

EASTERN PRODUCE KENYA LIMITED



Corporate Social Responsibility Report 1st Quarter 2019

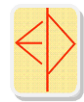
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Technical Office

Nandi Hills



1. Current Significant Issues

Land leases issues were dominant during this quarter and raising false hope among residents of getting land. The company has been keenly following the issues.

Forests fires have been experienced in the estates with causes still being investigated.

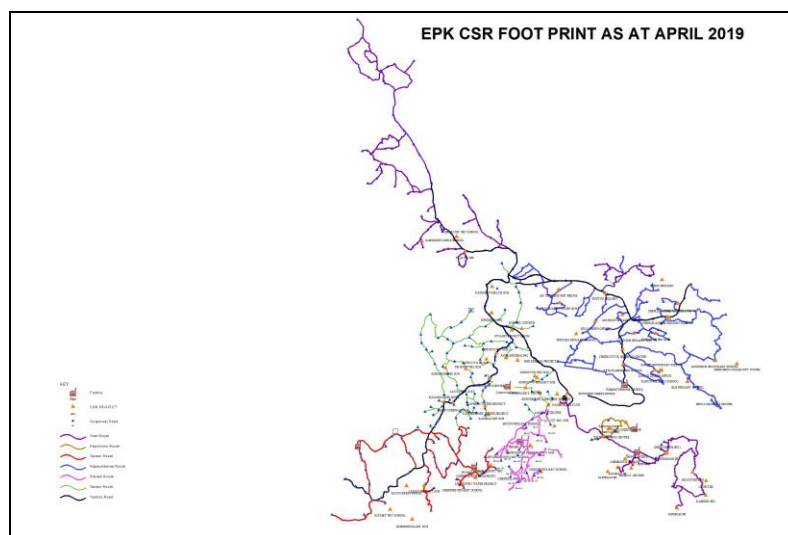
2. Update on Corporate Social Responsibility Plan Implementation

Progress on implementation of CSR activities is good. The CSR committee continues to meet up quarterly to discuss community relations enhancement projects and implementation. Progress and updates of the community projects have been uploaded on social media platforms throughout the quarter.

3. Community Relations

Community projects implemented so far have made a positive impact to the communities leading to appreciation and good relations between the company and her neighbors.

Below is our CSR footprint as at April, 2019. It shows the out-grower routes, and the areas reached by various CSR projects, including the green leaf buying centers.



3.1. Enhancing Food Security

The company conducted several vegetables preparations demonstrations to help improve the community and employees' health and nutrition status and to enhance nutrient uptake by our bodies. These demonstrations complemented the kitchen gardens program where communities are encouraged to plant various types of indigenous vegetables.



A vegetable preparation and cooking demo held at Lelgoi community - Savani



3.2. Education

During the quarter, 80 desks were donated to 8 primary schools neighboring the company. This was in a bid to enhance learning in schools by bridging the gap on pupils –desk ratio.

To secondary schools, 60 lockers and 60 chairs were also donated. This has helped in realization of the government of Kenya's bid to ensure 100% transition to secondary school through availing classroom furniture to the students but most importantly support progression through school which is notably low as a result of lack of amenities like desks.



Desks for primary school pupils and Lockers and chairs for secondary school students

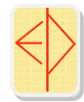
3.3. Water

During the quarter, Mosombor community and Cherobon community got water from the company. The projects entailed piping water from within company catchment area to the community boundary to serve an average of 600 homes and institutions.



Water supply for cherobon community

Water through Rain water harvesting projects was also provided to 3 secondary schools. The rain water harvesting project has been replicated in the community with schools seeking support from other institutions (World vision and KTGA from Taylors and Betty's of Harrogate) who have also run similar projects since our inception.



Students at St Elizabeth Secondary school happy with the water reservoirs provided by Kapsumbaiwa Factory

In an endeavor to support inclusive learning, we supported one integrated primary school with 20 bunker beds and 40 mattresses. In an unfortunate turn of events, the school suffered a fire that brought down one dormitory. The beds were a timely donation as learning went on without disruption. The school also received support from the Governor's office that duplicated the EPK bed design and donated 20 more desks to the school.



Beds and Mattresses donation to AIC Cheribisi Primary school

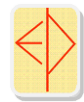
Computers were also donated to Nandi hills primary school. these two computers will aid in learning through analysis of performance and ease of setting up continuous learning assessment tests for the school.



Computers donated to Nandi hills Primary school

3.4. Environment

This quarter, village inspections were conducted to assess the satellite indigenous and fruit tree nurseries, kitchen gardens, waste management programs as well as compost making. The village



environments continue to be populated with shade trees making the villages cooler especially with the dry and sunny spells being experienced. More compost for the kitchen gardens is being prepared ensuring that employees have access to organic and indigenous vegetables that are nutritious.

During the same period a demonstration on tree planting was done with donations of 200 indigenous tree seedlings for planting at the onset of rains.



A tree planting Demo at Lelgoi Primary school

4. Trainings/ Social audits

First Aiders and Occupational Safety and health committee members were trained during the quarter. This helps in ensuring that the workplace continues to be safe and employees understand their role in health and safety at the workplace as well as being equipped with techniques to carry out first Aid should a case arise.



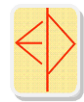
Participants during an icebreaking session in one of the Occupational Safety and Health training sessions

5. Mini Field Days

NTR

6. Roads and Bridges

NTR



7. Others

7.1 Gender

Refresher training on social Issues was held. A total of 60 participants were taken through the training session that focused on gender stereotypes, social positions and gender rights.



ToTs going through a Social Issues refresher training course

The company was also represented in a forum on workplace womens health and empowerment, hosted by Twinings, BSR –HERhealth program and United Nations Foundation. The forum aimed at looking at expansion interventions on health, access to health information and services for employees, the barriers experienced to action and availability of right gender data for decision making.

7.2

Taylor's of Harrogate supported Projects

Progress with establishment of a library and the lactation place is as follows:

- For the lactation place, it was agreed to be officially referred to as a baby nursing unit. It has been complete so far with a few women making use of it. The Project launch will be held in April 5th 2019.



The Baby Nursing Unit at chemomi

- For the library, a 40 foot container was purchased. Currently a contractor is on site prefabricating the container for use as a community library. This is located in Magoon area,



falling under East Operations and will benefit the community there that includes primary and secondary schools as well as a vocational/technical institution in the neighborhood.

8. Donations' Summary

Good community relations continued in the quarter. Appreciation from the community expressed through cards and letters to the CSR committee. Donations summary is as depicted in the table below. During the First quarter 2018 we donated in cash and in kind, goods and services worth **Ksh. 778,792.34**.

EASTERN PRODUCE KENYA LIMITED		
SUMMARY OF DONATIONS 2019		
ESTATE	QUARTER 1 AMOUNT (KShs)	TOTALS
Kibwari	26,450.36	26,450.36
Sitoi	61,281.20	61,281.20
Kapsumbeiwa	174,071.40	174,071.40
Chemomi	56,500.00	56,500.00
Siret	204,118.51	204,118.51
Nandi Office	219,900.00	219,900.00
Kepchomo	6,500.00	6,500.00
Savani	15,192.00	15,192.00
Kibabet	27,000.00	27,000.00
Kaboswa	19,043.41	19,043.41
Kipkoimet	12,518.54	12,518.54
Kipkeibon	9,764.24	9,764.24
Kaprachoge	9,494.45	9,494.45
T/Dept.	0	0
Kapkagaron	0	0
W/Shops	0	0
TOTALS	778,792.34	778,792.34

9. Key Performance Indicators

9.1. Business Integrity

9.1.1. So far we have not received any written or verbal warnings, notices or complaints from law enforcement agents or government officials.

9.1.2. Internal audit department continued to do audits in different units and adverse issues discussed with concerned heads of departments.



9.2. Workplace

9.2.1. Employee Engagement

A decrease (11%) in number of employees was evident in our own estates and a decrease (15%) in the managed estates in the first quarter 2019 compared to 2018 similar period.

EASTERN PRODUCE KENYA LIMITED									
Table showing Number of Employees (excluding management) from 2012 to 2019									
	2012	2013	2014	2015	2016	2017	2018	2019	Percentage change in 2019 compared to 2018
January	6349	7156	6214	7128	6994	5905	5718	5493	-4%
February	4188	6952	5715	5207	6735	4653	5051	4171	-17%
March	3628	6899	6313	4009	6050	5195	5080	4511	-11%
AVERAGE	4722	7002	6081	5448	6593	5251	5283	4725	-11%

EASTERN PRODUCE KENYA LIMITED - Managed Estates									
Table showing Number of Employees (excluding management) from 2012 to 2019									
	2012	2013	2014	2015	2016	2017	2018	2019	Percentage change in 2019 compared to 2018
January	1768	1990	1941	2110	1942	2264	1771	1560	-12%
February	1232	1876	1771	1546	1856	1569	1575	1296	-18%
March	984	1970	1759	1114	1738	1876	1280	1065	-17%
AVERAGE	1328	1945	1824	1590	1845	1903	1542	1307	-15%

9.2.2. Sick Leave

The table below indicates the sick leave figures from 2012 to 2019. So far a 28% decrease is observed in average number of sick leave days taken in own estates and 36% decrease in managed estates figures compared to 2018 similar period.

EASTERN PRODUCE KENYA LIMITED									
Table showing sick leave figures from 2012 to 2019									
	2012	2013	2014	2015	2016	2017	2018	2019	Percentage change in 2019 compared to 2018
January	548	561	523	843	868	410	335	323	-4%
February	290	382	411	460	650	313	262	222	-15%
March	397	641	455	421	617	389	364	150	-59%
AVERAGE	412	528	463	575	712	371	320	231	-28%

EASTERN PRODUCE KENYA LIMITED - Managed Estates									
Table showing sick leave figures from 2012 to 2019									
	2012	2013	2014	2015	2016	2017	2018	2019	Percentage change in 2019 compared to 2018
January	170	207	233	224	250	128	95	94	-1%
February	84	144	69	136	172	72	80	24	-70%
March	79	158	93	119	235	142	85	51	-40%
AVERAGE	111	170	132	160	219	114	87	56	-36%



9.2.3. Casual Leave

There was a decrease (43%) in average number of casual leave taken in our own estates and (37%) decrease in Managed estates compared to 2018 similar period.

EASTERN PRODUCE KENYA LIMITED									
Table showing Casual leave figures from 2012 to 2019									
	2012	2013	2014	2015	2016	2017	2018	2019	Percentage change in 2019 compared to 2018
January	1584	1652	2361	2395	2823	2063	2706	2029	-25%
February	746	1844	2137	1604	2572	1192	2492	1230	-51%
March	578	2812	2296	1001	2334	1972	2145	901	-58%
AVERAGE	969	2103	2265	1667	2576	1742	2448	1386	-43%

EASTERN PRODUCE KENYA LIMITED - Managed Estates									
Table showing Casual leave figures from 2012 to 2019									
	2012	2013	2014	2015	2016	2017	2018	2019	Percentage change in 2019 compared to 2018
January	575	414	515	605	824	556	563	347	-38%
February	366	374	382	270	771	296	319	231	-28%
March	126	528	350	178	526	293	239	125	-48%
AVERAGE	356	439	416	351	707	382	374	234	-37%

9.2.4. Absenteeism

The absenteeism figures decreased by 47% in our own estates and increased (1%) in managed estates in 2019 compared to 2018 similar period.

EASTERN PRODUCE KENYA LIMITED									
Table showing Absenteeism figures from 2012 to 2019									
	2012	2013	2014	2015	2016	2017	2018	2019	Percentage change in 2019 compared to 2018
Jan	536	262	215	234	227	274	911	511	-44%
Feb	334	254	203	231	200	857	555	289	-48%
Mar	233	306	248	144	143	822	779	386	-50%
AVERAGE	368	274	222	203	190	651	748	395	-47%

EASTERN PRODUCE KENYA LIMITED - Managed Estates									
Table showing Absenteeism figures from 2012 to 2019									
	2012	2013	2014	2015	2016	2017	2018	2019	Percentage change in 2019 compared to 2018
January	363	216	410	380	93	188	147	147	0%
February	125	208	304	311	181	139	211	269	27%
March	101	442	256	58	100	183	115	62	-46%
AVERAGE	196	289	323	250	125	170	158	159	1%

9.2.5. Occupational Health and Safety

Short term disability figures indicate total number of injuries that occurred to employees that warranted three days and above off duty. The table below shows a summary of the figures from 2012 to 2019. We note a decrease (80%) in number of incidents in our own estates and an increase (100%) in managed estates figures. The incidents have been investigated and relevant reports sent to appropriate bodies. Health and safety committees continue to be pro-active on safety matters.



EASTERN PRODUCE KENYA LIMITED									
Table showing Short Term Disability figures from 2012 to 2019									
	2012	2013	2014	2015	2016	2017	2018	2019	Percentage change in 2019 compared to 2018
Jan	2	2	1	1	3	2	1	0	-100%
Feb	0	1	1	4	7	0	2	0	-100%
Mar	0	1	0	2	2	1	2	1	-50%
TOT								1	
AL	2	4	2	7	12	3	5		-80%

EASTERN PRODUCE KENYA LIMITED (Managed Estates)									
Table showing Short Term Disability figures from 2012 to 2019									
	2012	2013	2014	2015	2016	2017	2018	2019	Percentage change in 2019 compared to 2018
Jan	1	0	0	0	0	0	1	1	0
Feb	1	0	1	0	0	1	0	0	0
Mar	0	0	1	1	0	0	0	1	100
TOTAL	2	0	2	1	0	1	1	2	100

10. Fair-trade Premium

The table below summarizes the amount of fair-trade premium so far received by Sireet from 2012 to 2019. There was a decrease (67%) in premium received, as a result of dwindling fairtrade sales.

LINTON PARK REGIONAL OFFICE									
SIREET OEP Fairtrade Premium (US\$) Comparison 2012 to 2019									
	2012	2013	2014	2015	2016	2017	2018	2019	Percentage change in 2019 compared to 2018
Jan	21,200	4,400	52,778	38,160	18,083.5	-	4,320	0	-100
Feb	-	3,560	50,890	26,000	7,700	2,880	0	0	100
Mar	6,300	15,520	56,730	66,600	80,590	168,126	0	1,440	100
TOT								1,440	
AL	27,500	23,480	160,398	130,760	106,373.50	171,006	4,320		-67

11. Environment

Waste water analysis results received in the first quarter show that the factory effluent is within acceptable parameters.

All estates continued to implement and review their environmental and forestry management plans. Follow ups were done by the Technical Department.

Environmental Self Audit was conducted and a report shared to relevant authorities (NEMA) who approved the status.

12. Risk and Compliance Update

12.1. Update on risk and compliance management

FSSC 22000 preparing for internal audits external surveillance audits due in June, 2019. The internal management review committee meeting was held and the major recommendation was continuous training of employees on use of the facility.

Renewal of licenses and certificates were processed to meet January 2019 and other timelines due within the quarter.



Social environmental audits were done in the villages during the quarter by the Social Environmental Advisor and issues raised addressed by the estates

12.2. Risk and Compliance Incidents

There was no incident or activity which resulted in the occurrence of a risk or compliance event which is outside the agreed risk and compliance standards.

13. Work Plan and Focus Areas

EASTERN PRODUCE KENYA LIMITED WORK PLAN FOR CSR – QUARTER 2, 2019			
Date	Venue	Activity	Objective(s)
April	ODs' Office	Quarter 2 CSR Committee meeting	-To look at the donations requests that have come in during the first quarter and identify those to support -To review progress with actions from quarter 1 meeting -To come up with a plan to implement identified projects from the meeting
April	Chemomi	Commissioning of baby nursing unit	-To Officially open for use the baby nursing unit for employees
May	Kericho	GEP meeting	-To participate in the gender empowerment platform meeting and share practices in tea sector related to gender issues
Apr- June	Neighbouring Community	Assessment of CSR approved projects' progress	To assess and report progress with CSR approved projects to the CSR committee members
Apr – June	Identified Sites	Document Sustainability cases studies and success stories	-To keep record of EPKs' Projects and contribution to sustainable development goals -to update our social media pages
Apr- June	Estates	Monitor implementation of EPK gender program	-To continue contributing towards sustainable development goals

-End-