

# EASTERN PRODUCE KENYA LIMITED



## Corporate Social Responsibility Report 1<sup>st</sup> Quarter, 2021

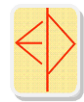
Prepared by:

**Joyce Mageto**

**Corporate Social Responsibility Manager**

**Technical Office**

**Nandi Hills**



## 1. Current Significant Issues

As the year began we have seen the need for an accelerated health response plan of action, to comprehensively cover COVID19 crisis, which has demonstrated the interaction between health, social issues and decent work. Having successfully sustained jobs in 2020, we continued to stand by our obligation to ensure that decent work (Fair treatment and good working conditions), other social issues (like worker anxiety and stress), and health are monitored and maintained to company and international standards.

We also noted an increased level of trust and confidence in our SHARP reporting systems. During the quarter cases brought up were addressed and closed successfully.

## 2. Update on Corporate Social Responsibility Plan Implementation

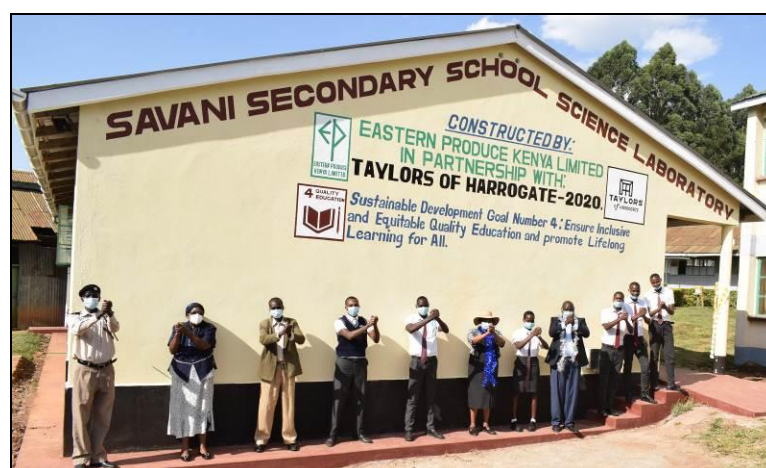
Progress on implementation of CSR activities has been good, with coordination from the CSR committee. CSR committee meeting was held, focusing on community relations enhancement projects and implementation.

Progress and updates of the community projects have been uploaded on social media platforms throughout the quarter, raising our profile high in the community and as a result fostering good will that enables us to continue to trade.

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 3 (Improved Health and well-being), 4 (Quality Education), 5 (Gender Equality), 6 (Water and Sanitation), 13 (Climate Action) 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 neighbours, as demonstrated in the reports below:



### 3.1 Food Security

During the quarter, Field Educators supported employees with maintenance of kitchen gardens to ensure consistent supply of vegetables for their families. The company continued to stock up maize for employees use as shortages continues to be experienced in the country.

Village inspections conducted during the quarter by Technical showed that employees are keen on maintaining their kitchen gardens for a steady supply of 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. During the 1<sup>st</sup> quarter we supported 8 primary schools with 160 desks, that will benefit 280 pupils.



*Classroom furniture donated to Kimolwo primary school in Savani catchment area*

### 3.3 Water

During the quarter 3 institutions were supported with rain water harvesting, as a means of ensuring a sustainable water supply.



*Photo showing a set up Rain Water Harvesting Kit at Lelwak Primary school and branded tanks ready for installation at Kapsaos Primary school*

### 3.4 Sanitation

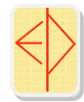
The CSR committee approved construction of 6 double door latrines. 4 have since been completed and will be handed over to the schools at the start of the 2<sup>nd</sup> quarter. The remaining 2 are still work in progress and will be completed early in the 2<sup>nd</sup> quarter.



*Photo showing a complete double door latrine ready for handing over at Ndbusat primary school*

### 3.4 Environment

On environmental issues, the company partnered with Cambridge University and are working with Chemomi Estate on a science based carbon reduction targets, based on general good practice like switching off lights when not in use.



The TDM has also been working with estates on firewood yard advancements to ensure efficiency in burning, resulting to good outturns.



**Photo showing a polytunnel trial in Savani yard**

### **3.4.1 Indigenous Forestry**

Reduced rain during the quarter precluded any new planting. However, maintenance – mostly in the form of slashing – has been ongoing and survival rates are good. Staff changes resulted in some newly established areas being overlooked from the maintenance perspective, but these oversights have now been rectified with no great harm done.

Closer links have been established with the charity Trees for Life and the South Nandi Forest, which is managed by the KFS. These links have led to EPK's nurseries having a greater variety of indigenous seed to sow, which in turn will lead to a greater variety of trees in the forest. EPK staff had a successful tree seed gathering session in the Nandi South Forest. Altogether these efforts have garnered approximately 8 kg of seed covering some 20 species, which should – but don't – grow in Company indigenous areas. We have much to learn from these organizations, and it is hoped that continued and closer relationships will yield dividends

The removal of volunteer exotic species from Company indigenous areas continues, with many being sold as standing trees to local timber dealers. Inevitably this will result in some damage to the surrounding indigenous forest, but this is being kept to a minimum.

### **3.5 Health**

We continued to invest in the health of workers and health care workforce by retaining additional healthcare workers recruited in 2020, and supporting health outreaches. These interventions are vital to making progress towards universal health coverage under SDG number 3.

In relation to COVID19, regular sensitization meetings continued to be held on social distancing, effective handwashing, cough and sneeze etiquette and proper wearing of masks. All work stations-maintained hand washing stations and washable masks were provided to all employees.

We donated 100 N95 masks to the Nandi Hills Sub-County Hospital, in an effort to support public health facilities keep their staff safe with appropriate PPE.



**Photo showing the Medical Supretendent at Nandi Hills Sub-County Hospital receiving N95 Masks**



### 3.6 Trainings/ Social audits

#### 3.6.1 a) New Rainforest Alliance Standard:

The CEM and the Group Manager - Out-growers, attended a 4-day training on the new Rainforest Alliance Standard, together with other tea stakeholders in Nandi. The training was organized by Rainforest Alliance.

#### 3.6.1 b) Positive Parenting Training:

The Field Educators participated in a 5-day training on Positive Parenting facilitated by Angaza Charity Organization. This training is aimed at improving dialogue between parents and their teenaged children. It was an intervention coming from challenging times that parents experienced during the long school break in 2020. Currently, there are 20 groups of 7 parents and 7 teenagers meeting on a weekly basis to cover topics under positive parenting. The training sessions take 14 weeks with the 14<sup>th</sup> week covering graduation and recruitment of the next group of parents and their teenagers. Topics being covered include:

- Building a positive relationship through spending time together
- Praising each other
- Talking about emotions
- What do we do when we are angry
- Problem solving
- Motivations to save money and make a budget with our money
- Ways to make money and making a saving plan
- Dealing with problems without conflict
- Establishing rules and routines
- Keeping safe in the community
- Responding to crisis
- Widening the circle of support

There has been positive reception from employees on the program. Field Educators (FEs) report having an improved relationship with some of the teenagers who previously felt that the FEs were invading their privacy. Parents participating in the training sessions confirm that conversations around money, especially pocket money given when the teenagers go back to school, has improved with good understanding of budgeting and savings on the teenagers' part.

The first group will be graduating in the second quarter.



Photo showing parents and their teenagers in a Positive Parenting Training Session

#### 3.6 Extension Service Support

During the quarter, the extension team continued to support farmers with planning for fertilizer application and issuing, as well as monitoring and providing support supervision to registered cluster farms.

The extension team together with respective factories put up 8 new green leaf buying centres in Siret and Savani out-grower routes. As a result, farmers in these routes will be able to supply green leaf with ease.





### **Photos showing newly constructed green leaf buying centre and sanitation facility**

Following the training on Rainforest Alliance Standard, the group manager Out-growers has also embarked on training smallholder farmers on initiatives to carry out and enhance good agricultural practices, as well as ensure that the farmers meet certification requirements.

### **New out grower weighing system**

The programme was rolled out in 3 factories i.e. Chemomi, Savani and Kibwari. The system has the following benefits:

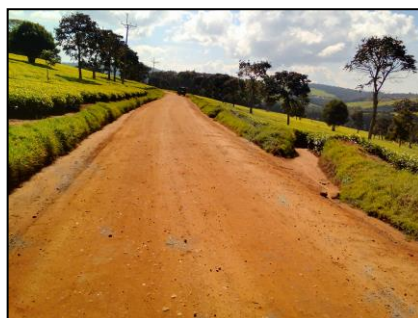
- More savings on use of printing paper and having to replace thermal printers whose lifespan was short
- The farmers receive text messages in real time whenever they are. This assist them plan on how to pay for the workers
- The farmer workers who would inflate the kilograms plucked for undeserved pay now controlled
- Since the clerk is not physically holding the weighing scale, the scale interference that would make a farmer doubt if the scale gave correct figures has now been dealt with

### **Challenges experienced:**

- Network coverage, sending of text messages would delay until a when a clerk reaches a place where there is network
- Farmers opt out unknowingly on the text messages and they fail to receive texts. They are now being trained on how to get back to receiving texts.

### **3.7 Roads and Bridges**

Our internal roads continued to be maintained by the estates. An internal training on road repair and maintenance was conducted. The training focused on understanding the need for good roads, road drainage, maintenance and restoration of good cambers, improving drainage and a plan of action for maintenance of the estate roads.



**Photo showing good camber and drainage**



### 3.8 COVID-19 RESPONSE

During the quarter, regular consultative and monitoring meetings continued to be held with the heads of departments giving guidance on following all procedures set up by the company and the government. During these meetings, review and updates on preventative measures and control measures were discussed. In addition, the following guidelines were implemented and monitored:

- Regular cleaning and disinfection of offices, cars and trucks
- Promotion of personal hygiene at the work place through posters
- Provision of PPE and information sharing with workers
- Health surveillance and tracking leave days, sick offs and casual leaves

### 3.9 Partnerships

#### 3.9.1 Developments with Twinings Tea - UK

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

Health service provision continues to take place at Chepsire Dispensary. There is increased number of clients seeking treatment at the facility. This is attributed to the upgrade, close proximity and a 'safety assumption' from COVID19 in the bigger facilities



Photos showing external view of Chepsire Dispensary

##### 3.9.1 b) HER health Project

The erratic COVID19 positivity rates have stalled HER health training sessions both in Sireet OEP and EPK. This is because the sessions involve some external facilitators and participants moving from one station to another for the sessions. In some training venues, social distancing is a challenge.

#### 3.9.2 Taylors of Harrogate supported Projects

##### 3.9.2 a) Savani Secondary School Science laboratory Project:

The science laboratory project resources were availed in October 2019. The project has since been completed and during the quarter, was officially handed over to the school community. The completion was timely as the students made use of the laboratory to sit for their final secondary school examinations.



Photos showing the Company Director interacting with students in a 'demo- practical' session during the handing over, and Students sitting for their KCSE physics exams at the Savani Secondary school science laboratory



#### 4. Gender

During the quarter, we discussed and considered registration with Target Gender Equality Accelerator Programme. This is a United Nations program aimed at strengthening the company's contribution to Sustainable Development Goal number 5. Our participation in this programme will give us an opportunity to learn and demonstrate our commitment measure progress on gender equality to ourselves and our stakeholders. The programme commences in June 2021 and will run to March 2022.

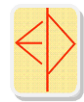
#### 5. Donations' Summary

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. 2,665,625.02**

EASTERN PRODUCE KENYA LIMITED			
SUMMARY OF DONATIONS QUARTER TWO, 2021			
Estate	Quarter 1 (Amount)	Quarter 2 (Amount)	Total
Chemomi	127,413.52	88,726.91	216,140.43
Nandi Office	88,032.80	199,144.61	287,177.41
Kaboswa	0.00	0.00	0.00
Kibabet	5,100.00	28,050.00	33,150.00
Savani	453,327.02	88,930.00	542,257.02
Siret	230,241.00	599,736.00	829,977.00
Sitoi	1,080.00	0.00	1,080.00
Kapsumbeiwa	247,890.46	344,168.50	592,058.96
Kipkoimet	68,682.20	0.00	68,682.20
Kepchomo	3,250.00	9,750.00	13,000.00
GCW	0.00	0.00	0.00
Kibwari	45,000.00	9,286.00	54,286.00
Kipkeibon	13,344.00	0.00	13,344.00
Kaprachoge	14,472.00	0.00	14,472.00
<b>Grand total</b>	<b>1,297,833.00</b>	<b>1,367,792.02</b>	<b>2,665,625.02</b>







## 7.2 Workplace

### 7.2.1 Employee Engagement

A decrease (16%) in number of employees was evident in our own estates, and 16% decrease in managed estates in 2020 compared to the same period in 2021. This is attributed to labour management and factory annual maintenance.

EASTERN PRODUCE KENYA LIMITED											
Table showing Number of Employees (excluding management) from 2012 to 2021											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Percentage change in 2021 compared to 2020
January	6349	7156	6214	7128	6994	5905	5718	5493	5921	5261	-11%
February	4188	6952	5715	5207	6735	4653	5051	4171	6131	4745	-23%
March	3628	6899	6313	4009	6050	5195	5080	4511	5949	5157	-13%
April											
May											
June											
<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>5054</b>	<b>-16%</b>

EASTERN PRODUCE KENYA LIMITED - Managed Estates											
Table showing Number of Employees (excluding management) from 2012 to 2021											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Percentage change in 2021 compared to 2020
January	1768	1990	1941	2110	1942	2264	1771	1560	1680	1482	-12%
February	1232	1876	1771	1546	1856	1569	1575	1296	1763	1365	-23%
March	984	1970	1759	1114	1738	1876	1280	1065	1682	1481	-12%
April											
May											
June											
<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>1442</b>	<b>-16%</b>

### 7.2.2 Sick Leave

The table below indicates the sick leave figures from 2012 to 2021. So far, a decrease (1%) has been observed in the average number of sick leave days taken in own estates and 53% decrease in managed estates figures compared to 2020.

EASTERN PRODUCE KENYA LIMITED											
Table showing sick leave figures from 2012 to 2021											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Percentage change in 2021 compared to 2020
January	548	561	523	843	868	410	335	323	318	406	28%
February	290	382	411	460	650	313	262	222	466	309	-34%
March	397	641	455	421	617	389	364	150	437	490	12%
Apr											
May											
June											
<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>401</b>	<b>-1%</b>

EASTERN PRODUCE KENYA LIMITED - Managed Estates											
Table showing sick leave figures from 2012 to 2021											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Percentage change in 2021 compared to 2020
January	170	207	233	224	250	128	95	94	129	42	-67%
February	84	144	69	136	172	72	80	24	70	36	-49%
March	79	158	93	119	235	142	85	51	105	63	-40%
Apr											
May											
June											
<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>47</b>	<b>-53%</b>

### 7.2.3 Casual Leave



There was an increase (2%) in average number of casual leave taken in our own estates and (8%) decrease in Managed estates compared to 2020 similar period.

EASTERN PRODUCE KENYA LIMITED											
Table showing Casual leave figures from 2012 to 2021											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Percentage change in 2021 compared to 2020
January	1584	1652	2361	2395	2823	2063	2706	2029	1884	2142	14%
February	746	1844	2137	1604	2572	1192	2492	1230	1902	1455	-24%
March	578	2812	2296	1001	2334	1972	2145	901	1865	2179	17%
Apr											
May											
June											
<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>1925</b>	<b>2%</b>

EASTERN PRODUCE KENYA LIMITED - Managed Estates											
Table showing Casual leave figures from 2012 to 2021											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Percentage change in 2021 compared to 2020
January	575	414	515	605	824	556	563	347	383	303	-21%
February	366	374	382	270	771	296	319	231	418	328	-22%
March	126	528	350	178	526	293	239	125	371	447	20%
Apr											
May											
June											
<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>359</b>	<b>-8%</b>

#### 7.2.4 Absenteeism

The absenteeism figures increased by 1% in our own estates and decreased 71% in managed estates in 2021 compared to 2020 similar period.

EASTERN PRODUCE KENYA LIMITED											
Table showing Absenteeism figures from 2012 to 2021											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Percentage change in 2021 compared to 2020
Jan	536	262	215	234	227	274	911	511	132	133	1%
Feb	334	254	203	231	200	857	555	289	131	134	2%
Mar	233	306	248	144	143	822	779	386	136	137	1%
Apr											
May											
June											
<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>134</b>	<b>1%</b>

EASTERN PRODUCE KENYA LIMITED - Managed Estates											
Table showing Absenteeism figures from 2012 to 2021											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Percentage change in 2021 compared to 2020
January	363	216	410	380	93	188	147	147	193	80	-59%
February	125	208	304	311	181	139	211	269	183	52	-72%
March	101	442	256	58	100	183	115	62	186	30	-84%
Apr											
May											
June											
<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>54</b>	<b>-71%</b>

#### 7.2.5 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 a decrease (40%) in number of incidents in our own estates and a decrease (100%) in managed estates figures. 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 2021											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Percentage change in 2021 compared to 2020
Jan	2	2	1	1	3	2	1	0	1	1	0%
Feb	0	1	1	4	7	0	2	0	1	0	-100%
Mar	0	1	0	2	2	1	2	1	3	2	-33%
Apr											
May											
June											
<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>3</b>	<b>-40%</b>

EASTERN PRODUCE KENYA LIMITED (Managed Estates)											
Table showing Short Term Disability figures from 2012 to 2021											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Percentage change in 2021 compared to 2020
Jan	1	0	0	0	0	0	1	1	0	0	0%
Feb	1	0	1	0	0	1	0	0	0	0	0%
Mar	0	0	1	1	0	0	0	1	1	0	-100%
Apr											
May											
June											
<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>0</b>	<b>-100%</b>

## 8. Fair-trade Premium

The table below summarizes the amount of fair-trade premium so far received by Sireet from 2012 to 2021. There was an increase (27%) in premiums received.

LINTON PARK REGIONAL OFFICE											
SIREET OEP Fair-trade Premium (US\$) Comparison 2012 to 2021											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Percentage change in 2021 compared to 2020
Jan	21,200	4,400	52,778	38,160	18,083.5	-	4,320	0	1,412	0	-100%
Feb	-	3,560	50,890	26,000	7,700	2,880	0	0	0	0	0%
Mar	6,300	15,520	56,730	66,600	80,590	168,126	0	1,440	4,570	7,614.70	67%
Apr											
May											
June											
<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>7,614.70</b>	<b>27%</b>

## 9. Environment

Waste water analysis results received in the 1st quarter show that factory effluent is within acceptable limits, with the exception of biological and chemical oxygen demands.

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

## 10. Risk and Compliance Update

### 10.1 Update on risk and compliance management



During the quarter, consultative meetings were held to ensure that compliance on food safety and work place safety procedures are in place and are effective.

### 10.2 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.

### 11. Work Plan and CSR Focus Areas

EASTERN PRODUCE KENYA LIMITED WORK PLAN FOR CSR – QUARTER 3, 2021		
Date	Activity	Objective(s)
July - September 2021	Quarter 2 CSR Committee meeting	-To review requests and identify those to support -To review progress with actions from quarter 1 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
	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	-To ensure that accurate and factual information is shared and that all employees and their dependents together with our smallholders are well informed
	HERO Project	-Develop HERO project budget and implementation plan

-End-