

# EASTERN PRODUCE KENYA LIMITED



## Corporate Social Responsibility Report 1<sup>st</sup> Quarter, 2020

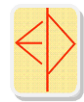
Prepared by:

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**Technical Office**

**Nandi Hills**



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### **1. Current Significant Issues**

Corona virus outbreak was reported in the country and all employees were trained on preventive measures to avoid infection and spread. All residents in the villages were sensitized and restriction on unnecessary movement and interaction put in place and emphasized. This includes adherence to curfew hours set by the government. Sensitization and trainings on hand hygiene, cough/sneeze etiquette and maintaining social distances were carried out.

Measures have been put in place to ensure swift and effective actions are taken should we get an outbreak within our operations. This includes development of protocols for monitoring implementation of set measures, identification of isolation units/spaces etc.

### **2. Update on Corporate Social Responsibility Plan Implementation**

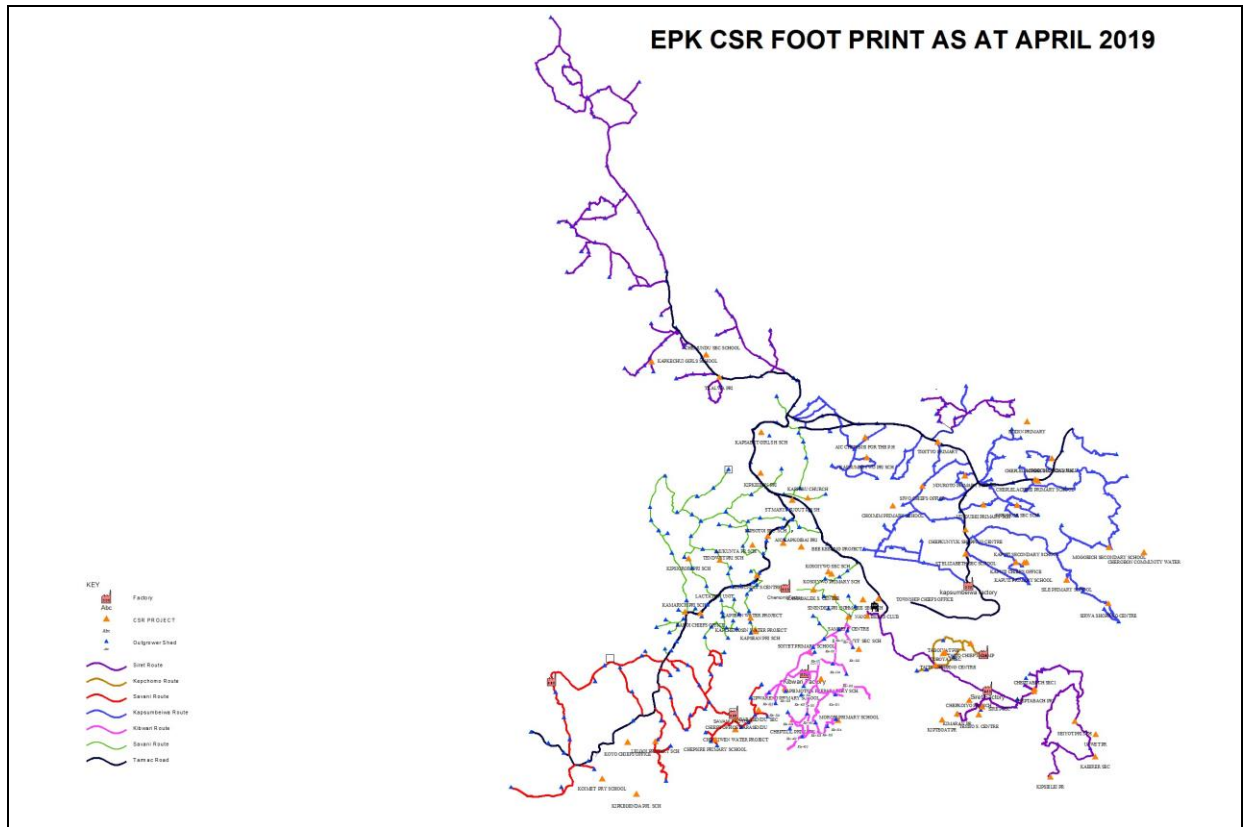
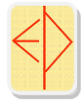
Progress on implementation of CSR activities has been good with coordination from technical department and the CSR committee. The CSR committee continued to meet on a quarterly basis to discuss community relations enhancement projects and implementation. Progress and updates of the community projects have been uploaded on social media platforms throughout the quarter.

We continued to align all our projects and activities to the Sustainable Development Goals (SDGs) demonstrating our commitment to care for our community and remaining relevant. Focus areas that have recorded good progress through CSR are SDGs 1 (No Poverty), 2 (Zero Hunger), 3 (Improved Health and well-being), 4 (Quality Education), 5 (Gender Equality), 6(Water and Sanitation) and 17 (Partnerships for the Goals)

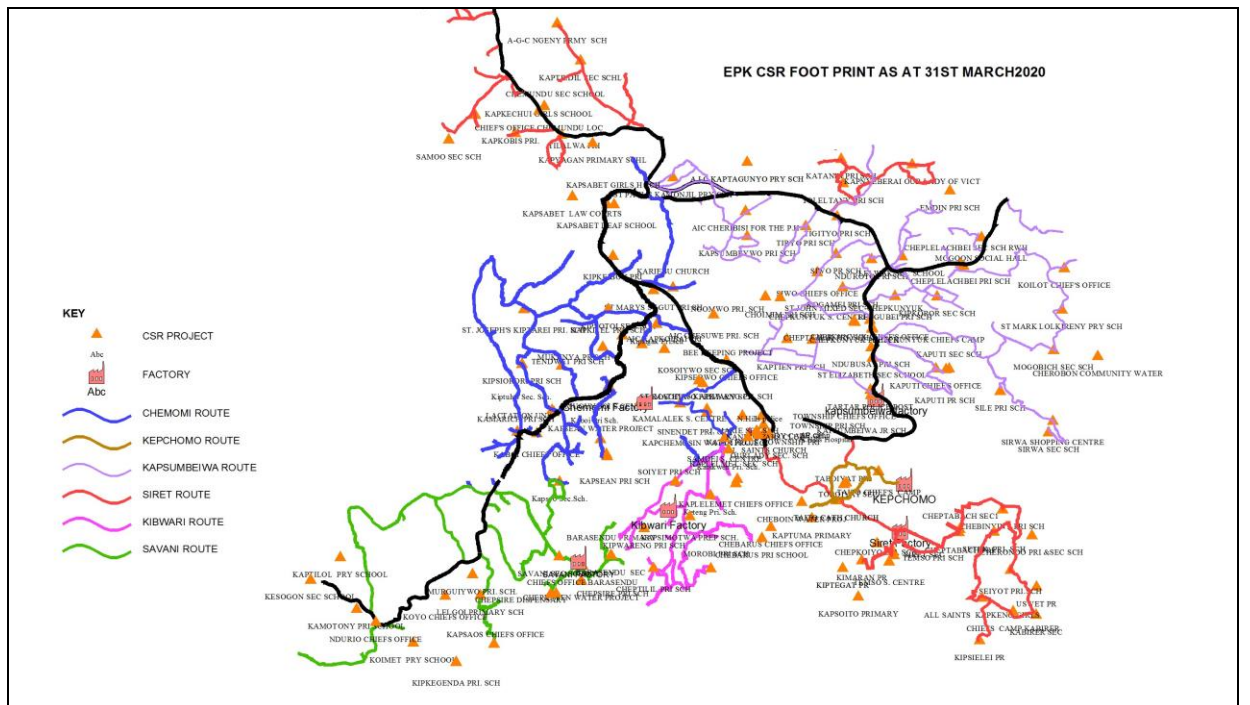
### **3. Community Relations**

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 and March 2020. The April 2019 footprint shows the out-grower routes, and the areas reached by various CSR projects, including the green leaf buying centers, the March, 2020 lacks the green leaf buying centres for visibility of the CSR projects.



*Photo showing CSR footprint as at quarter one, 2019*



*Photo showing CSR footprint as at quarter one, 2020*



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### **3.1 Enhancing Food Security**

During the quarter, with assistance from Grete Davey, we followed up kitchen gardens' maintenance in the villages and emphasized making use of the nutrition charts in the hospitals, villages and work stations, to disseminate information on nutritional value of indigenous vegetables.

### **3.2 Education**

We continued to promote lifelong learning opportunities for all as per the SDG 4 – Quality education through approval and provision of classroom furniture for schools. In quarter one; we planned to support 8 primary schools and 2 secondary schools with classroom furniture. These will be delivered to schools once they re-open, following COVID-19. The classroom furniture will go a long way to support social distancing interventions as the country puts measures in place to address COVID-19.

#### **3.2.1 Computer Donations**

Computers were also donated to 5 institutions (2 per institution) to aid in learning through analysis of performance and ease of setting up continuous learning assessment tests for the school.

### **3.3 Water**

During the first quarter, we supported 4 schools with rain water harvesting, as a means of ensuring availability and sustainable water resource is accessed by the school.

In Siret, Cheboin community water was availed by gravity from Siret lower Dam spillway. This water serves 70 households community members/ households.

Hand washing facilities were donated to 349 green leaf buying Centres, and smallholder tea farmers/community encouraged to wash their hands with soap and running water as a preventive measure from COVID19 infections. Three handwashing stations were also donated to various stations around Nandi hills town to encourage regular hand washing practices. These three stations benefit the business community and bodaboda operators in town.

### **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. A new method for bamboo propagation was introduced and demonstrations done.

#### **3.4.1 Indigenous Forestry**

The first quarter has been spent mainly in preparing for the rest of the year. Much seed gather has been undertaken in the various estates and divisions, giving the Company approximately 34,500 seedlings covering a total of 51 indigenous species. More seedlings are germinating in the seed beds, so there should be ample stock for our own needs, although it might be necessary to buy in a few of the rarer types. These seedlings are currently held in both our main nurseries at Sitei and Kapsumbeiwa and also the myriad smaller village nurseries.



*Manilkara discolor* (Milkberry or Chepnoet) seeds. Gathered from Kepchomo

With the increased focus on the raising of indigenous seedlings, the nurseries are gaining valued skill and knowledge of their new tasks. Larger – recyclable – seedling bags are being used to allow for better root development.

The uncharacteristically wet weather has played havoc with the predictability of the trees seeding seasons, and the seed gatherers have had to be more alert than usual to ensure the various seeds are gathered timeously and not allowed to rot on the forest floor.

Maintenance work continues with the areas already planted. As much of the planting is infilling between existing stems, this is a labour-intensive job. We do not spray herbicides in the indigenous forest areas so, in order to prevent the young seedlings from being overwhelmed by weed competition, workers clear around them with pangas. This work is rewarded with both high survival and growth rates.

Furthermore, workers have been trained to clear round any naturally growing seedlings they may happen upon, which again improves their chances of survival.

A training session was held to alert staff at all levels to the invasive plant *Solanum mauritianum* (Bugweed) and to teach them of the techniques in ridding both Company plantations and indigenous areas of this pest. The result is that the species is now being actively – and more efficiently – hunted down. The resultant 'holes' in the indigenous areas will be filled with new plantings. This will be a constant battle, as even if we eradicate it completely from the Company landholdings, our neighbours will be a continuous source of re-contamination.

### **3.5 Trainings/ Social audits**

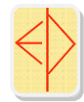
First Aiders were trained during the quarter. The team trained is expected to ensure access and provision of first aid should cases arise in the field and factory. The training on Occupational Safety and health was called off due to COVID-19 Prevention measures put in place by the government. This will take place once measures are in place to allow gatherings of people in groups.

### **3.6 Extension Service Support**

Trainings on crop husbandry and good agricultural practices were conducted in Baraton area. Farm visits were made and smallholder farmers also received fertilizer as per their requests. Some specific farms were mapped out in Kosirai areas although the registration process is yet to complete.

#### **3.6.1 Cluster Farms**

The number of cluster farms in Siret increased during the quarter to 82ha from 46ha. (*The farmers were 7 now 14*)



Cluster farmers have benefitted from the program through better management, efficiency and transparency of their crop. Through targeted direct assistance from the extension officers, the farms have been able:

- i. To develop a management plan for continuous improvement of their farm operations,
- ii. Train their pluckers on proper plucking, table management, rounds management for improved yield
- iii. Received farm visits/inspections to ensure adherence to good agricultural practices

### 3.6.2 Child Labour Training



***Photo showing a training session on child labour***

During the quarter, green leaf clerks and supervisors were trained on child Labour Awareness. This training was aimed at raising awareness and capacity on:

- i. Differentiating child work and child labour
- ii. Identifying child labour in the community
- iii. Impact of child labour to children and society
- iv. Reporting mechanisms for identified cases of child labour
- v. Stakeholder engagement in clarifying misconceptions around child work and child labour

The objective for this training is to ensure that we do not have cases of child labour in our supply chain, and our approach has been:

- a) To conduct trainings to raise awareness on children's rights among them education,
- b) To monitor and conduct risk assessments to identify where child labour may occur
- c) And find practical solutions for children to access education.

Some of the issues emerging from the training included:

- i. reversed roles of children and parental duties, where children of alcoholic parents have to work to care for their parents
- ii. Rescue plan for children engaged in child labour is needed through the child welfare department
- iii. There's a thin line between child work and child labour, therefore more sensitization is needed to avoid misconceptions around messages on child labour and when reporting a case.



### 3.7 Roads and Bridges

Approximately 3 Kilometres of Siret -Temso road, 2 kms of Kaputi – Ng'ame road and 1 km of Lengubei-Kap-Gichuru roads were murramed and compacted

Transport of green leaf and other socio-economic income opportunities have been enhanced as well as linkage between villages and shopping centers.



*Photo showing Siret- Temso Road*

### 3.8 Partnerships

#### 3.8.1 Developments with Twinings Tea - UK

##### 3.8.1 a) Expansion of health services for women in Twinings supply chain

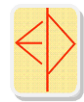
- ❑ Meetings with SHOPSPLUS, a partner that Twinings is seeking to engage in the project took place. Thereafter, SHOPS plus conducted an assessment on health services in July 2019, in Chepsire and Chepkiwen locations to run a pilot project on health services
- ❑ So far we have managed to sign an MoU with the County government of Nandi and the project will begin soon. The team also had a meeting with the Chairman, SOEP and the Operations manager.
- ❑ The pilot project to refurbish, equip and strengthen the capacity of Chepsire dispensary, that is already a beneficiary of Sireet OEP investment, will commence in quarter two, 2020.

##### 3.8.1 b) HER health Project

- ❑ On HER health sessions, we currently have 185 out of the target of 360 going on with trainings in different sites as shown in the table below with Siret OEP:

Location	No. of Pax	Factory linked
Tilalwo	22	Siret
Kapkiwo women's group	10	Chemomi
Lengubei shed	10	Kapsumbeiwa
Cheptililik	10	Kapsumbeiwa
Keteng	16	Kibwari
Kibwari	21	Kibwari
Lelgoi	32	Savani
Kaptilol	27	Savani
Kapkoros shed	15	Chemomi
Visionary youth	22	Kapsumbeiwa
Kongásis	Newly formed	Kepchomo
Kaptich	Newly formed	Chemomi





- Efforts to form new groups and encourage active participation are ongoing in order to reach and maintain the 360 target. Currently, all sessions have been stopped, because they involve meetings with groups of people and movement from one place to the other.

With EPK, sessions were taking place in Kibwari Estate, but were also stopped following COVID-19 pandemic. The Peer health educators continue to share messages on COVID-19 prevention measures with their peers through training notes handed out weekly.

Peer health educators in Savani Estate continue to sensitize peers on topics covered during the training period and also share messages on COVID-19 prevention measures with their peers through training notes handed out weekly.

### **3.9 Taylors of Harrogate supported Projects**

#### **3.9.1 a) Baby Nursing Unit:**

This quarter the facility has been used for training purposes only as the estate did not have any nursing mothers in the nearby zones and factory.



*The Baby Nursing Unit at Chemomi*

#### **3.9.1 b) The Mogoona Community Library:**

The library was commissioned in January, 2020. A books drive conducted by EPK managed to get 65 books and the Member of County Assembly for the region donated 200 books. The county employed an ICT tutor to support youth in school at the library and the community committee running the place gives a positive report on the day to day running of the facility.

To ensure Safety, Kipkoimet Estate donated a lightning arrester to enhance the safety of the computers.

#### **3.9.1 c) Savani Secondary School Science laboratory Project:**

The science laboratory project resources were availed in October 2019. The project has since commenced and by end of first quarter the contractor had completed foundation walling. The Project will be completed within the set timelines as the progress so far is good.



*Photos showing work in Progress at Savani secondary School*





#### 4. 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 quarter we donated in cash and in kind, goods and services worth **Ksh. 1,987,242.37**

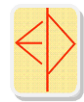
<b>EASTERN PRODUCE KENYA LIMITED</b>		
<b>SUMMARY OF DONATIONS QUARTER ONE, 2020</b>		
<b>Estate</b>	<b>Quarter 1 Amount</b>	<b>Total</b>
Chemomi	503,079.60	503,079.60
Nandi Office	188,810.97	188,810.97
Kaboswa	-	-
Kibabet	29,250.00	29,250.00
Savani	6,554.00	6,554.00
Siret	874,846.95	874,846.95
Sitoi	-	-
Kapsumbeiwa	42,678.00	42,678.00
Kipkoimet	260,954.85	260,954.85
Kepchomo	3,250.00	3,250.00
GCW	-	-
Kibwari	74,435.00	74,435.00
Kipkeibon	-	-
Kaprachoge	3,383.00	3,383.00
<b>Grand total</b>	<b>1,987,242.37</b>	<b>1,987,242.37</b>

#### 5. Key Performance Indicators

##### 5.1 Business Integrity

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

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



## 5.2 Workplace

### 5.2.1 Employee Engagement

An increase (27%) in number of employees was evident in our own estates and 31% increase in managed estates in the first quarter 2020 compared to 2019 similar period. This is attributed to more crop on offer in 2020 compared to 2019 similar period.

EASTERN PRODUCE KENYA LIMITED										
Table showing Number of Employees (excluding management) from 2012 to 2020										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	Percentage change in 2020 compared to 2019
January	6349	7156	6214	7128	6994	5905	5718	5493	5921	8%
February	4188	6952	5715	5207	6735	4653	5051	4171	6131	47%
March	3628	6899	6313	4009	6050	5195	5080	4511	5949	32%
<b>AVERAGE</b>	<b>4722</b>	<b>7002</b>	<b>6081</b>	<b>5448</b>	<b>6593</b>	<b>5251</b>	<b>5283</b>	<b>4725</b>	<b>6000</b>	<b>27%</b>

EASTERN PRODUCE KENYA LIMITED - Managed Estates										
Table showing Number of Employees (excluding management) from 2012 to 2020										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	Percentage change in 2020 compared to 2019
January	1768	1990	1941	2110	1942	2264	1771	1560	1680	8%
February	1232	1876	1771	1546	1856	1569	1575	1296	1763	36%
March	984	1970	1759	1114	1738	1876	1280	1065	1682	58%
<b>AVERAGE</b>	<b>1328</b>	<b>1945</b>	<b>1824</b>	<b>1590</b>	<b>1845</b>	<b>1903</b>	<b>1542</b>	<b>1307</b>	<b>1708</b>	<b>31%</b>

### 5.2.2 Sick Leave

The table below indicates the sick leave figures from 2012 to 2020. So far 76% increase is observed in average number of sick leave days taken in own estates and 80% increase in managed estates figures compared to 2019 similar period.

EASTERN PRODUCE KENYA LIMITED										
Table showing sick leave figures from 2012 to 2020										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	Percentage change in 2020 compared to 2019
January	548	561	523	843	868	410	335	323	318	-2%
February	290	382	411	460	650	313	262	222	466	110%
March	397	641	455	421	617	389	364	150	437	191%
<b>AVERAGE</b>	<b>412</b>	<b>528</b>	<b>463</b>	<b>575</b>	<b>712</b>	<b>371</b>	<b>320</b>	<b>231</b>	<b>407</b>	<b>76%</b>

EASTERN PRODUCE KENYA LIMITED - Managed Estates										
Table showing sick leave figures from 2012 to 2020										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	Percentage change in 2020 compared to 2019
January	170	207	233	224	250	128	95	94	129	37%
February	84	144	69	136	172	72	80	24	70	192%
March	79	158	93	119	235	142	85	51	105	106%
<b>AVERAGE</b>	<b>111</b>	<b>170</b>	<b>132</b>	<b>160</b>	<b>219</b>	<b>114</b>	<b>87</b>	<b>56</b>	<b>101</b>	<b>80%</b>



### 5.2.3 Casual Leave

There was an increase (36%) in average number of casual leave taken in our own estates and (67%) increase in Managed estates compared to 2019 similar period.

EASTERN PRODUCE KENYA LIMITED										
Table showing Casual leave figures from 2012 to 2020										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	Percentage change in 2020 compared to 2019
January	1584	1652	2361	2395	2823	2063	2706	2029	1884	-7%
February	746	1844	2137	1604	2572	1192	2492	1230	1902	55%
March	578	2812	2296	1001	2334	1972	2145	901	1865	107%
<b>AVERAGE</b>	<b>969</b>	<b>2103</b>	<b>2265</b>	<b>1667</b>	<b>2576</b>	<b>1742</b>	<b>2448</b>	<b>1386</b>	<b>1883</b>	<b>36%</b>

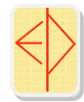
EASTERN PRODUCE KENYA LIMITED - Managed Estates										
Table showing Casual leave figures from 2012 to 2020										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	Percentage change in 2020 compared to 2019
January	575	414	515	605	824	556	563	347	383	10%
February	366	374	382	270	771	296	319	231	418	81%
March	126	528	350	178	526	293	239	125	371	197%
<b>AVERAGE</b>	<b>356</b>	<b>439</b>	<b>416</b>	<b>351</b>	<b>707</b>	<b>382</b>	<b>374</b>	<b>234</b>	<b>390</b>	<b>67%</b>

### 5.2.4 Absenteeism

The absenteeism figures decreased by 66% in our own estates and increased (18%) in managed estates in 2020 compared to 2019 similar period.

EASTERN PRODUCE KENYA LIMITED										
Table showing Absenteeism figures from 2012 to 2020										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	Percentage change in 2020 compared to 2019
Jan	536	262	215	234	227	274	911	511	132	-74%
Feb	334	254	203	231	200	857	555	289	131	-55%
Mar	233	306	248	144	143	822	779	386	136	-65%
<b>AVERAGE</b>	<b>368</b>	<b>274</b>	<b>222</b>	<b>203</b>	<b>190</b>	<b>651</b>	<b>748</b>	<b>395</b>	<b>133</b>	<b>-66%</b>

EASTERN PRODUCE KENYA LIMITED - Managed Estates										
Table showing Absenteeism figures from 2012 to 2019										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	Percentage change in 2020 compared to 2019
January	363	216	410	380	93	188	147	147	193	31%
February	125	208	304	311	181	139	211	269	183	-32%
March	101	442	256	58	100	183	115	62	186	200%
<b>AVERAGE</b>	<b>196</b>	<b>289</b>	<b>323</b>	<b>250</b>	<b>125</b>	<b>170</b>	<b>158</b>	<b>159</b>	<b>187</b>	<b>18%</b>



## 5.2.5 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. We note an increase (400%) in number of incidents in our own estates and a decrease (50%) 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 2020										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	Percentage change in 2020 compared to 2019
Jan	2	2	1	1	3	2	1	0	1	100%
Feb	0	1	1	4	7	0	2	0	1	100%
Mar	0	1	0	2	2	1	2	1	3	200%
<b>TOTAL</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>7</b>	<b>12</b>	<b>3</b>	<b>5</b>	<b>1</b>	<b>5</b>	<b>400%</b>

EASTERN PRODUCE KENYA LIMITED (Managed Estates)										
Table showing Short Term Disability figures from 2012 to 2020										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	Percentage change in 2020 compared to 2019
Jan	1	0	0	0	0	0	1	1	0	-100%
Feb	1	0	1	0	0	1	0	0	0	0
Mar	0	0	1	1	0	0	0	1	1	0
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>-50</b>

## 6. Fair-trade Premium

The table below summarizes the amount of fair-trade premium so far received by Sireet from 2012 to 2020. There was an increase (315%) in premium received.

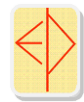
LINTON PARK REGIONAL OFFICE										
SIREET OEP Fair-trade Premium (US\$) Comparison 2012 to 2020										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	Percentage change in 2020 compared to 2019
Jan	21,200	4,400	52,778	38,160	18,083.5	-	4,320	0	1,412	100%
Feb	-	3,560	50,890	26,000	7,700	2,880	0	0	0	-100%
Mar	6,300	15,520	56,730	66,600	80,590	168,126	0	1,440	4,570	217%
<b>TOTAL</b>	<b>27,500</b>	<b>23,480</b>	<b>160,398</b>	<b>130,760</b>	<b>106,373.50</b>	<b>171,006</b>	<b>4,320</b>	<b>1,440</b>	<b>5,982</b>	<b>315%</b>

## 7. 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.



## 8. Risk and Compliance Update

### 8.1 Update on risk and compliance management

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.

### 8.2 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.

## 9. Work Plan and Focus Areas

EASTERN PRODUCE KENYA LIMITED WORK PLAN FOR CSR – QUARTER 2, 2020		
Date	Activity	Objective(s)
April - June	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
	Monitor Progress on Partnership projects	-To Coordinate monitor and report progress of projects supported by partners
	Assessment of CSR approved projects' progress	To assess and report progress with CSR approved projects to the CSR committee members
	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
	Develop proposals for partnership interventions to address COVID19 crisis in the work place and community	-To seek more resources and enhance partnership during this COVID-19 Pandemic period
	Monitoring dispensaries supply of commodities and service provision on COVID19 prevention	-To ensure that supplies and commodities are stocked at the dispensaries and that our capacity to handle cases should they arise is covered.
	Preparation and dissemination of COVID19 Information, Education and Communication Materials (IEC)	-To ensure that accurate and factual information is shared and that all employees and their dependents together with our smallholders are well informed
	Monitoring village welfare, children's KICD programs delivery and basic information	

-End-