

CASE STUDIES





100 years down the line, our business has shown interest in, and commitment to a number of issues that we now commonly classify under the banner of “Sustainability”.



Responding to global challenges – Climate Change and COVID 19

2020 and the most part of 2021 was undoubtedly dominated by the COVID-19 pandemic, which has resulted in the death of more than 6 million people worldwide thus far.

2021 was also marked by the increasingly evident effects of climate change, including record-breaking flooding, and more extreme temperatures. A striking parallel between the climate crisis and COVID-19 is that they both resulted in loss of life that could have been prevented through concerted global efforts.

As a regional business, we acknowledge that we have a responsibility to be on the frontline of responses to these challenges.

THE CLIMATE CRISIS:

In February, 2022 the Intergovernmental Panel on Climate Change (IPCC) launched the sixth assessment report on how climate change impacts the world. The report focused on impacts, adaptation and vulnerability while recognizing

the interdependence of climate, ecosystems, biodiversity, and human societies. Some of the report’s key findings, and of particular concern to Africa include:

- Increasing weather and climate extreme events “have exposed millions of people to acute food insecurity and reduced water security”, with the most significant impacts seen in parts of Africa, Asia, Central and South America, small islands and the Arctic.
- Climate change “will increasingly put pressure on food production and access, especially in vulnerable regions, undermining food security and nutrition”.

Our Society 2030 Action Plan delineates Accelerating to a Low Carbon World, as a priority concern for us (see page 105. On progress). But at the same time, EABL operates in Africa, a continent that is currently cumulatively responsible for less than 4% of Global Greenhouse Gas Emissions.





breweries and will replace heavy fuel oil.

The investment will help reduce our carbon emission by 95% (about 42,000 tonnes a year). This is spread across Kisumu (8,000 tonnes), Nairobi (26,000 tonnes) and Kampala (8,000 tonnes).

Biomass will deliver 900 direct and indirect green jobs throughout the supply chain. Local farmers will be tasked with providing the biomass fuel.

This is one of the biggest single investments in addressing climate change issues across sub-Saharan Africa countries. It demonstrates the strength of our commitment in pioneering Grain-to-Glass Sustainability and to positively impacting the communities in which we live and work.

On the 18th May 2022 we commissioned our biomass project at the Tusker plant in Nairobi: Ivan Menezes, Chief Executive, Diageo plc

“Diageo has set ambitious environmental targets, aligned with the United Nations global SDG’s , and efforts to deliver on these continue at pace. The biomass project in Kenya and Uganda is among the biggest investments in addressing climate change issues across sub-Saharan Africa countries. Using clean and affordable energy sources and offsetting our carbon footprint demonstrates the strength of our commitment in pioneering Grain-to-Glass Sustainability, positively impacting the communities in which we live and work”

Our 6 biomass boilers have been distributed as follows:

- a) Two boilers at the Tusker plant. Each boiler has the capacity of processing 18 tonnes of bio-fuel per hour.
- b) Two boilers at the Kisumu plant. Each boiler has the capacity of processing 6 tonnes of bio-fuel per hour.
- c) Two boilers at the Kampala plant. Each boiler has the capacity of processing 8 tonnes of bio-fuel per hour.

In view of this, the African population are exceptionally vulnerable to the impacts of climate change. We need to play our part in reducing Global Greenhouse Gas Emissions, but we also want to explore this within the context of enhancing resilience and adaptive capacity of our communities.

Our response - BIOMASS

In 2019, we announced a £31.5 million investment in biomass power across our Plants in Kenya and Uganda. This confirms our commitment to reducing our carbon footprint and addressing climate change. The biomass boilers will be powered by sustainable fuel alternatives such as bamboo, macadamia husks, coffee husks, bagasse, and rice husks, among other raw materials to create steam power for the



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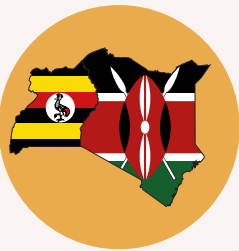




Capital Expenditure

Key Highlights:

- First set of Biomass based Boiler in Diageo Africa
- Suitable to handle wide variety of fuel type
- Equipped to meet stringent air pollution requirements
- Site cover for fuel storage ~ 10 days



| Particulars | KBL Nairobi | KBL Kisumu | UBL Kampala |
|------------------------|-------------|------------|-------------|
| Boiler Capacity (TPH) | 18 x 2 Nos | 6 x 2 Nos | 8 x 2 Nos |
| Total Capex (£ m) | 17.72 | 8.05 | 8.49 |
| CO2 Saving (Ton/year) | 25000 | 3500 | 11000 |
| Average fuel (MT/day) | 90 | 25 | 27 |
| First Steam date | June 2022 | May 2022 | July 2022 |



THE COVID-19 PANDEMIC

COVID-19, a global pandemic declared by the World Health Organisation (WHO), was crippling to our regional and global economy. The entire world grappled with a series of coping and mitigation strategies, that included social distancing and public lockdown measures. As a region, we faced the dire consequences of the pandemic, necessitating timely response, recovery and rebuilding of policies and strategies. As a result, the hospitality and leisure industry was severely hit.

Our Response:

Diageo's Global survey of bar owners via Diageo Bar Academy, consistent feedback that they need:

- Support for social distancing and hygiene measures and equipment;
- Training of staff to implement; and
- Confidence building measures to bring the public back

"Raising the Bar"- a \$100 million global programme

- Online offering, free to any bar in the world, on how to re-open safely and rebuild confidence

through the Diageo Bar Academy, DBA, and myDiageo platforms.

- Funding to provide outlets in iconic global cities with the following:
 1. Social distancing and hygiene equipment - sanitiser and dispensers, screens, route flows, outdoor heating, pop up bars, thermal scanners, ventilation, reservation systems
 2. Training on implementing social distancing, "performative" hygiene measures and confidence building among staff and customers mostly facilitated through DBA (also including positive drinking and skills training through *DRINKiQ* and the *Diageo Bar Academy / Learning 4 Life*)
 3. Promotion, via local and digital media, that bars are not only open again but have put in place measures to ensure safety; accredited or acknowledged by local authority and government partnerships
- Support will be given over a 2-year period from 1 July 2020 – June 30 2022
- Any surplus from the Fund not utilized by markets will be donated to charitable fund consistent with the Fund purpose



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Raise the Bar Funding: \$5 million for East Africa

OUTCOMES

- Agility by the commercial, CR teams in creating model outlets created a compelling case for bar reopening -28th Sept. 2020, bars & pubs were reopened, governed by MoH protocols.
- RTB with Tusker Brand supported enforcement of COVID-19 rules in 42 counties outside the infection area- AMREF training created linkages with County govt.
- KBL, ABAK, BAHLITA and PERAK continue to collaborate with the government on other self regulating activities and COVID-19 risk communication.



OUTCOMES

- Partnership between alcohol manufacturers and bar owners' associations created government trust and confidence-shaping policy
- Self-regulating activities create sustained credible engagement with the government
- Good understanding of the decision-making structure is critical
- Regularly update the government on the changing COVID-19 impact on the industry
- Sustain media campaigns to boost government and public confidence in the industry

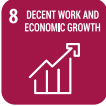




ABAK and bar owners launch of Covid 19 risk communication campaign

EABL Materiality and the Sustainable Development Goals

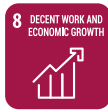
Aligning to the Sustainable Development Goals (SDGs) is, undoubtedly, key for the organisation. To support linking

sustainability interventions with the right SDG (Goal and Target), the following table matches EABL's material issues to the relevant SDG goal, and target.

| Materiality Topic | Sustainable Development Goal | EABL's Impact (Direct or Indirect) on achieving the SDG |
|------------------------------|--|--|
| Occupational Health & Safety | SDG 8: Decent Work & Economic Growth  | Target 8.8: Protect labour rights and promote safe working environments |
| | SDG 3: Good Health & Wellbeing  | Target 3.4: Reduce mortality from non-communicable diseases and promote mental health Target 3.9: Reduce illnesses and death from hazardous chemicals and pollution |
| Compliance and Ethics | SDG 8: Decent Work & Economic Growth  | Target 8.3: Promote policies to support job creation and growing enterprises Target 8.8: Protect labour rights and promote safe working environments |
| Water | SDG 6: Clean Water & Sanitation  | Target 6.1: Safe and affordable drinking water Target 6.3: Improve water quality, wastewater treatment and safe reuse Target 6.4: Increase water use efficiency and ensure freshwater supplies |
| Energy Use & Climate Change | SDG 7: Affordable & Clean Energy  SDG 13: Climate Action  | Target 7.3: Double the improvement in energy efficiency Target 13.1: Strengthen resilience and adaptive capacity to climate related disasters |

Communities

SDG 8: Decent Work & Economic Growth



Target 8.3: Promote policies to support job creation and growing enterprises

SDG 6: Clean Water and Sanitation



Target 6.1: Safe and affordable drinking water

Target 6.4: Increase water use efficiency and ensure freshwater supplies

Target 6.B: Support local engagement in water and sanitation management

SDG 5: Gender Equality



Target 5.A: Equal rights to economic resources, property ownership and financial services

Environment

SDG 15: Life on Land



Target 15.2: End deforestation and restore degraded forests

Target 15.5: Protect biodiversity and natural habitats

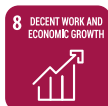
Inclusion & Diversity

SDG 5: Gender Equality



Target 5.A: Equal rights to economic resources, property ownership and financial services

SDG 8: Decent Work and Economic Growth



Target 8.5: Full employment and decent work with equal pay

Positive Drinking

SDG 3: Good Health & Wellbeing



Target 3.5: Prevent and treat substance abuse

Target 3.6: Reduce road injuries and deaths

Raw Materials & Regenerative Agriculture

SDG 2: Zero Hunger



Target 2.4: Sustainable food production and resilient agricultural practices

Target 2.A: Invest in rural infrastructure, agricultural research, technology and gene banks

Target 2.C: Ensure stable food commodity markets and timely access to information

SDG 12: Responsible Consumption and Production



Target 12.2: Sustainable management and use of natural resources

COVID-19 Management & Recovery

SDG 1: No Poverty



Target 1.5: Build resilience to Environmental, Economic and Social disasters

Circular Economy

SDG 9: Industry, Innovation and Infrastructure



Target 9.4: Upgrade all industries and infrastructures for Sustainability

SDG 12: Responsible Consumption and Production

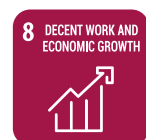


Target 12.4: Responsible management of chemicals and waste

Target 12.5: Substantially reduce waste generation

Target 12.6: Encourage companies to adopt sustainable practices and Sustainability reporting

SDG 8: Decent Work and Economic Growth



Target 8.6: Promote youth employment, education and training

AWARDS AND ACCOLADES

KBL AWARDS:

- Overall winner for Women Empowerment in the Workplace, Women Empowerment in Communities, and Champion for Gender Mainstreaming in East Africa - the 9th Gender Mainstreaming Awards (GMA) (I&D)
- Overall winner - 2021 Reuters awards – Diversity, Equality and Inclusion category (I&D)
- Gold winner at the 2021 Loeries awards – shared value category (Senator Keg campaign)
- Energy Management Awards:
 - » Water Management Award – Winner - Kenya Breweries Ltd – Nairobi
 - » Water Management Award - Runners Up - Kenya Breweries Ltd – Kisumu
 - » Electrical Energy Savings Award – Runners - Up Kenya Breweries Ltd –Nairobi
 - » Sustained High Performance Award - Runners Up - Kenya Breweries Ltd – Nairobi
- KBL Head of Sustainability and Community Engagement, Arnolda Shiundu, was among three Kenyans who won the Meaningful Business Leaders (Mb100) for mainstreaming sustainability in the company.
- Social impact awards – EABL received Honourable mention at the 2022 Social Impact Award
- Sabre Awards - Certificate of excellence
- PRSK Publication of the year - Sustainability Report KBL's
- EABL Group MD and CEO, Jane Karuku was listed among the 2021 Africa.com. Definitive list of women CEOs. She also participated in the Definitive List summit in a discussion of what it takes for an African woman to succeed in the corporate sector.
- LoeriesAward2022 -Finalist for Shared Value Category
- Africa Property Investment Award 2022 -Finalist for Best Industrial & Logistics Development Award.
- Overall Energy Management Award
 - » Renewable energy
 - » Water conservation
 - » Electricity savings award large consumer
 - » Energy management
 - » Best energy thermal saving award for large consumer
 - » Sustained the high-performance
- World Sustainability Award 2022-Shortlisted for Purpose with Profit Category

UBL AWARDS:

- 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.
- Uganda Breweries named overall winner for Best HR Practices in Uganda.

SBL AWARDS:

- 'Women of the Future' Award by The Citizen's 'Rising Woman Awards' initiative
- SBL was recognized for its contribution to the development of Vocational Skills in the country – through its Kilimo Viwanda Scholarship Program.


ACKNOWLEDGEMENT

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- EABL Marketing, Supply, Commercial, Human Resources, Finance, Business Integrity and Legal departments.
- Oxygène Marketing Communications.









Beyond **100** *years*

**RESILIENT
IMPACTFUL
SUSTAINABLE**