change attitudes and break barriers on how beer should be consumed, when and by whom.

### Bongo Don Spirit

A new quality spirit drink blended for an extra smooth finish. Crafted for the progressive bold Tanzanian, Bongo Don inspires one to appreciate the present and the potential of tomorrow.

Less than a year since its launch, Bongo Don is working to become the 3<sup>rd</sup> biggest mainstream spirit brand in Tanzania with the launch of an emotionally connecting campaign that is in culture and brings to life the brand's positioning. Hii ni zamu ya

Madoni, meaning 'This is Dons' turn' positions Bongo Don as a brand that celebrates all kinds of Dons (those with hustlers' mentality) whatever the field they come from. We also continue to build mental and physical availability through the roll out of various sampling and visibility drives.

#LadhayaKibabe #BoldSmoothTaste #zamuyamadoni



# Digital Transformation

The world is experiencing a digitisation revolution and our customers and consumers are adapting to the new realities. We have invested to stay ahead of these trends, providing a 360° customer experience through omni channel contact and coverage powered by data and technology to increase influence and reduce cost to serve. Furthermore, our e-commerce and digital ecosystems are helping to deliver better consumer experiences.

## Shaping and Leading the Next-Generation of Celebration

Digital transformation is the game-changer for Africa to unlock new pathways for rapid economic growth. In East Africa, adoption of digital infrastructure has been fast tracked through mobile connections, making it imperative that we ensure we are one click away from our consumers and customers.

Our digital transformation ambition is to leverage the strength of our people, smartly mine data and enable technology at scale to build our competitive edge across our value chain and deliver quality leveraged growth. We are doing this by embedding everyday efficiency and investing smartly in line with our performance ambition.

**Our Picture of Success:** To provide delightful experiences for our customers and consumers optimized by data every time they connect with our brands.

We are focused on 3 main areas: consumer, customers, and internal radical liberation with the mission to delight our consumers and

**“ Digital transformation is the game-changer for Africa to unlock new pathways for rapid economic growth. In East Africa, adoption of digital infrastructure has been fast tracked through mobile connections, making it imperative that we ensure we are one click away from our consumers and customers.**

customers with class-leading experiences across every physical and digital touchpoint.

**Consumer-centric Path to Purchase:** Through an ambition programme called Precision Factory, we aim to unlock consumer insights for improved brand experiences. We are harnessing data that we collect from national consumer promotions and experiential and digital engagements with our consumers to enable us to connect with consumers more efficiently.

We will continue to grow our direct-to-consumer e-commerce platform ke.thebar.com (Kenya) and launch the same in Uganda. Thebar.com is a partnership between our distributors and retail customers that was in response to changing consumer behaviour as a result of the pandemic.





The Digitribe team, pictured here with Diageo CEO Ivan Menezes in May 2022, plays a critical part in our digital marketing and consumer engagement.

**Strong Route to Consumer:** Our customers now require more customised and personalised solutions to their needs hence we have equipped our salesforce with advanced tools to support them in delivering customer propositions. Every Day Great Execution (EDGE 365) and our Distributor Management System (DMS), are the tools we have deployed to drive digitisation to support distributors on stock and sales management, sales force automations and HHT dashboards to provide insights to the sales team while on the go.

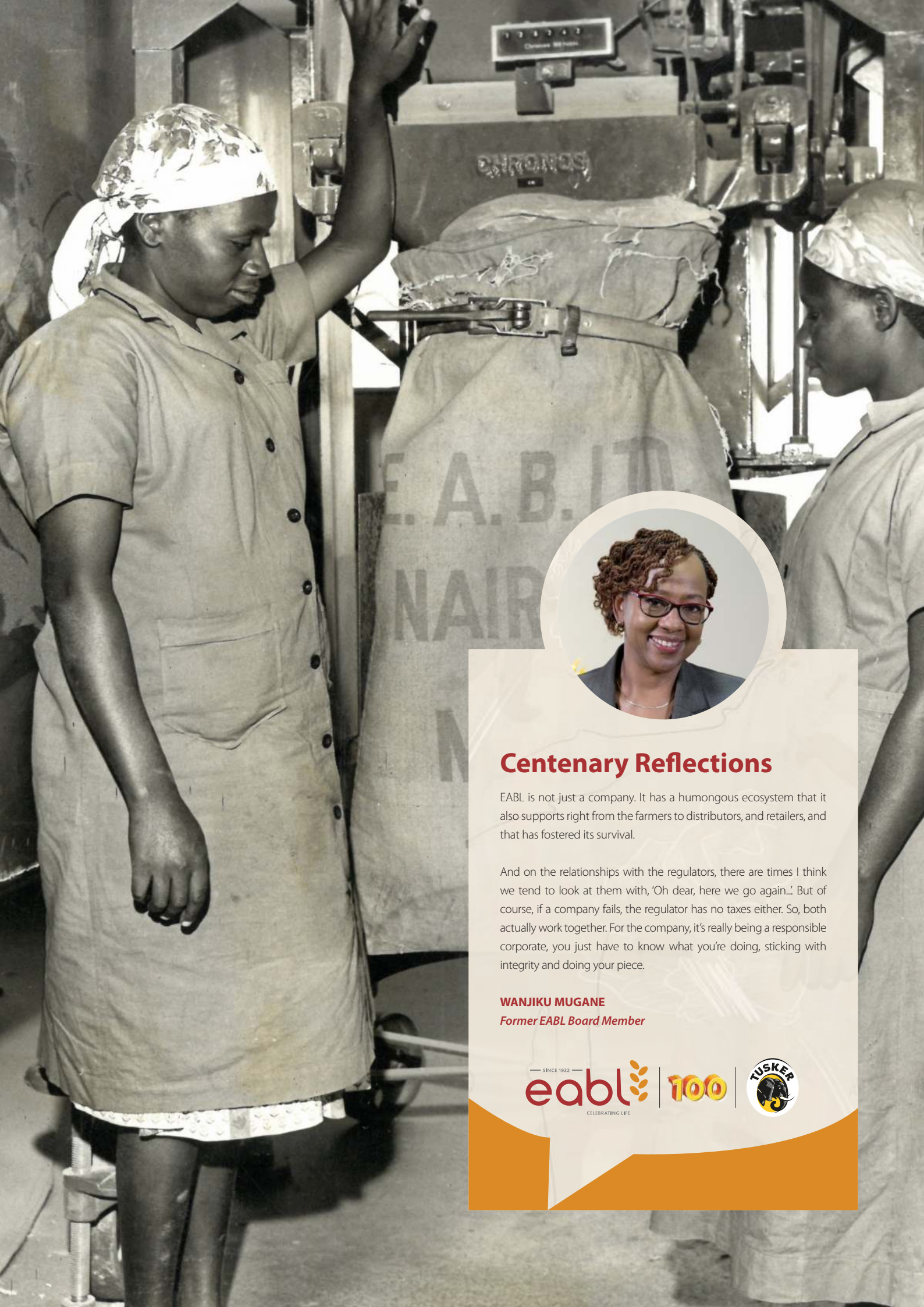
We have rolled out a self-service portal, Diageo One in Kenya, and have paved the way for further scaling into Uganda. Advanced

“ Our customers now require more customised and personalised solutions to their needs hence we have equipped our salesforce with advanced tools to support them in delivering customer propositions.

analytics from this platform has enabled us unlock previous barriers to servicing customers efficiently.

**Radical Liberation:** To consistently deliver an improved customer and consumer experience every step of the way, we need to be simultaneously internally and externally focused.

Within our supply chain and logistics, we have continued investing in standard solutions and systems in Kenya, Uganda and Tanzania in key areas within brewing, quality control and logistics eliminating manual processes, improving controls, reporting and other efficiencies. This is part of the bigger agenda on application rationalisation, standardisation and optimisation across EABL where we aim to reduce on the application estate, eliminating duplication and creating standard and harmonised ways of working that enables us take advantage of a codified system landscape to drive better reporting, benefits management and analytics whilst maintaining controls. This drive has so far seen about 2,000+ manhours of manual interventions eliminated.



## Centenary Reflections

EABL is not just a company. It has a humongous ecosystem that it also supports right from the farmers to distributors, and retailers, and that has fostered its survival.

And on the relationships with the regulators, there are times I think we tend to look at them with, 'Oh dear, here we go again...' But of course, if a company fails, the regulator has no taxes either. So, both actually work together. For the company, it's really being a responsible corporate, you just have to know what you're doing, sticking with integrity and doing your piece.

**WANJIKU MUGANE**  
*Former EABL Board Member*



# Route to Consumer (RTC)

Reaching our consumers effectively and efficiently is imperative for us to deliver our ambition. We are constantly investing time and resources to build a network of future fit and sustainable distributor partners to help us win across traditional and emerging channels.

EABL has been on a rapid and evolving journey of RTC transformation since 1922, when the first batch of Tusker Lager was delivered to The Stanley Hotel from the first brewery in Ruaraka. Later, EABL expanded in and out of Kenya, with the distribution model optimised to deliver our ambition across the region. Over time, this traditional RTC model has been re-engineered in tandem with changing market dynamics, key of which was the outsourcing of distribution centrally from Ruaraka to third-party logistics providers. The firms’ contracted distributors were mandated to focus solely on their core business of door-to-door selling and were incentivised with more for more distributor incentives anchored on a platform for growth.

The business continues to improve its route-to-consumer model to ensure that it is fit for purpose and future-proof. This effort includes continuously investing resources in not only building and sustaining the distributor sales team capability through coaching and Diageo Way of World Class Selling (DWWS) training but also building sustainable retailer sales capability through Diageo Bar Academy and Diageo brand immersion workshops.

Our agile RTC model has also been enabled through the leveraging of technology by investing in the Distributor Management System (DMS) across all distributor sites. DMS has been recognised as the best insight leading and route service optimisation solution. The other key merits of the DMS are optimised inventory management and real-time sales visibility at each retail outlet across the country, as well as unlocking opportunities for efficient distributor contact and coverage strategy that is anchored on addressing retail stockouts and increasing the numeric distribution of our portfolio of beer, spirits and innovation brands.

The investments in the EDGE 365 DMS have enabled the business to build and enhance its data and business intelligence capabilities that have led to understanding of retail insights that enhance our competitive edge.

“Our agile RTC model has also been enabled through the leveraging of technology by investing in the Distributor Management System (DMS) across all distributor sites. DMS has been recognised as the best insight leading and route service optimisation solution.”

The onset of the Covid 19 pandemic in early 2020 accelerated e-commerce and a review of our off-trade channels as the on-trade channel was closed in lockdown. The resulting adoption of an omni channel RTC to capture emerging white spaces in e-commerce, new channels, third and fourth space, continues to position EABL ahead of our CPG peers.

Investments in digital channels have helped bolster two areas: Direct to Consumer (D2C) model using [thebar.com](https://ke.thebar.com) (https://ke.thebar.com) channel – formerly called Party Central; and retail self-serve Business to Business (B2B) channel using Diageo One. The successful execution of these two digital platforms based on changing consumer behaviours has significantly contributed to our business resilience in the last two years.

As the lockdown ended, EABL launched ‘Raising the Bar’, a Kshs 500 million initiative, to support bars preparing to reopen as they sought to create a safe environment in line with the Covid 19 safety measures and protocols. This initiative helped accelerate the recovery of the hospitality sector and helped our business recover quickly from the effects of the pandemic.

## Case Study: Uganda Breweries Limited

Uganda Breweries Route To Consumer strategy is grounded on 4 fundamental Pillars: People, Partnerships, Portfolio and Robust Routines. This has enabled us deliver enhanced value creation for both UBL and our customers.

### 1. People

Through the people pillar, we have managed to create a fit for purpose sales organisation structure that caters for the total business. We have ensured that the team of 111 field sales force is well trained and equipped through our Diageo Way of World class Selling (DWWS). Our sales managers have also been well prepared to coach their teams through the Diageo Way of World Class Coaching and also trained to manage our distributors through Diageo Way of Distributor Management.





## Centenary Reflections

My father told me that in the early days, when Kenya Breweries was not in existence, they were importing beers from South Africa and Germany. And then when Kenya Breweries came into existence, we were one of their first customers. We have a very good relationship with Kenya Breweries. My sister Sylvia worked there for a long time. Every month, she would get a crate of beers and you know, lots of stationary and such things, pencils with the East African breweries written on it. Breweries were very, very generous. We have good memories of KBL.

**MAURA D'SOUZA ABRANCHES**  
*Proprietor, Kilindini Bar in Mombasa, which was established in 1908*







UBL prides itself in setting up the first ever Distributor Salesman Academy that has equipped our distributor sales staff to sell/call in a more structured way, hence creating more value for the business. We have a reward structure based on performance for both our sales teams and distributor sales staff.

### 2. Partnerships

UBL's RTC has ensured that we have the right partners to grow with the Distributor Gold Standards journey, which has ensured that our distributors have the right standards, processes, and structures.

We currently have 6 Gold Distributors and 8 Silver Distributors. Our partnerships have extended to banks, amongst them Stanbic and Equity Bank, that have facilitated working capital and modern warehousing for our distributors at very attractive rates, ensuring that our distributors can accommodate future growth.

We have also partnered with our top 500 stockists by offering them stockists trade terms that are paid based on monthly performance.

Our partnerships with our distributors also include market development projects where we have partnered with distributors to deepen penetration in areas currently unviable to serve. These routes have largely been inaccessible due to the rough terrain or have low drop sizes hence low service frequency. Seven new ship-to locations have been set up and 62 routes are being supported through the route support trade incentive.



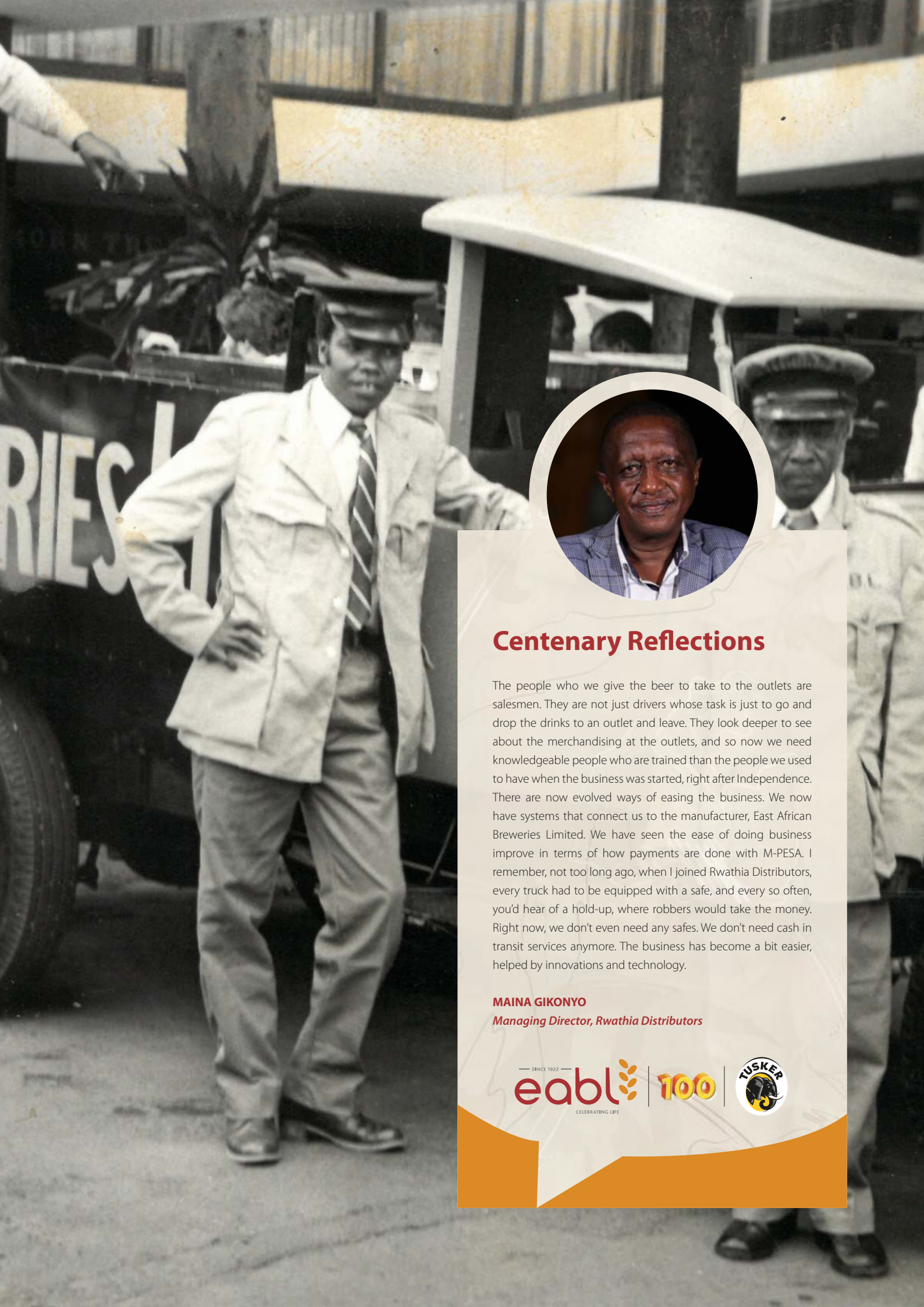
### 3. Portfolio

UBL's progressive RTC model is also focused on driving spirits distribution by building the capacity for our distributors to carry our spirits and reserve brands. We have caged 149 trucks and provided 41 vans to carry spirits. We have also modified 40 containers at various trading centers to carry both our beer and spirits brands. We have a dedicated team of 5 sales representatives driving our mainstream spirits bulk format for Uganda Waragi, Bond 7 and V&A. 2,874 units have been deployed largely in Kampala and the distribution teams have ensured that every outlet is visited at least 3 times a week for replenishment.

### 4. Robust Routines

Our robust routines are standardised and begin with world class morning clinic reviews where performance is reviewed daily at every distributor ship-to site. Teams have been equipped with info packs and DMS that supports them in ensuring that our brands are well distributed. Our sales process has also been standardized based on PLAN, DO, REVIEW and we have also ensured that coaching of both our field sales and distributor sales force is part of our routines. Distributor performance is also reviewed weekly and monthly with distributor management teams.

Our 4 pillars have been enabled through simplification using data analytics and technology. Simplification is fundamental to creating a well-coordinated, capable, and agile salesforce to drive active selling. We have a robust customer facing sales force that sells in 26,000 outlets monthly using the Distributor Management System (DMS). Our teams are supported through data analytics and technology which helps them navigate complexity with ease and hence deliver Every Day Great Execution. We have embedded data driven decision making and execution at the micro level, transforming how we work and significantly evolving our performance management. This has been done through roll out of TRAX, a system that that measures execution in real time, and the Vendor Management Inventory (VMI) system, which supports in the ordering pattern of our distributors based on their depletion rates.



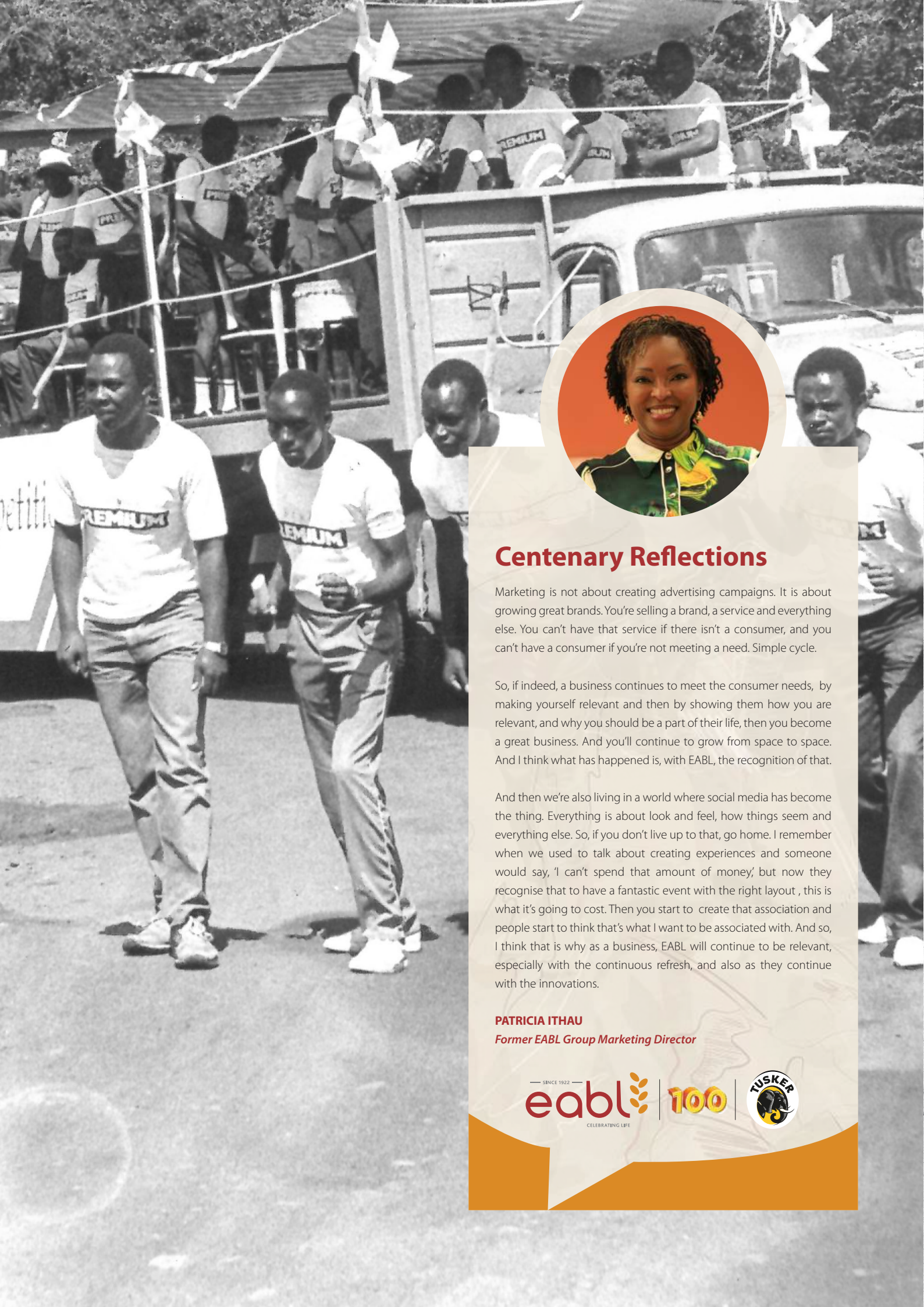
## Centenary Reflections

The people who we give the beer to take to the outlets are salesmen. They are not just drivers whose task is just to go and drop the drinks to an outlet and leave. They look deeper to see about the merchandising at the outlets, and so now we need knowledgeable people who are trained than the people we used to have when the business was started, right after Independence. There are now evolved ways of easing the business. We now have systems that connect us to the manufacturer, East African Breweries Limited. We have seen the ease of doing business improve in terms of how payments are done with M-PESA. I remember, not too long ago, when I joined Rwathia Distributors, every truck had to be equipped with a safe, and every so often, you'd hear of a hold-up, where robbers would take the money. Right now, we don't even need any safes. We don't need cash in transit services anymore. The business has become a bit easier, helped by innovations and technology.

**MAINA GIKONYO**

*Managing Director, Rwathia Distributors*





## Centenary Reflections

Marketing is not about creating advertising campaigns. It is about growing great brands. You're selling a brand, a service and everything else. You can't have that service if there isn't a consumer, and you can't have a consumer if you're not meeting a need. Simple cycle.

So, if indeed, a business continues to meet the consumer needs, by making yourself relevant and then by showing them how you are relevant, and why you should be a part of their life, then you become a great business. And you'll continue to grow from space to space. And I think what has happened is, with EABL, the recognition of that.

And then we're also living in a world where social media has become the thing. Everything is about look and feel, how things seem and everything else. So, if you don't live up to that, go home. I remember when we used to talk about creating experiences and someone would say, 'I can't spend that amount of money,' but now they recognise that to have a fantastic event with the right layout, this is what it's going to cost. Then you start to create that association and people start to think that's what I want to be associated with. And so, I think that is why as a business, EABL will continue to be relevant, especially with the continuous refresh, and also as they continue with the innovations.

**PATRICIA ITHAU**  
*Former EABL Group Marketing Director*





# Society 2030



# Environment, Social & Governance (ESG) Performance

Our ambition at EABL is to be one of the best performing, most trusted and respected consumer products companies in Africa. To achieve this ambition, we make sure we are doing business the right way, across our value chain.

Increasingly, we are reflecting on the long-term value and impact we create, and the risks and opportunities of our operating environment where we live, work, source and sell.

That is why our work around Environment, Governance and Social (ESG) performance is as important as our financial performance.

In 2021, we published our inaugural Sustainability Report, following our year-long materiality assessment process. Reporting transparently on Environmental, Social and Governance (ESG) issues plays a vital role in delivering our strategy. It helps us to manage ESG risks, seize opportunities and promote sustainable development everywhere we live, work, source and sell.

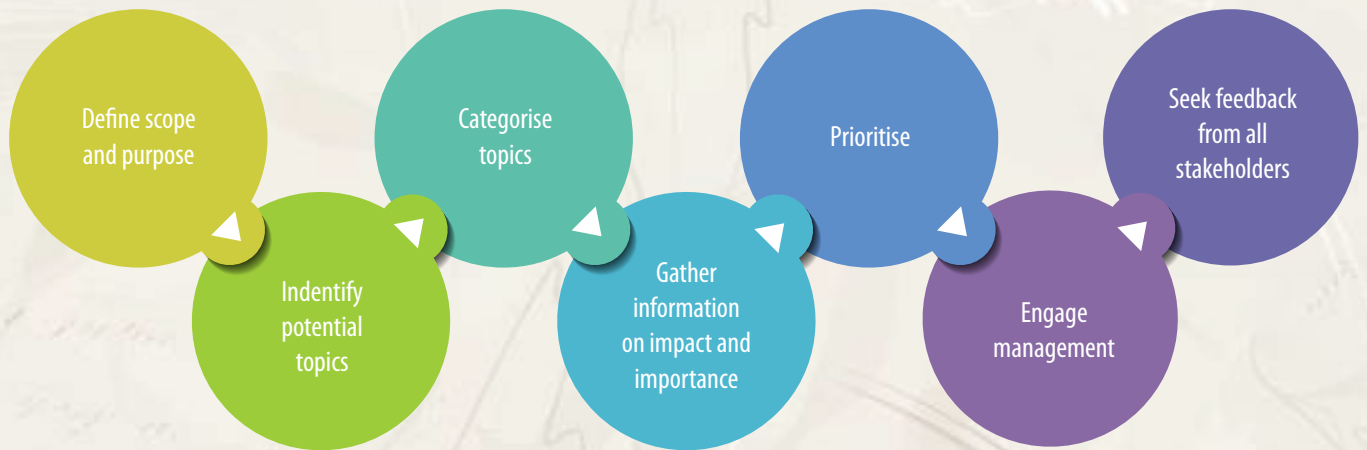
## Materiality at EABL

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 to our stakeholders. 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. 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.

The detailed results of this materiality assessment are contained in our inaugural sustainability report.

## How we determine our material issues

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



“ In 2021, we published our inaugural Sustainability Report, following our year-long materiality assessment process. Reporting transparently on Environmental, Social and Governance (ESG) issues plays a vital role in delivering our strategy.

Our inaugural report detailed our progress against the succinct targets set out in our Sustainability Strategy, Society 2030: Spirit of Progress.

*Society 2030: Spirit of Progress* is our 10-year ESG action plan to help create a more inclusive and sustainable world. Society 2030 reflects the most material issues affecting our company, our people, our brands, our suppliers and our communities.

Our plan includes twenty-five ambitious targets aligned to the United Nations' Sustainable Development Goals, grouped under the themes shown below.



**We want to change the way the world drinks for the better.**

We will do this by celebrating moderation and continuing to address the harmful use of alcohol, expanding our programmes that tackle underage drinking, drink driving and binge drinking.



**We believe the most inclusive and diverse culture makes for a better business and a better world.**

We will champion inclusion and diversity across our business, with our partners and communities, to celebrate diversity and help shape a tolerant society.



**We are committed to preserving the natural resources on which we all depend.**

We will work in partnership to tackle climate change, water stress and biodiversity loss, and help create a more sustainable world.



**Water is the basis of life and our most precious resource.**

By 2030, every drink we make will use 30% less water than today and by 2026, we will replenish more water than we use in all our water-stressed areas.



**We all have a responsibility to restore the natural world on which life depends.**

We will do our bit by eliminating waste from our value chain, collaborating with farmers to regenerate landscapes and creating innovative solutions to grow sustainably.



**The planet needs significant science-based action to create a sustainable low-carbon future.**

We will decarbonise our own operations by 2030 and work with our suppliers to halve theirs by 2030 too.



**We believe doing business the right way contributes to a fair and just society.**

We will create an environment where all our people feel they are treated fairly and with respect. We will act with integrity to ensure we are doing business in the right way, meeting external expectations and our standards.

# Promote Positive Drinking



*We want to change the way the world drinks for the better. That means promoting moderation and continuing to address the harmful use of alcohol by changing attitudes and expanding our programmes to tackle underage drinking, drink driving and binge drinking.*

**A**s 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. We are proud of our brands and know the best way to enjoy them is in moderation.

### Alignment with the UN Sustainable Development Goals



### Responsible Marketing

Our Diageo Marketing Code (DMC) and Digital Code set mandatory minimum standards for responsible marketing. These are reviewed every two years. At the heart of DMC is our commitment to ensuring all our activities depict and encourage only responsible and moderate drinking, and never target those who are underage.

During the year, we implemented the following key initiatives focused on promoting Positive Drinking:

### KENYA

#### Empowering people to make responsible choices

DRINKiQ.com platform is a dedicated responsible drinking tool that provides facts about alcohol, the effects of drinking on the body and mind, and the impact of harmful drinking on individuals and society. The DRINKiQ e-learning tool is one of our most important tools in promoting positive drinking designed to provide consumers with the information they need to make positive decisions about drinking responsibly and tackle myths about drinking alcohol.

In 2022, we launched DRINKiQ and surpassed our targets by working with top-tier and micro-influencers who created interesting, in-culture content, that was relatable to our target audience.

Also, in partnership with the National Transport and Safety Authority Kenya (NTSA), we spearheaded the adoption of a positive drinking module into the Driving Schools curriculum in Kenya. We will launch the DRINKiQ handbook in the Fiscal Year 23. It will raise awareness about responsible consumption of alcohol and provide information on harmful consequences of misuse of alcohol. We believe that this will come in handy in prevention of accidents caused by drunk driving in the country.

### TANZANIA

#### Tackling underage drinking

It is never acceptable for anyone who is underage to consume alcohol. Geared towards curbing underage drinking, SMASHED, an award-winning alcohol education programme, sponsored by Diageo, plays a key role in sharing this message, and measures changed attitudes in young people who participate.

SBL prides itself for being one of the few countries within Diageo to successfully pilot the SMASHED programme during the year.

Geared towards curbing underage drinking, the SMASHED programme at SBL was impactfully carried out by directly reaching out to high school students in various schools within the Dar es Salaam region with a firm message on positive drinking.

**“ On this backdrop, and given our presence in the most affected regions, we fully embraced the SMASHED programme as one of the pilot countries. In our maiden event to launch the programme, we interacted directly with over 8,000 students educating them on the ills of underage drinking. ”**





Students keenly follow a SMASHED session held at a school in Dar-es-Salaam.

“ Since no amount of underage drinking is safe, we also rolled out the innovative SMASHED Live Programme in select high schools in Uganda, reaching the younger school-going generation with information on preventing underage drinking.

Like most countries world over, underage drinking continues to affect Tanzania’s youth, driving many to undesirable activities and behaviours. A recent study conducted by the country’s leading medical college, Muhimbili University of Health and Allied Science (MUHAS), in collaboration with Columbia University, confirms Tanzania to be among countries with a high prevalence of underage drinking.

The study shows that two Northern Tanzania regions, Mwanza and Kilimanjaro, where SBL has its production plants, have a high prevalence of alcohol consumption among secondary school students aged 15 years and above. The Dar es Salaam region, where SBL also has a plant, comes second.

On this backdrop, and given our presence in the most affected regions, we fully embraced the SMASHED programme as one of the

pilot countries. In our maiden event to launch the programme, we interacted directly with over 8,000 students educating them on the ills of underage drinking.

As at Q4, Fiscal Year 22, we had reached over 8,200 students with the SMASHED programme.

## UGANDA

### Empowering people to make responsible choices

We remained steadfast in promoting moderation in alcohol consumption, championing a more positive role of alcohol in our society.

To achieve this aspiration, we utilised the DRINKiQ.com resource website, getting consumers in Uganda to visit the site and participate in a quiz that imparts crucial knowledge on responsible drinking. We got 2,093 quiz completions and 3,263 site visits, exceeding our target by more than 100%.

### Tackling underage drinking

We also rolled out the innovative SMASHED Live Programme in select high schools in Uganda, reaching the younger school-going generation with information on preventing underage drinking. We reached over 18,878 students which is above our Fiscal Year 22 target of 17,500.

# Champion Inclusion and Diversity



*We champion inclusion and Diversity across our business: from the way we attract, develop, retain and recruit the very best talent, to the way we source services and progressively portray diversity through our brands. We are determined to remove barriers, while having a positive impact on our partners, suppliers and communities.*

**A**cross 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 focused predominantly in gender representation, we have taken a more progressive approach, reframing our Inclusion and Diversity strategy to include ethnicity and persons with disabilities (PWD). In each of these areas we have defined the impact we want to make on industry and society in general.

### Alignment with the UN Sustainable Development Goals



During the year, we implemented the following key initiatives:

### KENYA

#### STEM Programme

We launched an apprenticeship programme for female university students to provide them with an opportunity to gain hands-on experience in the Science, Technology, Engineering and Mathematics (STEM) fields. We recruited 10 young women into the programme. All of them graduated and we absorbed 3 into the business, whilst the rest remain well positioned to take up various positions in the market that require proficiencies in the STEM fields.

#### Inclusion of Persons with Disabilities into contractual farming

Through our partnership with SightSavers, we mobilised and onboarded a total of 71 farmers with disabilities into our contractual farming programme.

We mobilised key partners and stakeholders to deliberate on further inclusion of Persons with Disabilities within the KBL value chain by creating an enabling environment to help them thrive. We did so by organising a Disability Inclusion Partners Summit.

Our target is to further increase the representation of PWDs to at least 3% across the value chain by 2025.



#### Inclusion of Persons with Disabilities into the Diageo Bar Academy

We launched the 2021/2022 Diageo Bar Academy programme that has seen 9,800 workers in the hospitality industry trained across various regions in the country. Thirty one Persons with Disabilities were part of the programme during the year.

#### Learning for Life

This year, we surpassed our Learning for Life targets by reaching 5,100 beneficiaries. Focusing on farmers, the beneficiaries were taken through a life-skills development curriculum that included courses such as budgeting, time management and responsible drinking. Over 60% of the participants of the programme were women. The programme targets various players in our value chain ranging from farmers and the distribution channel which includes stockists, transporters, bookkeepers and security personnel.

Our work on Inclusion and Diversity earned us recognition and several awards as listed below:

- Overall winner for Women Empowerment in the Workplace - the 9<sup>th</sup> Gender Mainstreaming Awards (GMA)
- Overall winner for Women Empowerment in Communities - the 9<sup>th</sup> Gender Mainstreaming Awards (GMA)
- Champion for Gender Mainstreaming in East Africa - the 9<sup>th</sup> Gender Mainstreaming Awards (GMA)

## TANZANIA

SBL continues to champion the Inclusion and Diversity culture as one of its core business priorities. Ranging from growing our gender diversity initiative to supporting Persons with Disabilities, PWDs, we have recorded significant successes in F22 as follows:

### Championing Persons with Disabilities inclusion agenda

Being a champion of equal opportunities for all, SBL is committed to supporting the PWDs agenda through several interventions.

We have set a three-pillar strategy that guides our effort in promoting the plight of PWDs, comprising of SBL as an Employer, SBL as an Advocate and SBL as a partner.

As an employer, SBL has made a conscious decision to employ PWDs directly into the business and across the value chain. So far, SBL has 6 employees with disabilities and plans to reach an inclusion target of 4% of its total labour force by 2025.

As a partner, SBL is collaborating with the Government, PWDs associations and other stakeholders in promoting and empowering PWDs. The company supports training programmes for PWDs in the areas of entrepreneurship, identify income generation opportunities as well as special recognition forums of achievements by PWDs.

The Advocacy pillar will come to life from F23 whereby SBL has set out to encourage other third-party business partners to promote the Inclusion and Diversity agenda in their workplaces. We will push the agenda to our suppliers, farmers, contractors and other partners to embrace the inclusion of PWDs. We plan to hold a multi-stakeholder conference later in the year where PWDs will also get an opportunity to showcase their businesses, innovation and creativity.

### Deepening our Gender Diversity drive

We continue to drive Inclusion and Diversity in our business. Through deliberate focus on this initiative, we have improved our gender diversity, hitting a 26% women employees' ratio in F22, up from 17% previously, with an ambition to arrive an equal split in 2030.

So far, this acceleration has been driven by the following initiatives:

1. Employment of an all-Ladies team to run the end-to-end operations of the new Spirits Production Facility at our Moshi brewery.
2. The introduction of an All-Female STEM apprenticeship programme to increase female diversity ratio at the frontline, while at the same time building a talent pool of young female employees that have the potential to grow into more senior roles within the organisation.

The first cohort of 10 ladies has completed its one-year



Group MD and CEO, Jane Karuku (in white hard hat) was delighted to meet the women working at The Cube Unit at SBL's Moshi Brewery, on her first visit to the Spirit Production Facility in F22.

programme, and they are currently located at the Moshi Brewery, since May 2022, working as technical operators for the new and automated beer packaging line.

Recruitment is currently in progress for the second cohort of 10 ladies who will commence their one-year STEM apprenticeship programme in July 2022.

3. A robust talent investment programme that has been running over the last two years resulting to the filling of 78% of the vacant Level 4 and Level 5 roles with internal female talent from our Supply Department.

**‘Women of the Future’ Award by The Citizen’s ‘Rising Woman Awards’ initiative**

SBL was recognised as the winner of the ‘Women of the Future’ category at The Citizen’s ‘Rising Woman Awards’ 2022. The award recognises organisations that have unique and impactful initiatives that advance gender balance in the workplace.

The criterion for the award covers policies, systems and structures that support women from within the company to step up the career ladder.

**Learning for Life**

Under the Learning for Life initiative SBL has continued to focus on the awarding of the Kilimo Viwanda scholarships that are geared towards supporting needy high potential students coming from agricultural communities across the country.

In F22 we awarded Kilimo Viwanda scholarships to a group of 102 students pursuing diploma level agricultural courses in local colleges.

This is yet another intervention by SBL to demonstrate commitment and partnership with the government, in developing the agricultural sector in Tanzania.

So far, SBL has extended a total of 218 Kilimo Viwanda scholarships in three years.

The increasing number of the Kilimo Viwanda scholarships recipients is a clear demonstration of our commitment to the wellbeing of the local communities and SBL’s Inclusion and Diversity agenda that seeks to empower and give equal opportunities to marginalised groups in our community, with a special focus on women and PWDs.

In this regard 50% of the 102 of Kilimo Viwanda scholarships recipients this year are female students, and some are PWDs.

**Kilimo Viwanda Scholarship programme gets government recognition**

During the year, SBL was recognised for its contribution to the development of Vocational Skills in the country through its Kilimo Viwanda Scholarship Programme.

The award is a result of a survey conducted by The National Council for Technical and Vocational Education and Training (NACTVET), in collaboration with the Association of Tanzania Employers (ATE), and the Tanzania Private Sector Foundation (TPSF) to identify employers who support the development of vocational skills in the country.

Currently in its third year of existence, Kilimo Viwanda is a scholarship programme meant to support bright students from under-privileged



SBL’s Legal Director, Lucia Minde, receives the ‘Women of the Future’ Award from the CEO of Mwananchi Communications – publishers of Tanzania’s dailies - The Citizen and Mwananchi newspapers



*Kilimo Viwanda scholarship recipients celebrate the successful completion of their training*

backgrounds to pursue diploma courses in the agricultural fields. The scholarship covers tuition fees and other academic related expenses for the entire duration of study.

## UGANDA

### Gender diversity

On gender diversity, UBL's management team comprises 50% women (4 out of 8). Additionally, at the most senior level, women currently make up 44% of the company's board.

At the entry level, UBL has continued to employ women in production processes that were previously men's stronghold. Currently, one of the production lines at the brewery is managed by a team with 75% women representation.

To maintain a flow of female talent in the factory, UBL put in place an all-female STEM programme, in March 2020, that seeks to offer hands-on apprenticeship opportunities in science, giving the young ladies a foot in the door of a male-dominated industry.

To move the diversity needle in the commercial side of the business, in June 2021, UBL took in an all-female cohort of graduate trainees in the commercial department. This team is currently still in service.

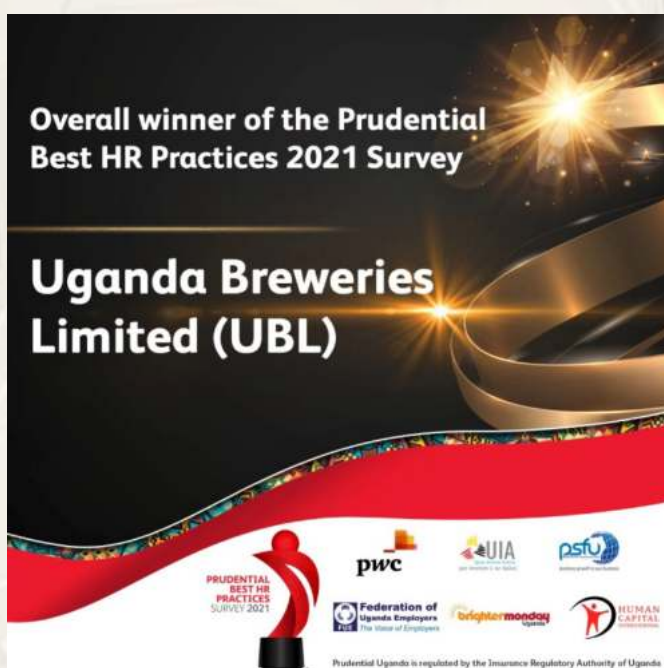
### Inclusion of Persons with Disabilities

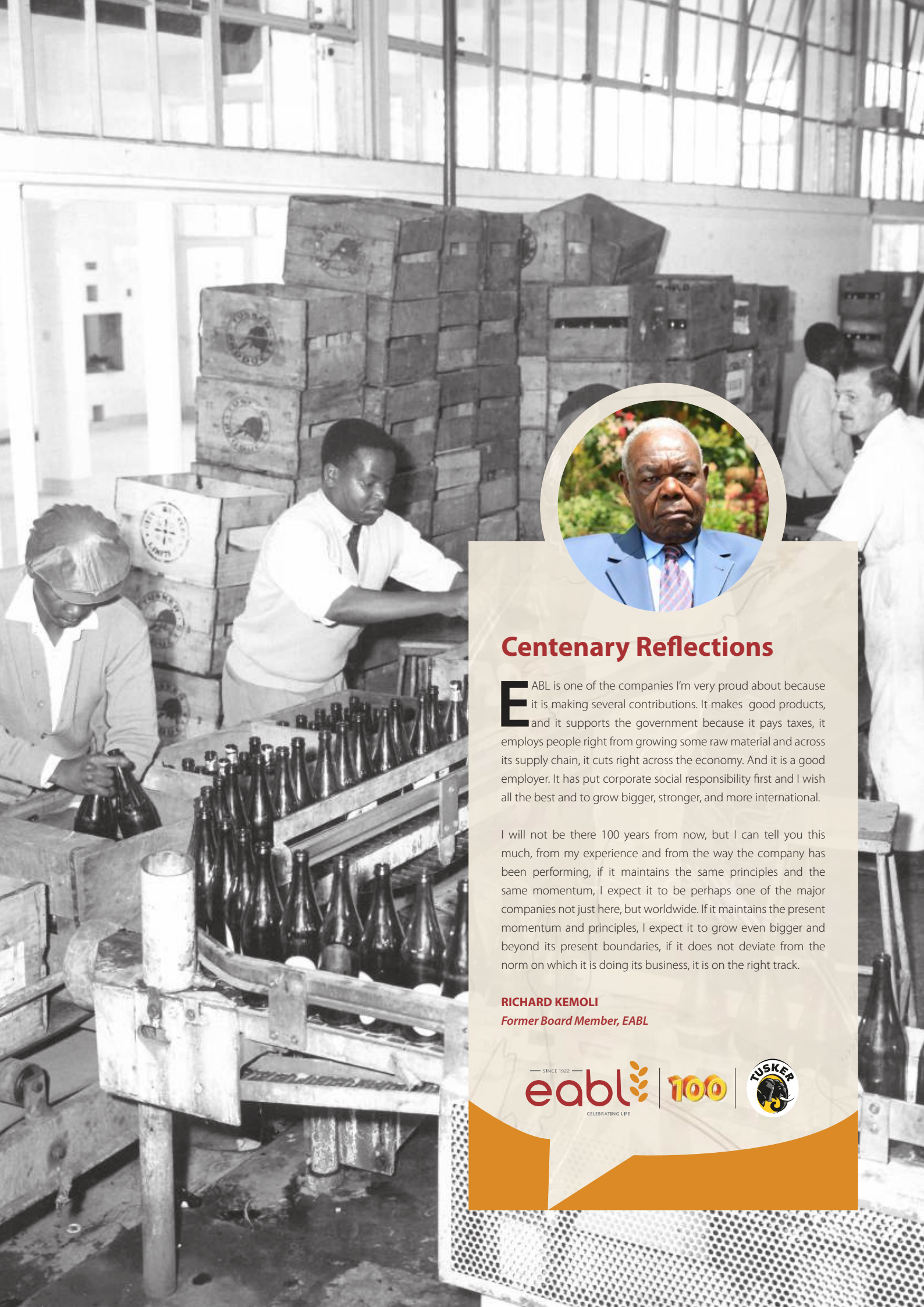
UBL led the industry in Uganda by developing an inclusive internship programme that seeks to recruit persons with disabilities. Launched in March 2022, the programme brought on board 10 persons with disabilities for a 6-month tenure.

Also, being one of the founder members of the Uganda Business

and Disability Network, UBL has held several debiasing sessions to empower and prepare staff to be inclusive and ensure that at least 10% of new recruits are Persons with Disabilities.

Our work on Inclusion and Diversity in Uganda, also earned us recognition and an award as the 'Overall Winner, Prudential Best HR Practices 2021 Survey' for demonstrating organisation performance and confidence, quality and innovation, diversity and inclusion, environmental, social and governance (ESG) compliance and employee wellbeing and wellness.





## Centenary Reflections

**E**ABL is one of the companies I'm very proud about because it is making several contributions. It makes good products, and it supports the government because it pays taxes, it employs people right from growing some raw material and across its supply chain, it cuts right across the economy. And it is a good employer. It has put corporate social responsibility first and I wish all the best and to grow bigger, stronger, and more international.

I will not be there 100 years from now, but I can tell you this much, from my experience and from the way the company has been performing, if it maintains the same principles and the same momentum, I expect it to be perhaps one of the major companies not just here, but worldwide. If it maintains the present momentum and principles, I expect it to grow even bigger and beyond its present boundaries, if it does not deviate from the norm on which it is doing its business, it is on the right track.

**RICHARD KEMOLI**  
*Former Board Member, EABL*



# Pioneer Grain-to-Glass Sustainability



*We have always understood that, for our business to be sustainable, it needs to create enduring value – for us and for those around us. Our ‘Society 2030: Spirit of Progress’ ambitions take us further than ever in our drive to preserve water for life, accelerate to a low carbon world and become sustainable by design.*

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 degrees centigrade. With the predictions that temperatures will rise further, the continent is facing a wider range of effects, including increased droughts and floods.

In the near future, climate change will contribute to decreased food production, floods and inundation of the continent’s coastal zones and deltas, changes in natural ecosystems and loss of biodiversity, as well as the spread of waterborne diseases and the risk of malaria.

Cognisant of these adverse effects of the impact of climate change, as EABL we continue 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.

## Alignment with the UN Sustainable Development Goals



In this regard, we have implemented the following initiatives:

## KENYA

### Biomass Steam Plants

We are committed to contributing to mitigating climate change by substantially increasing our share of renewable energy use in the

global energy mix. We have invested in four biomass boilers in our Kisumu and Tusker plants to help reduce our carbon emissions by 95% (about 34,000 tonnes) per year.

This project is part of Diageo’s biggest environmental investment in Pan-Africa, positioning us as a trailblazer and leader in environmental stewardship and conservation.

Through the project, we have created over 500 new jobs across its value chain, with most of the beneficiaries being farmers who will supply us with sustainable raw materials such as macadamia shells, coffee husks, sugar bagasse and rice husks.

We will mainstream the inclusion of women, Persons with Disabilities (PWDs) and other minority groups across this new value chain.

The Nairobi Tusker plant was commissioned in May 2022 by Ivan Menezes, Group Chief Executive, Diageo PLC, alongside Jane Karuku, EABL Group CEO and MD, and John Musunga, KBL MD.

The leaders termed the project as a clear demonstration of our commitment to pioneering Grain to Glass sustainability and positively impacting the communities in which we live, work, source and sell.

### Water for Life

Our aspirations to reach our communities with clean and safe drinking water saw us complete 8 water projects around the country in Nairobi, Tharaka Niithi, Homabay, Siaya, Nyamira, Nakuru, Kitui and Murang’a counties.

The projects will benefit over 60,000 beneficiaries.

### Partnership with the Ministry of Environment

We co-chair the National Environment Campaign and were instrumental in mobilizing the private sector to commit to planting trees.

This was in support of the government’s goal of planting 2 billion trees, by 2027, to achieve 10% forest cover.

Whilst still at its inception stage, more than 20 companies have signed

up for the initiative. Alongside other ongoing tree planting initiatives, KBL has committed to planting 1 million trees, 200,000 every year, for this initiative.

**Sponsorships**

Through our Tusker brand, we participated in the inaugural Tembo Naming Festival, and sponsored the naming of two elephants at Amboseli National Park. The funds raised will be used for elephant conservation by the Ministry of Wildlife.

We also sponsored the third Kenya Association of Manufacturers (KAM) Youth Sustainability Conference in Q2 F22, which brought together youths from across the country, to discuss and collaborate on championing behaviour change towards sustainability, waste, environmental conservation and responsible drinking.

**TANZANIA**

**Enhancing water usage efficiency and our commitment to emission reduction**

As of March 2022, water usage ratio had improved to 3.95 L/L which represents a reduction of 7.6% compared to the same period the previous year.

This reduction is equivalent to a water saving of 40 million litres,

and has been achieved through the implementation of focused improvement projects across the various sections of our brewing sites, and robust short interval controls.

In addition, the Energy Usage ratio has improved by 1% to 1.66 MJ/HL. There are planned initiatives to further accelerate energy usage reduction in F23. On the other hand, in our endeavour to curb emission at Scope 1 and 2 levels, all three sites have transitioned to use of LPG forklifts which have lower emission than the previous diesel forklifts.

Additionally, all three sites have met their Zero Waste to landfill targets. Looking into F23, there are Capex investments that have been planned to support a significant reduction in thermal energy usage as well as Green House Gas emission at our Moshi and Mwanza Breweries.

**Water of Life**

Since 2010, we have invested over TZS 1.5 billion on 23 boreholes and other forms of water projects around the country as part of our life-saving Water of Life (WoL) initiative geared towards availing safe and clean water to impoverished rural communities where, previously, women and children journeyed many kilometres to ponds and perennial rivers to fetch water.

This year, SBL's WOL programme handed over a Water Treatment Plant to residents of Basuto village in Hanang District of Manyara region.



Diageo CEO Ivan Menezes and EABL Group Chairman Martin Oduor-Otieno presided over the commissioning of the biomass facility at the plant in Nairobi.





SBL's Nalgonda Water Treatment Plant at Basuto in Manyara Region

Known as the Nalgonda Water Treatment Plant, and with a capacity to serve 14,000 people, the project is set to deliver safe and clean water to four villages in Basuto Ward.

Prior to embarking on the project, water supply from Lake Basuto to the community required urgent treatment after laboratory tests revealed that the level of fluoride in the lake water was above the recommended World Health Organisation (WHO) standards. The treatment plant has a capacity to purify 900,000 litres of water in 12 hours, which is sufficient to meet, and exceeds Basuto Ward's current average daily water demand of 700,000 litres.

The project was done in partnership with WaterAid Tanzania and the Government of Tanzania.

The Water of Life project in Basuto is part of similar initiatives that SBL has undertaken in eight other regions in the country, providing over one million beneficiaries with clean and safe water.

## UGANDA

### Curbing Carbon emissions

Currently at approximately 85% complete, the £8.56 million Uganda Biomass Project epitomises our commitment to mitigating environmental harm and creating shared value between the business and the community.

We are leading the manufacturing sector in Uganda on carbon and water sustainability. With this new Biomass project, UBL will be able to

**“ We will require the supply of sustainable fuel alternatives such as coffee husks, rice husks and sugar bagasse which will build a new value chain, putting us at the forefront of local raw materials sourcing. ”**



UBL officials pose for a picture upon inspecting the water and sanitation facility at the Kireka Home of Disabled.

realise an unrivalled CO<sub>2</sub> emissions reduction by about 90%.

We will require the supply of sustainable fuel alternatives such as coffee husks, rice husks and sugar bagasse which will build a new value chain, putting us at the forefront of local raw materials sourcing.

Additionally, to address climate change and water scarcity in society, under our Running Out of Trees (ROOTs) Campaign, in 2021 we planted over 1 million trees and cumulatively we have planted over 11 million trees since 2019. The campaign is a running a partnership with the Uganda Ministry of Water and Environment, and private sector peers. The success also demonstrates how partnerships are useful in increasing the scale and impact of sustainability initiatives.

### Sustainable Waste Management

In May 2021, UBL partnered with the National Environmental Management Authority (NEMA), Vivo Energy Uganda, Stanbic Bank and NBS on the Taasa Obutonde Campaign to raise awareness of the growing environmental hazards caused by irresponsible use and disposal of plastics. We called on all stakeholders to act in reducing, reusing and recycling plastic waste to mitigate environmental harm.

### Water and Sanitation

UBL is constructing 8 sanitation facilities within urban markets in partnership with the Kabaka Kingdom Foundation thereby enhancing access to clean and safe water, and sanitation, in public spaces.

Started in 2019, the project is about to be completed and is scheduled to be commissioned in July 2022. Over 15,000 people will benefit from this project.

In Q2 F22, the company also built a water and sanitation facility for Kireka Home of Disabled that looks after 80 individuals who are differently abled. The access to clean and safe, made available by UBL's contribution, has been highly welcomed by the beneficiaries who have thanked and commended the company for its generous support.

## MEASURING AND REPORTING

We have designed a series of distinct key performance indicators to ensure that our progress against Society 2030 is justifiably measured, evaluated and reported.

The following captures our Sustainability Performance for 2022.

TARGET	KEY PERFORMANCE INDICATOR	NOTES ON OUR PROGRESS
<b>PROMOTE POSITIVE DRINKING</b>		
<p>Champion health literacy and tackle harm through DRINKiQ in every market where we live, work, source and sell.</p> <p>SDG alignment: 3.4; 3.5; 17.16</p>	<p>Unique site visits to DRINKiQ</p> <p><b>104,489</b></p>	<p>This is <b>317%</b> of our annual target for 2022 to reach 33,000 people. It is also a significant increase from 2021, where we had 8,158 unique site visits to DRINKiQ. This increase is predominantly due to the launch of DRINKiQ in Tanzania and Kenya in both English and Kiswahili. DRINKiQ is our mobile friendly, e-learning tool designed to provide consumers with the information they need to make positive decisions around drinking responsibly and tackle myths around drinking alcohol.</p>
<p>Scale up our SMASHED partnership, and educate 35,500 young people, parents, and teachers on the dangers of underage drinking.</p> <p>SDG alignment: 3.5; 12.8; 17.16</p>	<p>People educated through SMASHED partnership</p> <p><b>48,690</b></p>	<p>This is <b>137%</b> of our annual target for 2022. We surpassed our annual target of 35,500 people to reach a total of 48,690 young people, parents and teachers across East Africa. We were able to surpass our 2021 numbers (2,245 people) due to the launch of our SMASHED partnership in Tanzania and Kenya. SMASHED partnership was piloted in regions where our research showed high prevalence of underage alcohol consumption.</p>
<p>Promote changes in attitudes to drink driving reaching 45,000 people.</p> <p>SDG alignment: 3.5; 3.6; 12.8; 17.16</p>	<p>People educated via Wrong Side of the Road programme</p> <p><b>29,729</b></p>	<p>We aimed to educate 45,000 people through our Wrong Side of the Road Programme. However, we managed to reach 66% of our annual target – 29,729 people. The gap was mainly as a result of an online access issue which led to a change in the mode of delivery of the programme. In 2023, the programme will be mainly delivered through face-to-face interactions.</p>
<p>Leverage Diageo marketing and innovation to make moderation the norm – reaching twenty one million (21,000,000) people with dedicated responsible drinking messaging.</p> <p>SDG alignment: 3.5; 12.8; 17.16</p>	<p>People reached with messages of moderation</p> <p><b>7,577,715</b></p>	<p>We aimed to reach 21,000,000 in 2022, with messages of moderation this year, however we fell below our target due to data capture and reporting challenges. At the same time, we have, now, enhanced our methodologies around data capture and measuring, to a more systemic process that is corroborated across all sectors of our business.</p>

TARGET	KEY PERFORMANCE INDICATOR	NOTES ON OUR PROGRESS
<b>CHAMPION INCLUSION AND DIVERSITY</b>		
<p>Champion gender diversity with an ambition to achieve 50% representation of women in leadership roles by 2030.</p> <p>SDG alignment: 5.5; 8.1; 10.2; 10.4</p>	<p>Percentage of female senior leadership</p> <p><b>36%</b></p>	<p>Whilst this is a global target, we have seen great improvements across EABL. In Tanzania, we have achieved a 26% number of women employees up from 17% in 2021. This has included an All-Women team to run the end-to end operations of our new spirits production facility at our Moshi brewery. Similarly, one of our production lines in Uganda is managed by a team made up of 75% women. We also credit our STEM apprenticeship programme as a key contributor in ensuring that more opportunities are afforded to women who have the technical skills.</p>
<p>Increase the percentage of diverse suppliers across our value chain:</p> <p>10% by 2025 and 15% by 2030</p> <p>SDG alignment: 5.5; 5B; 10.2; 10.4</p>	<p>Spend with diverse suppliers as percentage of total influenceable spend</p> <p><b>N/A</b></p>	<p>We are designing the frameworks to be able to report on market level performance, as our target and outlook are set for 2025. But it is worth noting the work we are doing with people with disabilities, (PWDs), to ensure that they have opportunities to contribute to our supply chain as well as work directly in our operations. SBL launched a three-pillar strategy to promote inclusion of PWDs as an employer, advocate and partner. SBL now has six employees with disabilities with the goal to get to 4% representation in its labour force. KBL has onboarded a total of 71 farmers with disabilities as part of our contractual farming programme, with the goal to get to 3% representation in our supply chain. Additionally, UBL has developed an inclusive internship programme to recruit PWDs. The programme has so far introduced ten interns with disabilities for 6-month tenure.</p>
<p>Provide business and hospitality skills to 3,220 people, increasing employability and improving livelihoods.</p> <p>SDG alignment: 4.4; 8.1; 8.6; 10.2; 17.16</p>	<p>People reached via business and hospitality skills programmes</p> <p><b>5,327</b></p>	<p>We accomplished <b>165%</b> of our target to reach 3,220 people through our business and hospitality skills training in 2022. This can be attributed to the transformative work being done through Learning for Life (L4L). KBL focused L4L on farmers, providing an in-depth life skills curriculum that included training on budgeting, time management and responsible drinking. Further SBL implements the Kilimo Vivanda scholarship, an award-winning programme that aims to provide support to needy students from agricultural communities across Tanzania. This year, 102 students (50% of which represented vulnerable groups: women and PWDs) were awarded scholarships to pursue diploma level agricultural courses in local colleges.</p>
<p>Through the Diageo Bar Academy, we will deliver 1.5 million training sessions providing skills and resources to help build a thriving hospitality sector that works for all.</p> <p>SDG alignment: 4.4; 8.1; 8.6; 10.2; 17.16</p>	<p>Training sessions delivered through the Diageo Bar Academy</p> <p><b>N/A</b></p>	<p>While Covid 19 dealt a tremendous blow to the hospitality sector, the Diageo Bar Academy is aiming to rebuild the sector back better. We are designing a framework to report on our progress at a market level. KBL has currently trained 9,800 workers across Kenya in the Academy, thirty-one of whom are PWDs.</p>
<p>Ensure 50% of beneficiaries from our community programmes are women.</p> <p>SDG alignment: 5.5; 5A</p>	<p>Percentage of community programme beneficiaries who are women</p> <p><b>63%</b></p>	<p>We are proud to prioritise women's engagement in all our community programmes. To this effect, we are already surpassing our 2030 target to ensure 50% representation. This is also an increase in representation by 9% from 2021 (54%).</p>

TARGET	KEY PERFORMANCE INDICATOR	NOTES ON OUR PROGRESS
<b>PIONEER GRAIN TO GLASS SUSTAINABILITY: PRESERVE WATER FOR LIFE</b>		
<p>Improve water efficiency in our operations by 30% across the company (40% in water stressed areas).</p> <p>SDG alignment: 6.4</p>	<p>Litres of water used per litre of packaged product</p> <p><b>3.03l/l</b></p>	<p>We aimed to utilise 2.78 litres of water per litre of packaged product, however we surpassed this slightly by 0.25litres. On average across EABL, we are using 3.03 litres of water per litre of packaged product.</p> <p>We may have not reached our 2022 goal; however, we have improved water efficiency <b>by 9.6%</b> from our 2020 baseline. This is in line with our target to improve water efficiency in our operations by 30% across the company.</p>
<p>Replenish more water than we use for our operations for all our sites in water-stressed areas by 2026.</p> <p>SDG alignment: 6.1; 6.2; 6.6; 6B; 15.1</p>	<p>Volume of water replenished (m<sup>3</sup>)</p> <p><b>362,248 m<sup>3</sup></b></p>	<p>We aimed to replenish a total of 459,300m<sup>3</sup> of water from our operations in water stressed areas for 2022, however we were able to replenish a total of 362,248 m<sup>3</sup>. Whilst we did not meet our 2022 goal, we surpassed our water savings for 2021 by a <b>significant 77%</b> - 362,248m<sup>3</sup> of water replenished in 2022, versus 203,640m<sup>3</sup> in 2021. Looking forward, we are keen to meet our 2023 targets, and we have the infrastructure in place to realise the targets.</p>
<p>Invest in improving access to clean water, sanitation, and hygiene (WASH) in communities near our sites and local sourcing areas in all our water-stressed markets.</p> <p>SDG alignment: 6.1; 6.2; 6.6; 6B; 15.1</p>	<p>People reached with WASH</p> <p><b>99,317</b></p>	<p>We achieved <b>311%</b> of our target to reach 31,885 people. We have also increased our beneficiaries under WASH by 28% from 2021, where we reached 24,832 people.</p>
<p>Engage in collective action in all our priority water basins to improve water accessibility, availability and quality and contribute to a net positive water impact.</p> <p>SDG alignment: 6.1; 6.2; 6.5; 6.6; 6A; 6B</p>	<p>Water collective actions projects completed</p> <p><b>100%</b></p>	<p>We have completed 100% of our water collective action projects. These include:</p> <ul style="list-style-type: none"> <li>• Eight water projects around Kenya with over 60,000 beneficiaries.</li> <li>• SBL completed a water treatment plant in Basuto, Tanzania with the capacity to serve 14,000 people. Prior to embarking on the project, water supply from Lake Basuto to the community required urgent treatment after laboratory tests revealed that the level of fluoride in the lake water was above the recommended World Health Organisation (WHO) standards. The treatment plant has a capacity to purify 900,000 litres of water in 12 hours, which is sufficient to meet, and exceeds Basuto Ward’s current average daily water demand of 700,000 litres.</li> <li>• UBL built 8 sanitation facilities within urban markets in partnership with the Kabaka Kingdom Foundation. Over 15,000 people will benefit from this project. UBL also built a water and sanitation facility for Kireka Home of Disabled that looks after 80 individuals.</li> </ul>

TARGET	KEY PERFORMANCE INDICATOR	NOTES ON OUR PROGRESS
<b>PIONEER GRAIN TO GLASS SUSTAINABILITY: ACCELERATE TO A LOW CARBON WORLD</b>		
<p>Become Net Zero carbon in our direct operations (Scopes 1 and 2).</p> <p>SDG alignment: 7.2; 7.3; 12.6; 13.3</p>	<p>Total direct GHG emissions (Scope 1&amp;2) (kt CO2e)</p> <p><b>63.4</b></p>	<p>Whilst we are slightly off track our 2022 goal, with our Scope 1&amp;2 total direct GHG emissions above our target of 46.90 (kt CO2e), we expect to see a turnover in our Scope 1&amp;2 emissions following the operationalisation of our biomass projects in Uganda and Kenya. Rolling out biomass is part of Diageo’s biggest environmental investment in Pan-Africa, positioning us as a trailblazer and leader in environmental stewardship and conservation. We have invested in four biomass boilers in our Kisumu and Tusker plants to help reduce our carbon emissions by 95% (about 42,000 tonnes) per year. In Uganda, the £8.56 million investment will be able to realise an unrivalled CO2 emissions reduction by 90%. SBL is also working towards curbing direct emissions and all its three sites have transitioned to the use of LPG forklifts which have lower emission than the previous diesel forklifts.</p>
<p>Use 100% renewable energy across all our direct operations.</p> <p>SDG alignment: 7.2; 7A; 17.16</p>	<p>Percentage of renewable energy in our own operations</p> <p><b>25.87%</b></p>	<p>We are behind target on our use of renewable energy in our operations, given a target of 43% use of renewable energy in 2022, and an achievement of 25.87%. We are, however, using <b>1.8%</b> more renewable energy in our operations from our baseline in 2020 (24%). As noted above, with the completion of our biomass project, we expect to see a significant shift in our use of renewable energy in our operations.</p> <p>On the other hand, as a signatory to the RE100 global initiative we are also committed to 100% renewable electricity. Our sites run on 96.97% renewable electricity for our operations, above our internal target to use 95%. This is also an increase in the renewable electricity utilised from our baseline recording in 2020 of 93%.</p>

TARGET	KEY PERFORMANCE INDICATOR	NOTES ON OUR PROGRESS
<b>PIONEER GRAIN TO GLASS SUSTAINABILITY: BECOME SUSTAINABLE BY DESIGN</b>		
Achieve zero waste in our direct operations and zero waste to landfill in our supply chain.  SDG alignment: 12.5; 12.6	Total waste to landfills (tonnes) from our direct operations  <b>0</b>	We have maintained zero tonnes of waste to landfill from our direct operations mainly through re-use, recycling and composting of all our waste generated through our supply processes.
Achieve 10% average recycled content in our plastic bottles by 2025.  SDG alignment: 12.5; 12.6	Percentage of recycled content in plastics  <b>0%</b>	Across our markets, we are using returnable glass bottles, except for our UBL business. We are currently looking for potential r-PET suppliers to partner with us at our UBL business, which will lead us to start making traction on this target in 2023.
Ensure 100% of our plastics is designed to be widely recyclable (or reusable/ compostable) by 2025.  SDG alignment: 12.5; 12.6	Percentage of plastics that is widely recyclable/ reusable / compostable  <b>100%</b>	Majority of all our plastics used are widely recyclable, reusable and compostable. In 2022 we achieved a success rate of over 99%. This is higher than 2021, where 90% of our plastics were widely recyclable, and higher than our 2022 target of 98%.
<b>DOING BUSINESS THE RIGHT WAY</b>		
Adherence and level of commitment to our codes of conduct and global policies.	Total confirmed breaches of our Code of Business Conduct  <b>17</b>	All allegations are taken seriously, investigated, and where required, consequence management is performed. We monitor all breaches to identify trends and root causes where further action may be required.

[1] A comprehensive review of our performance will be provided in our 2022 EABL Sustainability Report. Please refer to the relevant section on our reporting methodologies for more information on how data has been compiled, including standards and assumptions used.

# Doing Business The Right Way



*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. Compliance and business integrity are non-negotiables. We go beyond the basics of risk and compliance to encourage the right behaviours and attitudes everywhere, every day.*

### Human Rights

Everyone who works at EABL is a custodian of our trusted reputation. As part of the 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 identified three external risks as particularly salient to our business: labor 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 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.

### 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.

### Business Integrity

EABL is committed to conducting its business responsibly and in accordance with all laws and regulations to which its business activities are subject. We hold ourselves to the principles in our Code of Business Conduct, which is embedded through a comprehensive training and education programme for all employees. Our employees are expected to act in accordance with our values, the Code of Business Conduct and in compliance with applicable laws and regulations. Additionally, we undertake annual mandatory global training, with an integrated Annual Certification of Compliance (ACC) for all employees. This was completed by 100 percent of eligible employees in November 2021. Global training is delivered in an easily accessible e-learning format through the E-Learning Hub.

This year, we refreshed our third-party risk programme to include additional mitigations to the increased risk of economic sanctions. We assess all our business partners for potential economic sanctions and compliance risks such as bribery and corruption, money laundering, facilitation of tax evasion, data privacy or other reputational red flags and implement additional due diligence processes on those parties that pose a potentially higher risk.

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. Additionally, we encourage employees to come forward to their line manager, legal, HR or risk and compliance and business integrity partners.

This year, 53 allegations of breaches were reported, a 96% increase versus the same period last year. This is mainly attributed to employees returning to the office as all our people have now resumed work at their normal duty stations post the Covid 19 pandemic and were therefore able to spot and report potential breaches through the above channels. The substantiation rate of allegations decreased compared to last year with 32% of cases confirmed as a breach. All allegations are taken seriously, investigated and where required consequence management is performed. We monitor all breaches to identify trends and root causes where further action may be required.



### Effective risk management

Well managed risk lies at the heart of our performance ambition. Effective risk management drives better commercial decisions, protects our assets and supports a growing, resilient, and sustainable business

The executive management and the board are responsible for maintaining sound risk management and internal control systems and determining the nature and extent of the risks that the Company is willing to take to achieve its strategic objectives.

We classify our risks into the following categories:

- Strategic
- Compliance/regulatory
- Operational
- Financial

### Our Principal Risks

We perform an annual review of the risks our business faces across all the three markets. Each market undertakes an annual risk assessment, establishes mitigation plans and monitors risk on a continuous basis. Risk registers, based on a standardised methodology, are used to identify, assess and monitor the key risks (both financial and non-financial) faced by the business. Information on prevailing trends, for example, whether a risk is increasing or decreasing over time, is provided in relation to each risk and all identified risks are assessed at four levels (very high, high, moderate and low) based on their impact and likelihood. Mitigation plans are put in place to manage the risks identified and the risk registers are reviewed and updated on a regular basis. Risks that can be partially mitigated through insurance are also identified and evaluated. We focus our insurance resources on the most critical areas or where there is a legal requirement, seeking a balance between retained risk and risk transfer.

Below is our risk management framework



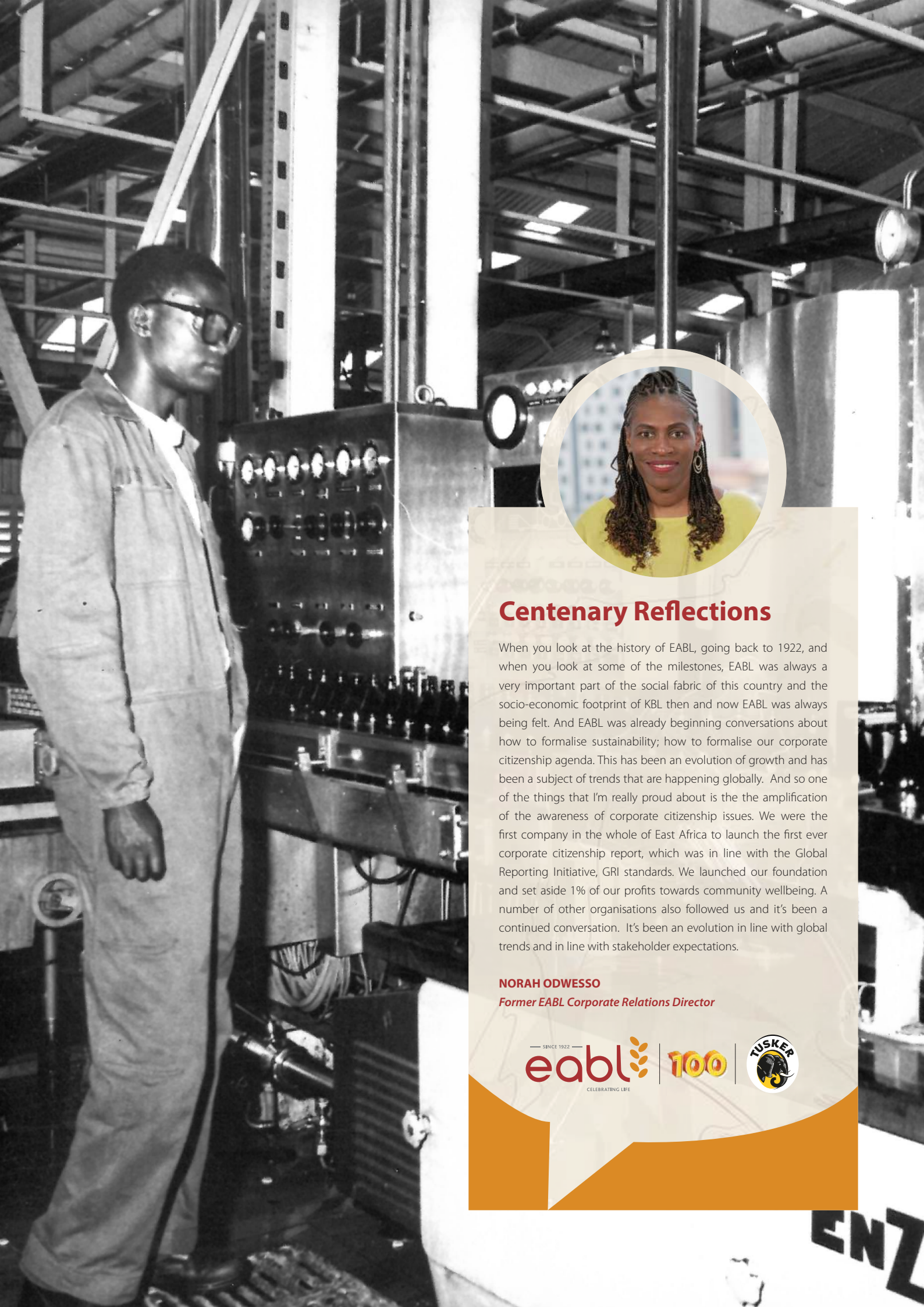


**Top Business Risks**

While our approach to risk mitigation and assessing risk appetite has not changed materially, there continues to be a focus on identifying and assessing potential emerging risks. These can be newly identified risks or known risks that have evolved over time. The Executive and Board formally review emerging risks. Below are the EABL top risks.

This list does not include all our risks, and the risks listed are not set out in order of priority.

Risk and Impact	How we mitigate
<p><b>Regulation and indirect tax</b></p> <ul style="list-style-type: none"> <li>Unpredictable and aggressive tax, legislative and regulatory environment results in unexpected changes in legislation, government directives and/or restrictions on the marketing and sale of alcohol.</li> <li>Implementation of Data privacy regulation coupled with any failure or perceived failure regarding protection of personal data may result in significant fines, which could have a material adverse effect on our business, operating results or reputation.</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring and, where appropriate, express views on the formulation of tax laws either directly or through trade associations or similar bodies.</li> <li>We have continued to be at the forefront of industry initiatives to promote positive drinking, including responsible drinking at home, and other awareness-building programmes.</li> <li>We run multi-year public policy engagement to minimise risk and unlock tax, trade and regulatory opportunities.</li> <li>Our vendors must comply with our standards of collecting and processing of personal data relating to consumers, employees and partners.</li> <li>All customer and consumer activities that include processing of personal data must comply with our internal controls, codes of conduct and data privacy policies.</li> <li>We deliver mandatory annual data privacy training to all employees.</li> </ul>
<p><b>Volatile and challenging macroeconomic environment compounded by the impact of Covid 19</b></p> <p>As a result of the pandemic, the economy continues to experience slowed business activities, increased levels of unemployment and inflation resulting in reduced consumer purchasing power and financial loss.</p>	<ul style="list-style-type: none"> <li>We have a highly diversified portfolio of brands to ensure coverage of consumer occasions, trends and price points.</li> <li>Review and rationalise cost base and cash position in line with the inflationary pressure on inputs in order to mitigate financial impact.</li> <li>Accelerated development of the e-commerce and off-trade channels.</li> </ul>
<p><b>Supply chain disruptions and impact of geo-political tensions</b></p> <p>Supply chain constraints and disruptions in raw, packaging and other auxiliary materials due to the Covid 19 pandemic, global geo-political tensions (Russia-Ukraine war), climate change and overreliance on single suppliers results in material shortages, escalating material costs, increased shipping costs, lost production, lost sales and financial loss.</p>	<ul style="list-style-type: none"> <li>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, as well as cultivation of alternative suppliers in case of supplier failure.</li> <li>We have adapted our grain varieties to secure grain supplies amidst unpredictable rainfall.</li> <li>We continue to focus on building government stakeholder relationships to build a better support network throughout our supply chain.</li> <li>Resource scarcity issues identified and mitigated, especially within agricultural ingredient sourcing and manufacturing as well as efficiencies in water and energy usage.</li> <li>'Society 2030: Spirit of Progress' strategy launched and operationalised to deliver against key targets and longer-term goals.</li> </ul>
<p><b>Illicit trade</b></p> <p>Growing illicit trade (counterfeit, contraband, substandard and unregulated products) and infringement of IP (intellectual property) results in financial and reputational exposure.</p>	<ul style="list-style-type: none"> <li>Anti-counterfeiting measures embedded in our packaging deter against reuse, making our products more difficult to copy and enabling rapid authentication.</li> <li>We operate an active programme to identify high-risk areas, engage with customs and law enforcement authorities and participate in industry initiatives to monitor and prevent counterfeiting activity.</li> <li>We run an online monitoring and takedown programme across high-risk e-commerce and social media platforms, and undertake direct engagement with many platforms to create awareness and stop counterfeit listings.</li> </ul>
<p><b>Cyber threats</b></p> <p>Sophisticated cyber and IT threats, including those facilitated through breaches of internal policies and unauthorised access, could lead to theft, loss and misappropriation of critical assets and/or personal data and disruption to core business operations including manufacturing and supply, resulting in financial loss, significant fines and reputational damage.</p>	<ul style="list-style-type: none"> <li>Enterprise-wide cyber risk management processes and policies.</li> <li>Our employees engage in mandatory global e-learning and regular phishing exercises.</li> <li>Deployment of next-generation security technologies to tackle advanced attacks.</li> <li>Multi-factor authentication, single sign-on and privileged access management for sensitive applications.</li> <li>Enhanced cloud security measures.</li> <li>Strong operating procedures to ensure our cyber incident response readiness.</li> </ul>



## Centenary Reflections

When you look at the history of EABL, going back to 1922, and when you look at some of the milestones, EABL was always a very important part of the social fabric of this country and the socio-economic footprint of KBL then and now EABL was always being felt. And EABL was already beginning conversations about how to formalise sustainability; how to formalise our corporate citizenship agenda. This has been an evolution of growth and has been a subject of trends that are happening globally. And so one of the things that I'm really proud about is the the amplification of the awareness of corporate citizenship issues. We were the first company in the whole of East Africa to launch the first ever corporate citizenship report, which was in line with the Global Reporting Initiative, GRI standards. We launched our foundation and set aside 1% of our profits towards community wellbeing. A number of other organisations also followed us and it's been a continued conversation. It's been an evolution in line with global trends and in line with stakeholder expectations.

**NORAH ODWESSO**

*Former EABL Corporate Relations Director*



# Supply Footprint

*We aim to invest smartly and create end-to-end supply chain agility and flexibility to guarantee consistent, great quality, unconstrained supply in support of our TBA growth ambition.*

The supply operation in EABL continues to rally behind the company's strategic ambition, as we play our part by guaranteeing consistent, great-quality supply through an advantaged but fit-for-purpose value chain footprint in the most cost-efficient manner.

The success of our delivery is anchored on the key pillars of health and safety, sustainability, quality and cost-effectiveness, underpinned by the value we have for our people.

### HEALTH AND SAFETY

We are committed to ensuring that the health, safety, and welfare of all our employees, contractors, and visitors while in any of our sites and office facilities and going home safe remains our number one priority.

All these are achieved by enforcing occupational health and safety policies, compliance to all applicable occupational health and safety legislation and Global Risk Management Standards. This is conducted in line with Diageo Zero harm agenda driven to ensure our processes and activities are safely conducted.

Some of the key initiatives in place this year are:

- Implementation of the 'Diageo Life Saving Rules' programme with the key agenda being to raise the level of awareness on 11 Life Saving Rules and as a result mitigate all kinds of severe and potentially fatal accidents.
- Revision of the defensive driving curriculum to include 'Diageo Driving on the Road' standard operating procedures.
- SBL formed a sprint team tasked to deliver a step change in Third Party Logistics Transport safety anchored on the 5 pillars of Driver management, Vehicle management, Trip and Journey management, Health and Safety Management and Safety Organisation structure.
- As part of a fleet safety programme, SBL has also mandated vehicle tracking for all distribution trucks to track the 3PL truck movements and monitor adherence by the drivers to all safety protocols with an intention to eliminate on-road safety incidents and accidents.
- A forklift safety sprint team has also been constituted to focus on winning the hearts and minds of forklift operators to reduce the number of near misses related to forklift operations onsite.
- Establishment of programmes that support mental and emotional well-being. This is in the form of engagements with subject matter experts on topics such as emotional well-being, personal financial management and work-life balance management.

As a result of the focus on health and safety, EABL supply continues to rank as leading on Total Recordable accidents per 1,000 full-time employees, with a score of 1.03 versus the Diageo target of 3.5.



### SUSTAINABILITY:

As part of our commitment to being a reputable corporate citizen and earning our social license to operate in the communities in which we operate, EABL supply has made continuous improvements in the utility usage ratios across all our markets.

The business has invested in sustainability projects in three sites - Kenya (Tusker and Kisumu) and in Uganda, in the form of water recovery and biomass plants. Commissioning of the biomass plants in the Kenyan sites started in June 2022, and is targeted to be completed in August 2022, while the commissioning of the UBL biomass plant will begin in August 2022.

The water recovery plants in all sites are fully operational.

- EABL water usage has reduced from 3.34L/L of alcohol brewed in F21 to 3.03L/L at the end of this year.
- All sites have achieved zero waste to land fill.
- Once in use, the biomass plants are targeted to reduce circa 11,000 and 30,000 kilo tonnes of carbon per annum for Uganda and Kenya respectively. This equates to approximately a 95% reduction in scope 1 carbon emissions in those sites.

In addition to this, we continue to drive local raw material sourcing and supporting local farmers to ensure sustainable sourcing.

### QUALITY

In meeting our consumer needs, quality continues to take centre stage of the supply operation. Our high-quality standards have been achieved through some of the initiatives below:

- Use of technology to drive control: Quality processes are fully automated and controlled from a computerised system referred to as the SCADA system (Supervisory Control and Data Acquisition).



Sorghum farming has received a boost since we started using it for brewing Senator. In the western region of Kenya, where KBL Managing Director John Musunga is pictured above, we have recruited 17,000 farmers as suppliers.

- Benchmarking and leveraging on Diageo Global Operational Excellence teams and other industry experts to continuously drive quality improvements across our supply chain and rapidly propel EABL Supply to among the top performing organisations within the group.
- On time execution of critical to quality engineering routines.
- Ensuring compliance to the codified brewing and packaging process through the Codex and Diageo Way of Brewing programmes.
- Application of high-quality standards for sourcing of raw materials.

During this financial year we have seen the East African Maltings Limited recognised for improving the quality standard of their malt and upgrading it to international standards. This enabled the business to export malt to Uganda and Tanzania whose supply chain had been disrupted by Covid 19.

**PRODUCTIVITY:**

EABL supply operations team prides itself in delivering sustainable, quality supply in the most cost-efficient manner. We seek to consistently mitigate the impact of inflation and continuously drive down our cost of production.

Our various productivity initiatives seek to:

- Source quality materials and services at the best value.
- Continually run initiatives to improve the production process in a bid to attain the best operational efficiencies.

- Re-engineer processes to deliver best quality products at best value.
- Review our logistics and distribution processes to weed out inefficiencies.

Our productivity initiatives through the year delivered savings enough to counter the absolute impact of cost inflation and mitigate the impact on gross margins.

**PEOPLE:**

Our people agenda is anchored on the following priorities;

- Agile and highly engaged teams by leveraging our site engagement councils and structured reward and recognition systems.
- Succession depth and a solid talent pipeline through robust talent conversations.
- Accelerating frontline capability and frontline leadership through targeted functional training interventions and supervisory leadership programmes.
- Increasing female gender diversity by providing equal opportunities for female employees within our organisation. In SBL, the STEM apprenticeship programme saw the recruitment of 10 ladies to train under the operations team. The business also launched the mainstream spirits line operations managed by an all-female team. The new returnable packaging line in UBL has been fully resourced with an over 75% female crew in a bid to drive inclusion and diversity.

**AWARDS & MILESTONES:**

As we celebrate 100 years of the existence of Tusker the KBL flagship brand, we acknowledge that the longevity of the brand has been anchored on consistency in quality and best practices in the Tusker plant.

Tusker brewery being the most mature brewery in EABL has been the pacesetter to which Uganda and Serengeti breweries look up to in many aspects including;

- The introduction of innovations into EABL and extension to Uganda and Serengeti breweries.
- It was the first site in EABL to achieve the zero waste to landfill status.
- This year, the site attained benchmark status in utility efficiencies delivering the lowest water utilisation ever recorded.
- The stellar performance of the Tusker brewery supply operations continues to reflect both internally and externally through various awards and recognition.

In the past year the business received the awards below:

- Kenya Association of Manufacturers (KAM) Energy Management Awards (EMA)
  - ✓ Overall winner, Energy Management Award
  - ✓ Winner, Renewable Energy Award
  - ✓ Winner, Water Conservation Award
  - ✓ Winner, Electricity Savings Award – Nairobi Site
  - ✓ 1<sup>st</sup> runners up Best Thermal Energy Savings Award

- ✓ 1<sup>st</sup> runners up Sustained High Performance award
- ✓ 1<sup>st</sup> runners up Water Management Award
- Africa Food Industry Excellence Awards:
  - ✓ Africa Food Industry Leader of the Year
  - ✓ Africa Food Industry Emerging Leader of the Year
  - ✓ Sustainability Initiative of the Year
  - ✓ Packaging Makeover of the Year
  - ✓ New Alcoholic Beverage of the Year
  - ✓ Community Initiative of the Year

In addition, our Kisumu brewery this year won the highly coveted ‘Diageo Brewery of the Year’ award due to its demonstration of consistently high efficiencies, cost optimisation and unique self-managing model.

Uganda Breweries is also following the pace set by KBL. The UBL Team advanced its progressive culture of compliance with standards with 100% excellence recorded in all the F22 standards audits, including ISO 9001:2015, ISO 140001:2015, ISO 450001:2018, ISO 22000:2018/(HACCP) and the Uganda National Bureau of Standards Audit on innovations.

UBL plant was also ranked Best Africa site in Pack dress and Analytical Compliance by the Diageo Global Opex Annual Report on Quality.



Shadrack Muloma, Mary Wambui, Wellington Munangi & Timothy Mureithi pose for a photo with the Overall Energy Management Awards (Trophy)

# Productivity

*We have embarked on a cost sprint to structurally challenge our cost base and benchmark against best practice to drive a sustainable cost sensitive culture, offset inflationary pressures and consistently deliver margin expansion.*

Embedding everyday efficiency is one of our strategic priorities.

We continue to adapt our organisation to be more agile, flexible and digitalised. We continuously challenge ourselves to simplify and automate more of our processes and systems, enabling faster and better decision making.

Our productivity programmes are creating savings that fuel investments across our business. This year we made solid progress on our savings initiatives across all areas of procurement, manufacturing and logistics and administration. By the end of financial year 2022, we achieved Kshs. 2.5bn in savings, more than offsetting the Kshs. 1.8bn absolute impact of cost inflation, and the adverse impact on gross margin.

In manufacturing, we have leveraged technology and automation to identify material waste at a product and machine level improving operational efficiencies, while in logistics improved lane efficiencies are delivering savings. In procurement, competitive sourcing and industry-wide benchmarking helped us reduce costs through contract negotiation. In administration, we continue to simplify and standardise processes.



**We continuously challenge ourselves to simplify and automate more of our processes and systems, enabling faster and better decision making.**

EDGE 365, our sales force automation solution, is allowing us to create an efficient sales force by increasing the number of sales calls per day and reducing time spent on administrative activities.



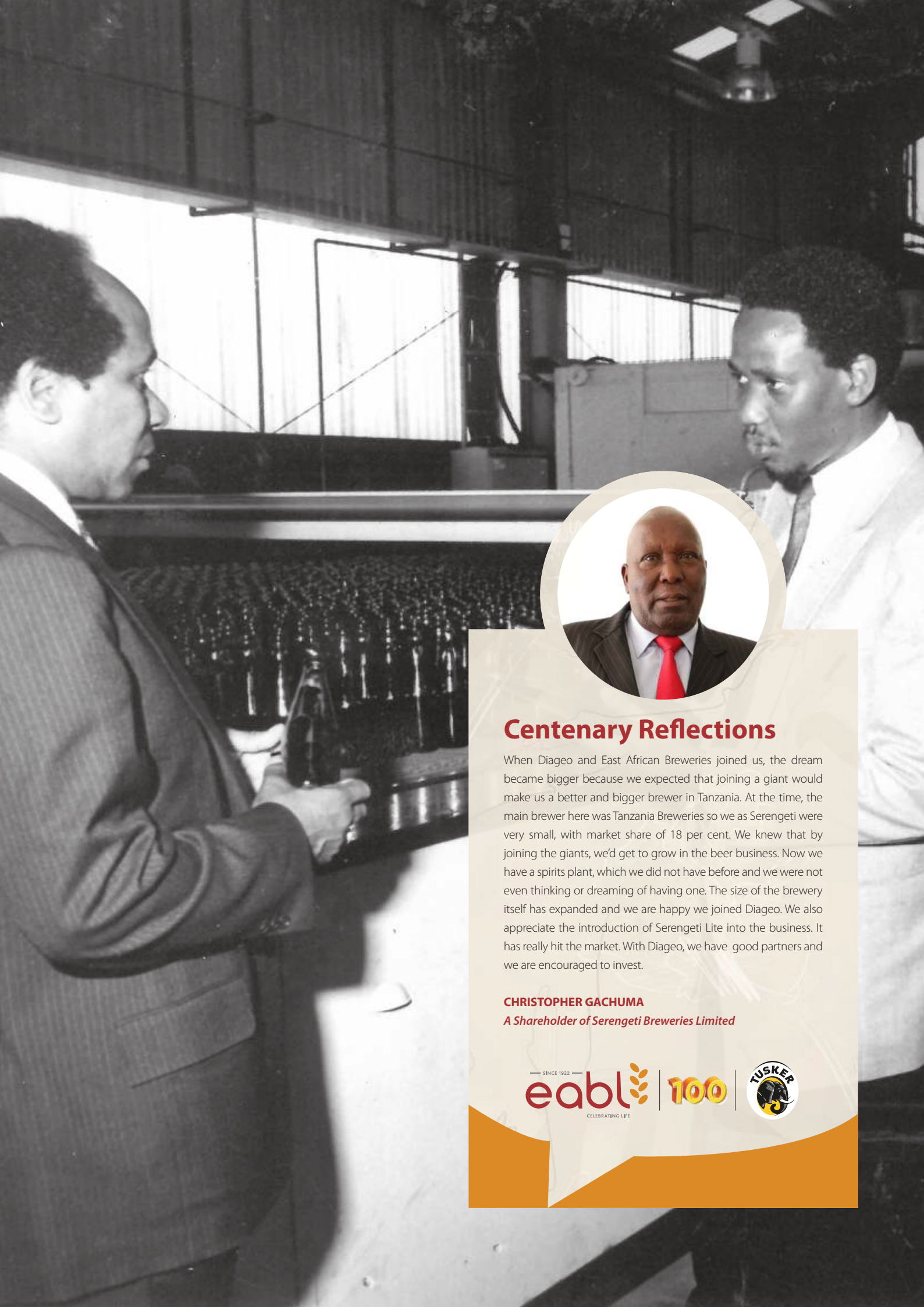
Competitive Sourcing



Waste Reduction



Lane efficiencies



## Centenary Reflections

When Diageo and East African Breweries joined us, the dream became bigger because we expected that joining a giant would make us a better and bigger brewer in Tanzania. At the time, the main brewer here was Tanzania Breweries so we as Serengeti were very small, with market share of 18 per cent. We knew that by joining the giants, we'd get to grow in the beer business. Now we have a spirits plant, which we did not have before and we were not even thinking or dreaming of having one. The size of the brewery itself has expanded and we are happy we joined Diageo. We also appreciate the introduction of Serengeti Lite into the business. It has really hit the market. With Diageo, we have good partners and we are encouraged to invest.

**CHRISTOPHER GACHUMA**  
*A Shareholder of Serengeti Breweries Limited*



# Our People

*Our most important asset is our people. EABL is committed to making an exciting, fast paced growing business where our people learn and develop to achieve and fulfill their potential. We have refreshed our culture code, articulating the behaviours we will drive and model, as we energise the organisation towards achieving our strategic goals.*

## Our People and Culture

Our culture and ways of working enable people to do their best work and for work to be a fulfilling part of life that embodies being Bold, Progressive and Connected.

We are **Bold**. Our people see a clear line between business performance and their input. To promote this, we have provided a platform for employees to speak up and be daring, a chance for our people to have an agile mindset. We give ourselves and each other the freedom to succeed because this fosters an entrepreneurial spirit. We trust each other; we're open and challenging. We always behave as a team – when we are together and apart. Bold is empowering our teams to make choices that eliminate unnecessary steps in our day-to-day processes. Bold is encouraging our staff to apply for opportunities that will enhance their career life and strategic mapping of careers that we have already seen taking effect with many lateral and international moves and promotions.

We are **Progressive**. We create focus and ownership for shaping EABL's future ambition through an enabling environment that enables our people to imagine the future and are brave to act on it now. Our people are encouraged to be fast-forward thinkers and develop new ways of doing things. In a world where many are consumed with past actions, failures and mistakes, progressive people do well to focus on what lies ahead. Our people do well to ask the right questions to propel growth. EABL is an inclusive and diverse workplace. As we leverage younger talent, we understand that their realities constantly evolve and respond with ideas and skills that match them.

We are **Connected**. We work in strong, collaborative teams, creating a total performance greater than could be achieved as individuals. The entrepreneurial spirit ingrained in the business demands that we exhibit the belief and determination of those that have gone before us to provide the best quality products to consumers wherever they are. Therefore, every one of us sells or helps to sell. All this is only complete when our brands are in the hands of consumers, being enjoyed by people worldwide.

**BOLD  
PROGRESSIVE  
CONNECTED**

We each have a responsibility to amplify our purpose internally and externally, lead bold execution in a fast-moving world, actively shape the future of the company, and harness the full potential of our talent and diversity to deliver on our ambition.

## Our People Strategy

We have tremendous talent and we want to be known for creating an environment where our people are continuously learning, enjoy a culture that is truly inclusive and diverse, where people bring their best self to work and where we are a high performing team.

Our People strategy lays out the pillars on how to have an engaged people, in that we provide learning opportunities that promote speed of performance, experimentation and deliver growth for the individual and the business. We accelerate the growth of our key talent, we drive inclusion in our business and society, inject speed and simplicity and focus our resources on the biggest growth opportunities that delight our customers and consumers, as well as fueling fulfilling employee experiences.

## Disruptive Approach to Talent as the Bedrock for People's Growth

Our disruptive approach to talent focuses on building a talent pipeline and strategically forecasting human resource needs to drive growth. We have outlined four priority areas to guarantee our plans with the right people and capabilities as we believe in creating an environment for our people that will stretch, challenge and enable them to grow themselves and the business. These areas include talent, capability, organisational effectiveness and culture, ensuring that:

- We have put in place an assurance process that focuses on how we plan, assess, and develop talent, underpinned by sound hiring practices, retention of talent and succession cover that enables us win in the marketplace.
- Our organisational effectiveness agenda seeks to simplify our business to move faster resulting in greater empowerment, creativity and risk taking in our employees, greater focus on our customers and consumers and staying ahead of competition by continuously finding ways to transform the business to thrive in an unpredictable and changing environment.
- Our recruitment and selection process ensures fair access to job opportunities and equal opportunity as we focus on diversity hiring irrespective of background, disability, religion, gender or ethnicity. We track KPIs on a quarterly basis to ensure a balanced approach of internal moves versus external recruitment in line with our Buy/Build strategy.



- Invest in talent and career development to grow and develop our people in critical and future skills that will ensure all our people experience open and transparent conversations about their career, unlock more development opportunities, make sound talent judgement and informed talent decisions, take bold bets on internal talent, and give employees better clarity on what it would take to grow and develop at EABL.
- Our talent not only meets business objectives but also demonstrates potential to take up senior roles within the organisation and globally. EABL has been recognised within Diageo as a net exporter of talent with 14 employees on International Assignment. For example, SBL has successfully placed its former Finance Director into international assignment as Finance Director in Ghana, KBL also successfully placed a local senior finance leader to a Finance Director position in Japan, among others. There have been targeted interventions put in place such as executive coaching, training and cross functional projects to accelerate critical skills and capabilities.
- Careful thought has also been placed on Inclusion and Diversity agenda as well as on People Living with Disabilities (PLWD) during the hiring process.

**EABL Talent Programmes**

We have made a conscious effort to boost our people’s skills, embedded by our firm commitment to help our people realise and reach their full potential. To achieve this, we have numerous learning and development channels, but we also strongly believe that our leaders are key in creating the conditions for our people to succeed. Some of these are:

- **Partners for Growth (P4G)** – Our performance management system that puts performance and career conversations at the heart of the process, focusing on using and building strengths with two-way development conversations to deliver both business and personal outcomes. It supports individuals in identifying career aspirations with development actions as a priority. A philosophy of 70-20-10 principle has been adopted for development with 70% practice and experience coming from

one’s day-to-day job, 20% through coaching and mentoring, and 10% from formal traditional learning experience and e-learning. Our reward system encourages equal pay for equal work while it also recognises and rewards exceptional individual performance in alignment with real business outcomes.

In the last year we have seen an acceleration in business performance delivered through quarterly goal setting aligned to business priorities driving a culture of agility and performance with pace and urgency.

- **Graduate Programme** – A process that assesses entry-level talent with high potential to join a 3-year rotational programme in Sales, Marketing, Supply, Finance, Human Resources or Corporate Relations.
- **LEAP** – A programme designed to create breakthrough in leadership capability demonstrating the leadership standard at senior management level with a view to shift from functional to cross-functional business know-how and impact.
- **Fast Forward** – A unique learning journey for aspiring leaders who want to develop their next leadership level with increased self-awareness exploiting their full potential and supporting our business objectives. Two of our executive leaders are currently on this programme.
- **Advanced Leadership Management Programme** – A unique learning journey designed for senior leaders to accelerate their career. 10 of our senior leaders from EABL are currently on this programme.
- **Women In Leadership Management Programme** – In partnership with Strathmore Business School, we have continued to run a ‘Women in Leadership’ programme business since 2015 and have built the leadership capability of over 360 women in our business.



**Continuous Learning: Building Critical Skills for the Future**

Continuous and purposeful learning powers our performance and growth. We provide learning opportunities that drive learning in four key areas i.e., formal education, providing exposure through coaching and other interactions, providing the right tools to support learning and creating meaningful on the job learning experiences.

Our learning strategy is designed to equip learners with the best capabilities and tools to seize growth opportunities and tackle new challenges. 63 percent of our employees feel that they have access to learning and development opportunities that support their performance and growth.

**My Learning Hub** is our e-learning platform that provides access to hundreds of courses that employees would need for their own development, making it easy to find, use, share and comment on a huge range of learning options. This platform has seen completion of over 100,000 courses.

To drive functional learning in the commercial function, we launched a monthly session dubbed *‘Speak to the Expert’* in which we invite professionals and experts to speak to certain topics of relevance to our business and to our people. Topics have ranged from leadership, values, business sustainability, governance, marketing in a digital world etc. This has provided an opportunity to search and spin on topical issues creating value for our employees and for the business.

In Kenya, we launched the first ever **Reserve and Key Accounts Academy** in Africa, a 12-month capability programme aimed at securing in-house talent by establishing a pipeline from our internal pool. The select cohort will go through a training programme that will build their skills and expertise in driving reserve and luxury brands.

At EABL supply, we launched *“Elevate, let’s talk careers”*, a career engagement platform that aims to elicit exciting and thought-provoking career development conversation that is unique to supply chain functions in East Africa. During the inaugural session, we had an executive leader in Supply Chain sharing his personal career journey and thereafter, a career master class delivered by the HR Director UBL. The supply leadership team in Kenya also completed Good to Great coaching training to equip them with coaching skills that will enable high performing teams.

**People Welfare and Rewards**

The welfare of our people remains a critical part of our growth agenda, cognizant of the fact that our performance as a company will remain robust only if they consider EABL a great place to work in. We take a Total Reward Approach, i.e., we focus on financial rewards and non-financial rewards, together, these form our employer value proposition.

To remain truly transformative to our employees, we have in place a wellbeing philosophy that works together with other progressive policies and competitive reward guidelines including:

- Quarterly and annual rewards, including annual salary reviews, performance rewards, spot recognition, functional recognition, company-wide recognition and long-service policy and guidelines.

“Our employee wellbeing continues to be our utmost priority. We believe the ideal wellbeing state is achieved when everyone is physically and mentally thriving, emotionally balanced, financially secure and socially connected.”

- A mortgage benefit scheme, partly funded by EABL, in consideration that one of the highest priorities for our employees is the ability to own a home and this aspiration is an integral part of their financial plans.
- Competitive benefits and employee programmes, for example, company product benefit, club membership for senior leaders, policy on company sponsorship for employee development i.e., training which could be functional, leadership or executive coaching, and flexible working philosophy and facilities that drive employee engagement e.g., EABL offices are designed to incorporate collaborative workspaces, an employee gym, inhouse bar, among others.
- An employees’ medical scheme and wellness programme to ensure a healthy workforce across our business. The medical scheme also includes Covid 19 related illnesses.
- A clinic fully resourced to provide general and specialist medical care to employees and their families. EABL Kenya also has an online medical platform “E-Health” that allows employees to access medical care remotely. We also partnered with the government to provide Covid 19 vaccines to employees, contractors and their dependents.

Through the above interventions we continue to fuel engagement and a fulfilling employee experience. As a result, we have maintained a voluntary attrition of less than 3% across EABL. Our end of employment policy provides general principles on termination, redundancy, retirement -both normal or early retirement - and the exit procedures applicable.

**Employee Wellbeing**

Our employee wellbeing continues to be our utmost priority. We believe the ideal wellbeing state is achieved when everyone is physically and mentally thriving, emotionally balanced, financially secure and socially connected. With our purpose front of mind, we have embraced flexible working, learnt the importance of sleep, exercise, nutrition and moderate alcohol consumption, discovered practices that support mental health, and explored the role the environment and technology play in our working lives. Our wellbeing philosophy makes wellbeing part of our everyday culture.

**Domestic & Family Abuse Guidelines**

We launched our Domestic & Family Abuse Guidelines which outline our zero-tolerance approach for all forms of domestic and family abuse, whether linked to alcohol or not, while providing practical guidance to employees and line managers on where to go for expert and confidential support.

We have centered our approach on four key pillars of action that we should all keep in mind – the 4Rs:

1. **Raise awareness** – we will recognise and build awareness of Domestic & Family Abuse at both an individual employee and community level.
2. **Reach out** – we will support and encourage impacted employees to report any concerns.
3. **React** – we will respond appropriately to disclosure by employees and provide appropriate employer support.
4. **Refer** – we will refer employees to resources to provide appropriate help.

**Menopause Awareness Guidelines ‘Thriving Through Menopause’**

We launched our Menopause Guidelines ‘**Thriving Through Menopause**’. The business is raising awareness and understanding on menopause, which is often a taboo subject. We have provided resources to employees and line managers who may be experiencing menopause, directly or indirectly. Support mechanisms available include access to counselling or mindfulness sessions through the Employee Assistance Programme (EAP) and increased flexibility where needed including flex working, or access to sick pay entitlements to deal with symptoms where appropriate. The introduction of these guidelines builds on EABL’s long-term commitment to inclusion and

diversity as demonstrated by the launch of its 10-year sustainability plan, Society 2030: Spirit of Progress.

**Building an Inclusive and Diverse Culture**

We believe that an inclusive and diverse culture makes for a better business and a better world, so we champion inclusion and diversity across our business and with our partners and communities to celebrate diversity and help shape a tolerant society. To achieve this, we have set ourselves targets by 2030 with an ambition to achieve 50% gender representation across the business, 3% representation of People with Disabilities across our value chain.

In the last 6 years we have shifted female representation by 18% at EABL board level, 18% at executive level, and 9% overall through a shift in our policies and practices while also focusing on gender parity in our extended workforce. Currently, we are at 31% gender diversity across EABL.

To support our female employees, we offer 6 months paid maternity leave to allow them time to focus on raising young families and also thrive at work at the same time. In addition, we have in place the “*EABL Spirited Women*” a women’s networking initiative across EABL providing the opportunity for female employees to connect and bond, promote awareness on a variety of gender related topics through





*In the workplace, we have introduced policies and programmes to respond to incidents of violence, sexist and/or discriminatory behaviour, and guidelines to protect those going through life events. We have implemented a flexible work policy as a tool to assist those experiencing life events like menopause or those going through domestic and family violence to seek protection or safe housing, attend court/counselling appointments and have offered adjustments to time or location of work. We are proud to evolve in this as part of our new culture commitment to be Bold Progressive & Connected, creating an inclusive culture where our people feel valued and can thrive, allowing them to be their best – both at home and at work. These guidelines also complement and will be used in conjunction with other policies and guidelines, including our Global Dignity at Work Policy, our Global Human Rights Policy, and our Wellbeing Philosophy.*

**Temitope Akinsanya** – Group HR Director, EABL.



various activities across the organisation, and provide mentorship and coaching for female employees.

We also rolled out a first ever commercial graduate programme in Kenya and Uganda hiring a total of 20 ladies.

We are promoting the inclusion of Persons with Disability across the value chain at EABL. Uganda and Kenya currently have 12 interns with disabilities. We have also scaled up the number of sorghum farmers with disabilities in Kenya in partnership with Sight Savers.

**Uganda Breweries Limited’s Journey to Disability Inclusion**

In December 2019, UBL signed up to join the Uganda Business and Disability Network (UBDN) during its launch. The UBDN is an employer-led network in Uganda working towards creating workplaces and company culture that is respectful and inclusive towards persons with disabilities.

UBL is a company that prides itself in living its values, one of them being inclusion. Under this core value, the company sought to actualise its commitment to ensure that at least 5% of its staff are people living with disabilities. This commitment was made by the UBL Human Resource Business Partner, at the UBDN launch.

As a UBDN partner, UBL participated in the first Career Fair organised by Light for the World in December 2021. The objective of the career fair was to connect job seekers with disabilities with employers that are committed to disability inclusion. From this event, UBL identified several young people with disabilities and was able to create a shortlist for the graduate internship opportunity.

To ensure that the process was disability inclusive, Light for the World supported UBL during the job interviews and orientation, including providing sign language interpreters for the hearing-impaired candidates.



*We had already been working with some people with disabilities and through them, we were able to learn what they needed to ably perform their duties. It is from this experience that we formulated a plan to create more employment placement opportunities for young graduates with disabilities.*

**Rosemary Nakuya**, HR Business Partner - UBL



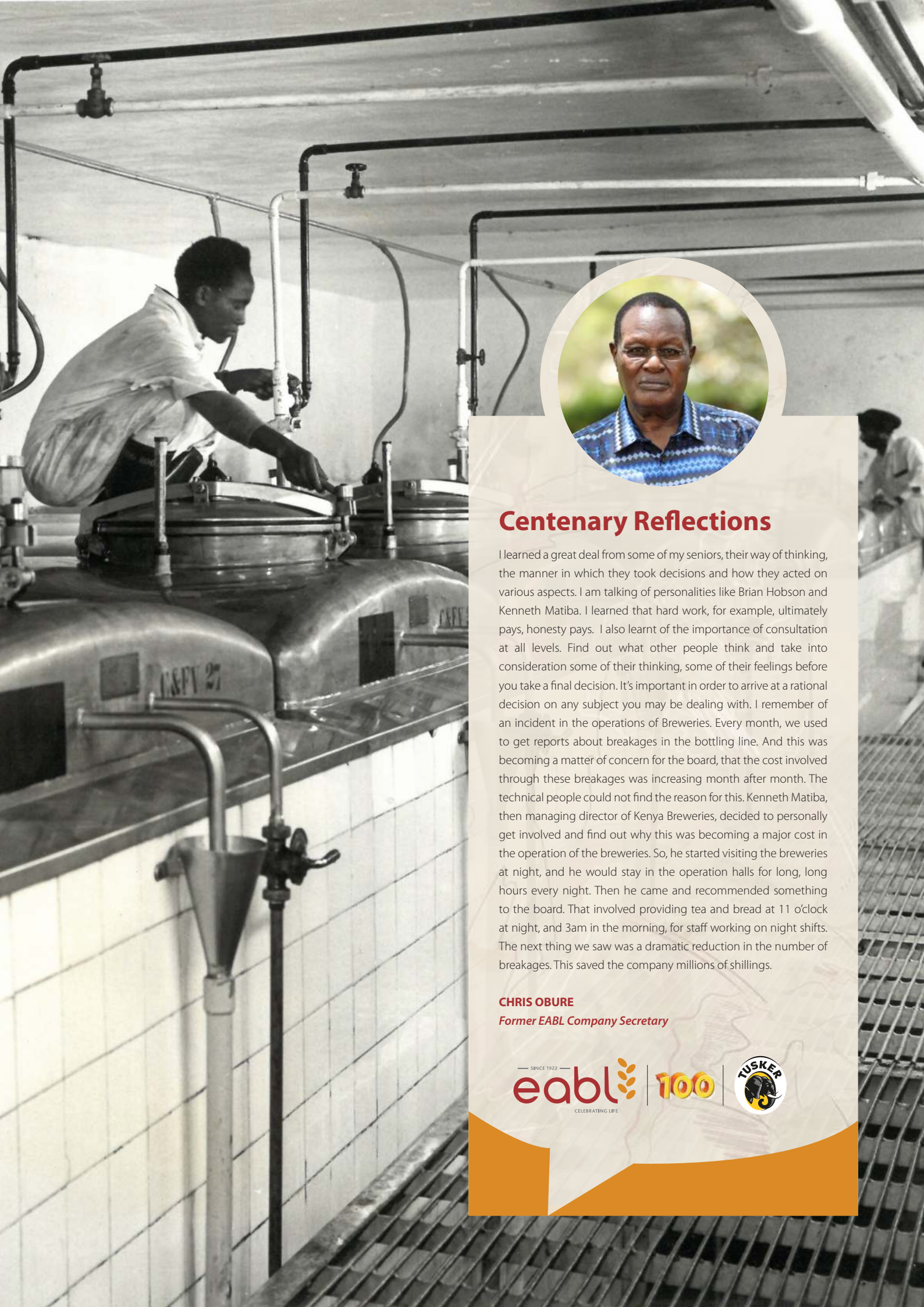


Prior to the interviews, Light for the World had provided disability awareness trainings to the UBL staff, to prepare and enable them to receive the interns with openness and better understand their needs.

From this process, UBL has been able to recruit 10 young people with disabilities for 6 months' work experience placement roles. The company is providing the interns with mentorship and on-the-job training.

The interns, who were onboarded in early March, are the first cohort under the internship programme. They were taken through a 3-day induction session, meeting with several departments, including legal, marketing, sales, and many others within the organisation. All expressed their excitement and interest in growing their careers at Uganda Breweries Limited.

**“ From this process, UBL has been able to recruit 10 young people with disabilities for 6 months' work experience placement roles. The company is providing the interns with mentorship and on-the-job training. ”**



## Centenary Reflections

I learned a great deal from some of my seniors, their way of thinking, the manner in which they took decisions and how they acted on various aspects. I am talking of personalities like Brian Hobson and Kenneth Matiba. I learned that hard work, for example, ultimately pays, honesty pays. I also learnt of the importance of consultation at all levels. Find out what other people think and take into consideration some of their thinking, some of their feelings before you take a final decision. It's important in order to arrive at a rational decision on any subject you may be dealing with. I remember of an incident in the operations of Breweries. Every month, we used to get reports about breakages in the bottling line. And this was becoming a matter of concern for the board, that the cost involved through these breakages was increasing month after month. The technical people could not find the reason for this. Kenneth Matiba, then managing director of Kenya Breweries, decided to personally get involved and find out why this was becoming a major cost in the operation of the breweries. So, he started visiting the breweries at night, and he would stay in the operation halls for long, long hours every night. Then he came and recommended something to the board. That involved providing tea and bread at 11 o'clock at night, and 3am in the morning, for staff working on night shifts. The next thing we saw was a dramatic reduction in the number of breakages. This saved the company millions of shillings.

**CHRIS OBURE**  
*Former EABL Company Secretary*

