



Emerging
Stronger
A better Future



Emerging stronger: A better future

“ **Our company recorded 15% growth in revenue to Kshs 86 billion for the year ended June 2021. Profit before tax was up 2% to Kshs 10.9 billion. The slower profit growth was driven by the impact of cost inflation, adverse foreign exchange and tax charges.** ”

EABL witnessed significant business growth in Fiscal year 2021 on the back of improved year-on-year operating environment and rapid adaptation of our ways of working to respond to shifting consumer behaviour across East Africa. The COVID-19 pandemic continued to disrupt our operations, impacting how we run our business and posing significant challenges to our consumers. Nationwide curfews and the need for social distancing impacted sales in bars and restaurants, as these on-trade channels operated within restricted opening hours in Kenya and Uganda, our largest markets.

Notwithstanding, the EABL team executed our strategy with determination, consistency, and clarity to deliver better, leveraging our wide portfolio of brands and route to market diversity across East Africa.

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Market Highlights for the Financial Year

Kenya: Kenya Breweries Limited (KBL) registered 10% year on year revenue growth, with H2 growing 45%, off-setting a 10% decline in H1. Performance was driven by expanding and adapting the product portfolio to meet emerging channels and new consumer occasions while continuing to invest ahead on our strategic brands.



Profit after tax

1% ↓

Profit after tax for the period however declined 1% to Kshs 7 billion, impacted by cost inflation, tax and foreign exchange fluctuations.

Uganda: Uganda Breweries Limited (UBL) revenues grew 33% year-on-year, with beer and spirits both recording double-digit growth. Growth was driven by the business' agility in response to the changing consumer shifts and emerging channels. The business also invested in capacity expansion to support sales growth in line with EABL's strategy.

Tanzania: Serengeti Breweries Limited (SBL) revenues were up 15%, with beer and spirits both registering double-digit growth. The business sustained strong growth through investment behind the brands and capacity expansion for both beer and local spirits production.

As we steered the first full year of the pandemic, we maintained focus on the recovery of the business, cost management to keep margins and the integrity of the business. We also empowered our people to execute better with less operating time.

The pandemic has been characterised by interesting shifts in the way people consume our products, channels they use and categories of beverages they consume. Realities brought about by the pandemic led us to pivot towards participation in low-tempo and casual occasions, gatherings with friends and families.

Our understanding of this shift has driven robust growth in our e-commerce and off-trade sales. We now have our own e-commerce channel – partycentral.co.ke – and have developed partnerships with a set of established e-commerce platforms that deliver to our customers. Even as off-trade channels naturally fuelled strong growth in spirits, we steered our supply and commercial operations to respond to the shifts and extended our portfolio to drive beer. More of our beer is now available in cans, packed in convenient formats and available in more off-trade channels for our consumers to enjoy.

To deliver better margins, we maintained our focus on cost efficiency, especially on our discretionary spending, and used the new and emerging channels to reach our customers. The adjustments we made in the business paid off as net sales increased to Kshs 86 billion, slightly higher than sales in F19, demonstrating consistent growth.

Profit after tax for the year however declined 1% to Kshs 7 billion, impacted by cost inflation, tax and foreign exchange fluctuations. Further, the COVID-19 related tax reliefs in Kenya on corporation tax and VAT ended in December 2020, resulting in higher tax charges for the year as the rates reverted back to pre-COVID levels.

Uncertainty in the external environment persists, despite the measures taken to deal with the COVID-19 pandemic and therefore the need to conserve cash to support the business. The Board of Directors does not recommend a final dividend and is confident that the strategy and other activities going forward will enable the company to get back to a financially assured position.

EABL's performance this year demonstrates good foundation for sustained growth. Our optimism is boosted by ongoing vaccination efforts across our markets to protect people. Whereas growth during the year provides momentum for further growth, the investments we have made, the new channels we have adopted and consumer trends adapted will potentially deliver a robust platform to extend F21 performance.

Pursuing profit goes hand-in-hand with responsible corporate citizenship - placing employees and community at the forefront of its operations. Under Diageo's Society 2030: Spirit of Progress, EABL aims to deliver a positive impact on society everywhere we live, work, source and sell.

During our Fiscal year 2022, we will maintain our focus on investments in sustainability, where we aim to deliver renewable energy and recycle our water. These are long-term aims, and we have resolved, despite the circumstances, to have sustainability top of mind among our people and partners. The pandemic has proved that only the agile and the innovative will survive in the long-term and we shall continue to approach the improvement of our processes and the impact of our investments in sustainability with the same spirit.

In highlights, some of the milestones we have reached this year under each pillar include:

- Promoting Positive Drinking**
 More than 13 million people across the region were reached through the positive drinking campaign and the Red Card under the 'Cool Teens Don't Drink' campaign.
- Championing Inclusion and Diversity**
 The Science, Technical, Engineering and Mathematics (STEM) programme continued to prosper. We introduced all-female packaging lines in Tanzania and Uganda.
- Preserve Water for Life**
 Our Water of Life programmes across the region replenished close to 200,000 cubic metres of water. More than 30,000 people in water stressed areas now have access to the life-giving resource.
- Accelerate to a Low-carbon World**
 Our investment in new water recovery, purification and reuse facilities yielded savings of more than 1.2 billion litres of water annually.
- Become Sustainable by Design**
 More than 60,000 farmers across the region supply us with barley and sorghum for brewing.

Chairman's Statement



“EABL's business during the year grew +15% in revenue compared to last year and +2% profit before tax vs prior year. This was as a result of the determination and resilience of our employees combined with a strong portfolio of brands, and route to market across East Africa.

Dr. Martin Oduor-Otieno
Group Chairman

Overview

Fiscal year 2021 was our first full year operating in an unprecedented global pandemic and I am pleased to report that EABL has demonstrated remarkable organisational resilience and character to emerge stronger. EABL's business during the year grew +15% in revenue compared to last year and +2% profit before tax vs prior year. This was as a result of the determination and resilience of our employees combined with a strong portfolio of brands, and route to market across East Africa.

We responded with agility and remained focused on executing smartly, leveraging emerging opportunities with consumers and trade partners. Our actions amidst this pandemic delivered significant efficiencies. We were also able to invest in the long-term future of the business. We have invested in capacity expansion in Uganda and Tanzania in line with the consumer needs as well as an EABL owned e-commerce channel; party central.

Regional Operating Environment

Even with the lingering socio-economic uncertainty, we have witnessed varying levels of economic disruption across East Africa as countries deploy different strategies to manage the spread of COVID-19 and save lives. We have redoubled our efforts to grow our business, leveraging consumer insights to respond to shifts and purchasing behaviours to guarantee business growth and sustainability into the future.

We are proud of the socio-economic contribution we continue to make in the lives of our farmers, trade partners and communities at large. Whereas deepening economic integration will help deliver growth and prosperity, we look forward to a balanced tax environment in all our markets to help us reap from our investments across our value chain.

Supporting our communities

EABL's ambition is to be the best performing, most trusted and respected consumer products companies in the region and we know we can only grow if our stakeholders prosper. Our US\$5 million "Raise the Bar" initiative is gathering pace across East Africa as we provide the much-needed support to thousands of bars impacted by Covid-19 in form of practical equipment, digital skills and contactless technology that will help them implement new government guidelines and safeguard the safety of their staff and consumers. I am pleased to say that we are seeing immediate impact in outlets where we have provided this support; for instance, we are now seeing more outdoor spaces in the outlets.

Our efforts to promote positive drinking continued with pace, with more than 13 million people reached through the positive drinking campaigns. We have continued with the STEM programme in our manufacturing sites and have introduced packaging lines in Tanzania and Uganda, fully run by our female staff, in line with our diversity and inclusion agenda.

Water recovery has been a significant part of our sustainability program, and our replenishment efforts are bearing fruit. Our Water of Life programme is one of the key initiatives in this direction and in Fiscal 2021, we replenished close to 200,000 cubic metres and made water accessible to more than 30,000 people. Our water recovery, purification and reuse facilities have so far helped save more than 1.2 billion litres of water.

We have expanded our farming community to over 60,000 across the region, ensuring that as the business grows, the value is shared more widely.

Emerging Stronger

Looking ahead, we are optimistic about the near to long-term future of this business. We are especially pleased by the projections that point to economic rebound for Kenya and Uganda in 2021, after contracting in 2020. We are glad that the General Elections in Tanzania and Uganda were completed with minimal disruption to our business. Our Tanzania business continues to deliver good performance.

Following the continued volatility occasioned by COVID-19 and the need to conserve cash, the board of directors did not recommend any dividends for the year.

We are witnessing significant resilience from our consumers and believe that the ongoing vaccine programmes will help expand economic opportunities, as incomes slowly revert to pre-pandemic levels. This will help us unleash our full potential and investments behind our brands.

We are cautiously optimistic that the headwinds of the Covid-19 pandemic will soon be behind us, and our business model and strategy are resilient to deliver the targets of the business in the medium and long-term. Going forward, we will continue to watch out for the best interests of our people, support innovation and the growth

of new channels for trade and increase our efforts to grow business across the region.

Board Changes

Since the last Annual General Meeting, Dayalan Nayager and Ory Okolloh joined the Board as non-executive directors. We welcome them to the Board and look forward to their contribution in the months and years to come.

In January 2021, Andrew resigned from the role of Group Managing Director and CEO of EABL to take up the role of Managing Director for Africa Regional Markets, Diageo plc, and Mrs Jane Karuku was appointed to take the helm. We thank Andrew for his invaluable stewardship during his tenure. We are proud to welcome Jane to steer the company to the next level.

Appreciation

On behalf of the Board of Directors, I would like to recognise and celebrate our customers, consumers, suppliers, partners and agencies as well as the governments in the respective countries in which we operate for your support. We also wish to recognize and celebrate our Management and employees for their continued agility and resilience throughout these difficult times. They have demonstrated deep commitment to the business, agility in a time of uncertainty, and the creativity and innovation that has enabled the business to adapt and take lessons from the experiences of the pandemic. We have no doubt that we will emerge stronger and with confidence to look forward to a better future. I would also like to thank my fellow EABL Board members and members of the boards of our subsidiary companies for their counsel, support and dedication throughout the year and for delivering a strong corporate governance environment.

Dr. Martin Oduor-Otieno
Group Chairman



“ **EABL’s ambition is to be one of the best performing, most trusted and respected consumer products companies in the region and we know we can only grow if our stakeholders prosper.** ”

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Dr. Martin Oduor-Otieno
Group Chairman

Kwa ufupi

Mwaka wa kifedha wa 2021 ulikuwa mwaka wa kwanza kamili kwetu kuhudumu katika kipindi cha janga la kiafya lililoathiri dunia yote. Na nina furaha kuwajulisha kwamba EABL imedhihirisha ukakamavu na sifa nzuri, na kuibuka ikiwa imara zaidi. Mapato ya EABL katika mwaka huo yaliongezeka +15% ukilinganisha na mwaka uliopita, nayo faida kabla ya ushuru ikaongezeka +2% ukilinganisha na mwaka uliotangulia. Ukuaji wa kibiashara wa EABL katika mwaka huo ni matokeo ya kujitolea kwa wafanyakazi wetu na ukakamavu wao, pamoja na mseto wa bidhaa zetu bora na pia matumizi ya njia za kuingia kwenye masoko kote Afrika Mashariki.

Tulijibu changamoto zilizotokea kwa wepesi wa kuchukua hatua na tulisalika kutekeleza mambo yetu kwa weledi, na kutumia fursa zilizojitokeza na wateja wetu na washirika wetu kibiashara. Matendo yetu wakati wa janga hili yalifanikisha uboreshaji mkubwa na kutuwezesha kuwekeza katika siku za usoni. Tumewekeza katika kupanua uwezo wetu Uganda na Tanzania kuendana na mahitaji ya wateja pamoja na mfumo wa kuuza bidhaa kupitia dijitali wa EABL ambao umepewa jina party central.

Mazingira ya Kibiashara katika kanda

Licha ya kutotabirika kulikokuwepo kijamii na kiuchumi, tumeshuhudia mvurugiko wa kiuchumi wa viwango mbalimbali Afrika Mashariki kutokana na mataifa kuchukua mikakati tofauti ya kudhibiti kusambaa kwa Covid-19 na kuokoa maisha. Tumeongeza maradufu juhudi zetu za kukuza biashara yetu.

Tunatumia vyema ujuzi wetu na maono kujibu mabadiliko kwenye tabia na mitindo ya wateja katika matumizi ya bidhaa na ununuzi na kuhakikisha tunakuwa na ufanisi siku za baadaye.

Tunajivunia mchango wa kijamii na kiuchumi tunaendelea kuutekeleza katika kufanikisha ustawi kwa wakulima wetu, washirika wa kibiashara na jamii kwa jumla. Kukoleza ufungamanisho wa kiuchumi kutafanikisha ukuaji wa ustawi, lakini tunatazamia kuwepo kwa mazingira ya usawa ya ushuru katika masoko tunayohudumu ili kutusaidia kuvuna kutoka kwa uwekezaji wetu katika mfumo wa uzalishaji.

Kusaidia jamii zetu

Ndoto ya EABL ni kuwa miongoni mwa kampuni bora zaidi za uzalishaji wa bidhaa zinazoaminika zaidi na kuheshimiwa zaidi na wateja katika kanda hii. Tunafahamu kuwa tunaweza kukua tu iwapo wadau wetu watanawiri. Mpango wetu wa “Raise the Bar”, kwa maana ya Kuinua Baa ambao ni wa thamani ya Dola za Kimarekani 5 milioni unashika kasi Afrika Mashariki ambapo tunatoa usaidizi unaohitajika sana kwa maelfu ya baa zilizoathiriwa na Covid-19. Usaidizi huu ni kwa njia ya mitambo ya kutumiwa kazini, ujuzi wa kidijitali na teknolojia ya kufanikisha malipo kupitia kadi ili kusaidia wenye baa kutekeleza masharti mapya ya serikali na kulinda wafanyakazi wao na wateja wao. Nina furaha kuwajulisha kwamba tunaona matokeo ya mpango huu katika baa ambazo tumezisaidia; kwa mfano, sasa tunashuhudia baa nyingi zikiwa na maeneo ya nje.

Juhudi zetu za kuhamasisha unywaji pombe kwa kuwajibika zimeendelea pia, ambapo zaidi ya watu 13 milioni wamefikwa

na kampeni zetu. Tumeendeleza pia mpango wetu wa STEM (Sayansi, Teknolojia, Uhandisi na Hisabati) katika viwanda vyetu na kuanzisha vitengo vya kupakia bidhaa vya wanawake viwandani Tanzania na Uganda. Hii ni kuendana na ajenda yetu ya kukumbatia watu wa asili mbalimbali na kujumuisha wote.

Kuhifadhi maji imekuwa pia sehemu kubwa ya juhudi zetu za uendeleu na juhudi zetu zinazaa matunda. Mpango wetu wa Water of Life (Maji ya Uhai) ni miongoni mwa mikakati yetu mikuu katika hili na katika mwaka wa kifedha 2021, tulihifadhi karibu lita elfu 200,000 za maji na kuhakikisha maji yanapatikana kwa karibu kwa watu zaidi ya 30,000. Viwanda vyetu vya kuhifadhi, kusafisha na kutumia tena maji kufikia sasa vimesaidia kuokoa zaidi ya lita 1.2 bilioni za maji.

Tumepanua pia jamii yetu ya wakulima hadi wakulima 62,000 katika kanda, na kuhakikisha kwamba kadiri biashara yetu inavyokuwa, thamani hii inawafikia wengi.

Kujitokeza imara zaidi

Tukitazama mbele, tuna matumaini kuhusu siku sijazo za biashara yetu. Tunatiwa moyo hasa na makadirio ambayo yanadokeza kwamba huenda uchumi Kenya na Uganda ukaimarika tena 2021, baada ya kudorora 2020. Tunafurahia pia kwamba uchaguzi mkuu Tanzania na Uganda ulimalizika bila kuathiri sana biashara yetu. Biashara yetu Tanzania inaendelea kuandikisha matokeo mazuri.

Kutokana na kutotabirika kulikosababishwa na COVID-19 na haja ya kuhifadhi fedha, bodi ya wakurugenzi haikupendekeza mgawo wa faida kwa mwaka huo.

Tunashuhudia ukakamavu wa kiwango kikubwa kutoka kwa wateja wetu na tunaamini kwamba mipango ya utoaji chanjo inayoendelea itapanua fursa za kiuchumi zilizo, huku mapato ya watu yakianza kurejelea viwango vya kabla ya janga. Hii itafungulia uwezo wetu kamili na uwekezaji tulioufanya kwenye bidhaa zetu.

Tuna matumaini, lakini na tahadhari pia, kwamba misukosuko iliyosababishwa na Covid-19 itapita hivi karibuni, na kwamba

muundo wetu wa biashara na mkakati wetu ni imara kutimiza malengo ya biashara katika kipindi kifupi na kirefu.

Tukisonga mbele, tutaendelea kujali maslahi ya watu wetu, kusaidia uvumbuzi na ukuaji wa njia mpya za kufanya biashara, na kuongeza juhudi zetu kukuza biashara yetu katika kanda hii.

Mabadiliko kwenye bodi

Tangu kufanyika kwa Mkutano Mkuu wa Kila mwaka uliopita, Dayalan Nayager na Ory Okolloh walijiunga na Bodi kama Wakurugenzi wasio watendaji. Tunawakaribisha kwenye Bodi na kusubiri kwa hamu mchango wao katika miezi na miaka ijayo. Januari 2021, Andrew alijiuzulu kama Mkurugenzi Mkuu wa Kundi na kuanza kazi kama Mkurugenzi Mtendaji wa Soko za Kanda ya Afrika katika Diageo plc, na Jane Karuku akapandishwa cheo mahali pake. Tunamshukuru Andrew kwa kazi yake zuri na kumkaribisha Jane kuendelea na kukuza hii kampuni zaidi.

Shukrani

Kwa niaba ya Bodi ya Wakurugenzi, ningependa kuwatambua na kuwashukuru wateja wetu, wanaotumia bidhaa zetu, wanaotuuza bidhaa, washirika wetu wa kibishara, mashirika na mamlaka, pamoja na serikali katika mataifa tunayohudumu kwa usaidizi wao. Tungependa pia kuwatambua na kuwashukuru wasimamizi na wafanyakazi wetu kwa kujitolea kwao na ukakamavu wao kipindi hiki. Wamedhihirisha kujitolea kwao sana kwenye biashara hii, wepesi wao wa kuchukua hatua kipindi cha changamoto, na ubunifu na uvumbuzi ambavyo vimeisaidia biashara yetu kujiboresha na kujifunza kutokana na yaliyotokea wakati wa janga hili. Hatuna shaka kwamba, tutajitokeza tukiwa imara zaidi na tukiwa na imani na matumaini ya siku sijazo za ufanisi. Ningependa pia kuwashukuru wanachama wenzangu kwenye Bodi ya EABL na wanachama wa bodi za kampuni zetu tanzu kwa ushauri wao, uungaji mkono na kujitolea kwao mwaka huo na pia kwa kutoa mazingira bora ya uongozi wa kampuni.

Dkt. Martin Oduor-Otieno

Mwenyekiti wa Kundi



“Ndoto ya EABL ni kuwa miongoni mwa kampuni bora zaidi za uzalishaji wa bidhaa zinazoaminika zaidi na kuheshimiwa zaidi na wateja katika kanda hii. Tunafahamu kuwa tunaweza kukua tu iwapo wadau wetu watanawiri.

“Tukitazama mbele, tuna matumaini kuhusu siku sijazo za biashara yetu. Tunatiwa moyo hasa na makadirio ambayo yanadokeza kwamba huenda uchumi Kenya na Uganda ukaimarika tena 2021, baada ya kudorora 2020.

Group Managing Director's Statement



“ I am extremely proud of the way all our employees adapted to the dynamic and challenging environment, they have continued to be resilient and agile in the ways of working to ensure that our brands are available to our customers and consumers within the restricted opening hours for bars and restaurants

Mrs. Jane Karuku

Group Managing Director and
Chief Executive Officer

Overview

EABL's 2021 financial year was faced with continued volatility because of the COVID-19 pandemic. This was the second, consecutive year that we saw disruption of our operations with restrictive operating environment, curfews, lockdowns, and supply chain disruptions local, regional, and global. At a macro level across our region we also experienced strained GDP, rising inflation, depressed consumer spending and an increase in the number of vulnerable consumers.

I am extremely proud of the way all our employees adapted to the dynamic and challenging environment, they have continued to be resilient and agile in the ways of working to ensure that our brands are available to our customers and consumers within the restricted opening hours for bars and restaurants. Our response to this challenging environment yielded results with the business reporting broad-based growth during the financial year, with growth across all countries and categories.

We had made the decision to continue investing smartly in the business despite the uncertainty in the operating environment. We made strategic investments in CAPEX, Environment and A&P on key brands. These decisions are starting to pay -off and more importantly setting us up for success in the future. At the same time, we have continued to manage our costs through various cost efficiency initiatives.

With the changing consumer behaviour and trade restrictions during the pandemic, we have seen a shift in how and where consumers shop for their favourite brands. E-commerce has become one of the biggest trends during the pandemic.

Another developing trend is that consumers are preferring to meet in smaller groups at home and on special occasions. In response to this, we have increased investments on these emerging channels, building more partnerships with on-line platforms, and resulting in the development of our own platform "party central". We also continued to innovate in brands, pack formats and packaging to respond to these dynamics.

Performance

We delivered a strong set of results in a tough operating environment. Net sales increased 15% driven by smart investment behind brands, channel focus, and innovations. Our profit after tax for the period declined 1% to Kshs 7 billion mainly impacted by cost inflation, tax, and foreign exchange impact. Further, the COVID-19 related tax reliefs in Kenya on corporation tax and VAT ended in December 2020, resulting in higher tax charges for the year as the rates reverted to pre-COVID levels.

We have demonstrated strong recovery, recording growth vs pre COVID-19 actuals. We also optimised and strengthened our portfolio to achieve double digit growth across all markets, beer growing fast and spirits growing faster. Kenya delivered + 10% growth with resilient recovery across all categories. Through the year there were curfews, lockdowns and trade restrictions in bars and restaurants across the country, sometimes varying by county and level of restriction which disrupted the business. There was a significant shift in consumer behaviour that saw consumers shifting from on-premise consumption to in-home consumption and off trade purchases. We experienced E-commerce channel explosion and the strengthening of the off trade channel, and as a result, spirits grew faster + 24%, while

“ **Net sales increased, driven by smart investment behind brands, channel focus, and innovations.** ”

beer grew at +4%. Uganda delivered very strong results +33%, both spirits and beer growing strongly. Like in Kenya, there were curfews, lockdowns, and trade restrictions through the year. We increased capacity in Uganda which offset the effects of the trade restrictions. Tanzania delivered +15%, with robust growth across all categories. Unlike in Kenya and Uganda, there were no trade restrictions in Tanzania, and the business continued to perform strongly.

Strategy

We have a robust strategy, and we continue to stay on course with the strategic imperatives. We have a strong portfolio; we own the biggest & fastest growing brands across the region. We invested ahead in A&P behind strategic brands to build on the momentum and enablers so that we can emerge stronger. We are continuously adapting to the significant consumer, channel, and category shifts. Innovation has been key in driving growth across markets, categories, segments and the growing need for convenience, by addressing emerging consumption occasions with elevated brand experiences combined with aspirational and accessible innovations. The gin explosion in Kenya, new pack formats to drive price accessibility are examples of how innovation has played a key role in delivering growth.

We also embedded a digital-first mindset reaching millions of consumers and invested in an “in-house digital marketing agency” to build and drive in-culture content and ensure that we are always staying connected with our consumers and the dynamic environment.

Our Employees

Throughout the pandemic, our priority has been the health and well-being of our People, and we have provided support for the new ways of working, flexible working philosophy and well-being resources and support. They have remained highly engaged and passionate about our business even as they

have dealt with the tough challenges that COVID-19 has brought into their professional and personal lives. I sincerely thank all of them for their commitment and resilience.

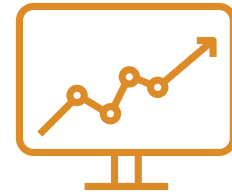
Sustainability

We continuously work towards ensuring that the core objectives of sustainability are well integrated into our business model demonstrated in our new Diageo 2030 strategy. In doing so, we have implemented sustainability projects across the region with a focus on community engagement and empowerment. We have projects to improve water access and availability, including financing water infrastructure in Tanzania, Kenya and Uganda impacting over 6,000,000 people. We have similarly replenished and reused over 198,000m³ of water on our sites. To drive climate action, we have planted thousands of trees through various tree-planting events to promote nature-based solutions to the climate crisis. We have also invested heavily in improving our sites across the region, to be more resource efficient, less carbon emitting and to ensure that there is zero waste to landfill. We support and build capability in our local communities through a variety of farmer training programmes to over 60,000 farmers, empowering actors across our supply chain. We raised US\$5 million in 2020 to directly support our bars and restaurants negatively impacted by the pandemic which is progressing well, with over 5000 bartenders having received exceptional training through our Diageo Bar Academy, 66% of which are women.

Looking forward

I am pleased with the results we have delivered in the year. The results demonstrate our strong portfolio and the agility of our employees to adapt to the dynamic environment with pace. Whilst the threat of the pandemic remains, I am optimistic that with increased vaccination, the macro and restrictive operating environment will become better. We continue to have a robust strategy, the business has a strong momentum and I believe the business will emerge stronger.

Mrs. Jane Karuku,
Group Managing Director and Chief Executive Officer



“ **We continuously work towards ensuring that the core objectives of sustainability are well integrated into our business model demonstrated in our new Diageo 2030 strategy.** ”



“ **Throughout the pandemic, our priority has been the health and well-being of our people, and we have provided support for the new ways of working, flexible working philosophy and well-being resources and support.** ”



“**Ninajivunia sana jinsi wafanyakazi wetu walivyofanya mabadiliko kuendana na mazingira ya changamoto yaliyojitokeza. Wameendelea kuwa wakakamavu na wepesi wa kubadilisha mambo hata kazini kuhakikisha bidhaa zetu zinaendelea kupatikana na kuwafikia wateja katika muda mfupi ambao wenye baa na migahawa waliruhusiwa kuhudumu.**”

Jane Karuku

Mkurugenzi Mkuu wa Kundi

Kwa Ufupi

Mwaka wa kifedha wa 2021 kwa East African Breweries Limited (EABL) ulikuwa wa changamoto kutokana na janga la COVID-19. Huu ulikuwa mwaka wa pili wa kifedha mtawalia, ambapo shughuli zetu ziliathiriwa na mazingira ya kibiashara yenye vikwazo na masharti yaliyowekwa kudhibiti kusambaa kwa virusi hivyo. Mifumo ya usambazaji iliathiriwa katika ngazi ya taifa, kanda na duniani. Katika ngazi ya kanda, ukuaji wa GDP ulipungua, kiwango cha mfumko kupanda, watu kupunguza matumizi ya pesa na wateja waliopoteza mapato kuongezeka.

Ninajivunia sana jinsi wafanyakazi wetu walivyofanya mabadiliko kuendana na mazingira ya changamoto yaliyojitokeza. Wameendelea kuwa wakakamavu na wepesi wa kubadilisha mambo hata kazini kuhakikisha bidhaa zetu zinaendelea kupatikana na kuwafikia wateja katika muda mfupi ambao wenye baa na migahawa waliruhusiwa kuhudumu. Hatua tulizozichukua katika mazingira hayo yenye changamoto zilizaa matunda na biashara yetu iliandikisha ukuaji katika mwaka huo wa kifedha.

Tulifanya uamuzi wa kuendelea kuwekeza kwa busara katika biashara yetu licha ya mazingira kuwa ya kutotabirika. Tulifanya uwekezaji muhimu katika CAPEX (mitambo na miundo mbinu), Mazingira na katika Mauzo na Utangazaji (A&P) kwa nembo muhimu. Hatua hii zinaanza kuzaa matunda na muhimu zaidi kwetu ni kwamba inatuandaa kwa ufanisi siku zijazo. Wakati huo, tumeendelea pia kudhibiti gharama kupitia mikakati mbalimbali.

Sambamba na kubadilika kwa mitindo ya wateja na vikwazo kwenye biashara kipindi hicho cha janga, tumeshuhudia mabadiliko katika jinsi wateja wanavyonunua bidhaa za wazipendazo. Biashara ya mtandaoni imekuwa moja ya mitindo mikuu wakati wa janga hili. Na mtindo mwingine unaojitokeza ni kwamba wateja wanapendelea zaidi kukutana katika makundi madogo nyumbani au katika hafla maalum. Katika kujibu hili, tumewekeza katika njia mpya ibuka za uuzaji, tukajenga ushirikiano zaidi na majukwaa ya mtandaoni, na kutengeneza mfumo wetu kwa jina “party central”. Tuliendelea pia uvumbuzi na ubunifu katika bidhaa zetu na njia za kupakia bidhaa ili kujibu mitindo hii mipya.

Matokeo

Tumedhihirisha kujikwamua na kuandikisha matokeo mazuri sana katika mazingira magumu. Mauzo halisi ya EABL yaliongezeka kwa 15% kutokana na uwekezaji wa busara kwenye nembo za bidhaa zetu, kuangazia njia za uuzaji na uvumbuzi na ubunifu. Faida yetu baada ya ushuru kwa mwaka huo ilishuka kwa 1% hadi Kshs 7 bilioni sana kutokana na mfumko wa bei, ushuru na athari za ubadilishanaji wa fedha za kigeni. Isitoshe, nafuu ya ushuru iliyokuwa imetolewa na serikali ya Kenya katika ushuru wa mashirika na pia VAT kutokana na COVID-19 ilimalizika Desemba 2020. Hii ilichangia kiwango cha ushuru kwa mwaka huo kuwa juu kwani kiwango chake kilirejea ilivyokuwa kabla ya COVID.

Tumedhihirisha kujikwamua kwa biashara yetu, ambapo kiwango cha ukuaji sasa kimefikia kiwango cha kabla ya COVID-19.

“**Mauzo halisi ya EABL yaliongezeka kwa 15% kutokana na uwekezaji wa busara kwenye nembo za bidhaa zetu, kuangazia njia za uuzaji na uvumbuzi na ubunifu.**”

Tulitumia vyema fursa na kuimarisha shughuli zetu na kutuwezesha kupata ukuaji wa zaidi ya asilimia 10 katika masoko yote, mauzo ya bia yakikua kwa kasi na ya vileo vikali yakikua kwa kasi hata zaidi.

Biashara yetu Kenya iliandikisha ukuaji wa 10% katika vitengo vyote na imekuwa ikiimarika tena. Katika mwaka huo, kulikuwa na amri ya watu kutotoka nje usiku, watu kuzuiwa kusafiri na baa na migahawa kuwekewa masharti mapya na wakati mwingine kufungwa. Masharti haya wakati mwingine yalikuwa tofauti kaunti hadi nyingine, na yalivuruga biashara. Kulikuwa na mabadiliko makubwa katika mitindo ya wateja ambapo wengi walianza kutumia bidhaa zetu manyumbani badala ya kwenye biashara rasmi, na pia manunuzi yalikuwa nje ya mifumo ya kawaida ya biashara. Tulishuhudia ongezeko kubwa sana la biashara ya mtandaoni na pia mauzo ya nje ya mfumo kutokana na hilo. Vileo vikali viliimarika kwa kasi zaidi katika +24% na bia ikakua kwa +4%.

Uganda pia iliandikisha matokeo mazuri sana ambapo ukuaji ulikuwa +33%, vileo vikali na bia kwa pamoja zote zikiimarika. Sawa na Kenya, kulikuwa na amri ya watu kutotoka nje usiku, zuiu la watu kusafiri na masharti yaliyoathiri biashara katika mwaka huo. Tuliongeza uwezo wetu wa uzalishaji Uganda jambo lililopunguza athari za masharti yaliyowekwa.

Tanzania iliandikisha ukuaji wa +15%, ambapo mapato yaliongezeka pakubwa katika vitengo vyote. Tofauti na Kenya na Uganda, hakukuwa na masharti yoyote yaliyowekwa Tanzania, na biashara ilifanya vizuri sana.

Mkakati

Tuna mkakati mzuri, na tunaendelea kutimiza malengo ya mkakati huo. Tuna biashara

thabiti; tunamiliki nembo za bidhaa zilizo kubwa zaidi na zinazokua kwa kasi zaidi katika kanda. Tuliwekeza katika mauzo na utangazaji kuangazia nembo muhimu ili kuongeza nguvu matumaini tunayoyaona. Tulibadilika pia kuendana na mabadiliko kwenye mitindo ya wateja, njia za uuzaji na mabadiliko ya vitengo. Uvumbuzi na ubunifu vimekuwa viungo muhimu katika kufanikisha ukuaji katika masoko yote, vitengo na sehemu kwenye soko. Hili ni kupitia kuangazia mitindo mipya ya utumiaji wa bidhaa zetu pamoja na kuboresha ubora wa bidhaa hizo na upatikanaji wa bidhaa hizo. Umaarufu wa 'gin', njia mpya ya kupakia bidhaa ili kuifanya bei kuwa nafuu pamoja na haja ya kuwa rahisi kupatikana ni mifano ya jinsi uvumbuzi umechangia katika kufanikisha ukuaji.

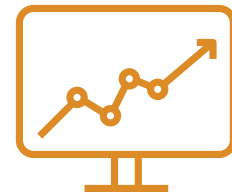
Tulifungamanisha mtindo wa kufikiria digitali kwanza katika kuwafikia mamilioni ya wateja na pia tukawekeza katika kitengo cha kufanya utangazaji na mauzo ya kidijitali ndani ya biashara yetu ili kuandaa na kukuza utamaduni huo na kuhakikisha kwamba tunawasiliana na wateja wetu katika mazingira yanayobadilika kwa kasi.

Wafanyakazi wetu

Wakati wote wa janga, tulipatia kipaumbele afya na maslahi ya Wafanyakazi wetu, na tumesaidia katika kuwezesha njia mpya za kufanya kazi, mabadiliko katika muda na utaratibu wa kufanya kazi, rasilimali za kuboresha hali yao na kuwasaidia wafanyakazi pia. Wameendelea kujitolea sana katika biashara hata walipokuwa wakikabiliana na changamoto za COVID-19 katika maisha yao ya kikazi na kibinafsi. Ninawashukuru sana kwa kujitolea kwao na ukamavu wao.

Uendeleu

Tuliendelea kujizatiti kuhakikisha uendeleu umefungamanishwa na muundo wetu wa biashara, kama inavyodhihirishwa na mkakati wetu mpya wa Diageo 2030. Katika kufanya hivyo, tumetekeleza miradi ya uendeleu kote katika kanda tukilenga kushirikisha na kuwezesha jamii. Tuna miradi ya kuimarisha upatikanaji wa maji ikiwemo kufadhili miundombinu ya maji Tanzania, Kenya na Uganda na kuwafaa watu zaidi ya 6,000,000 katika mataifa hayo yote. Kadhalika, tumetibu na kutumia tena zaidi ya lita elfu 198,000 za maji katika viwanda vyetu. Ili kuongoza hatua za kukabiliana na mabadiliko ya tabia nchi, tumepanda maelfu ya miche ya miti kupitia



“**Tuliendelea kujizatiti kuhakikisha uendeleu umefungamanishwa na muundo wetu wa biashara, kama inavyodhihirishwa na mkakati wetu mpya wa Diageo 2030.**”

miradi kadha ya upanzi wa maji ili kujenga suluhu ya asili kwa mzozo huu wa tabia nchi. Tumewekeza sana pia katika kuboresha viwanda vyetu kote kwenye kanda, kutumia vyema rasilimali, kupunguza utoaji wa gesi ya kaboni na kupunguza uzalishaji wa taka. Tunasaidia na kujenga uwezo wa jamii maeneo tunayohudumu kupitia mipango kadha ya mafunzo kwa wakulima zaidi ya 60,000, na kuwezesha wadau mbalimbali katika mfumo wa uzalishaji. Ili kuzisaidia jamii zetu, tumetoa Dola za Kimarekani 5 milioni kusaidia baa na migahawa iliyoathiriwa na janga la corona moja kwa moja. Kupitia hili, zaidi ya wahudumu wa baa 5,000 wamepokea mafunzo maalum kupitia kituo chetu cha mafunzo cha Diageo Bar Academy, 66% wakiwa wanawake.

Tukisonga mbele

Nimefurahishwa na matokeo tuliyoyapata mwaka huu. Matokeo hayo yanadhihirisha uthabiti wa biashara yetu na wepesi wa wafanyakazi wetu kubadilika kuendana na mabadiliko katika mazingira kwa haraka. Ingawa hatari za janga hili bado zipo, nina matumaini kwamba utoaji chanjo unapoogezwa, mazingira ya kibiashara yataimarika. Tutaendelea kuwekeza kwa busara, biashara yetu inaendelea kasi ya ukuaji, na nina imani tutaibuka tukiwa imara zaidi.

Jane Karuku

Mkurugenzi Mkuu wa Kundi

