

EASTERN PRODUCE KENYA LIMITED



Corporate Social Responsibility Report 1st Quarter, 2022

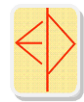
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Technical Office

Nandi Hills



1. Current Significant Issues

Our focus on OGM development with respect to resolutions of grievances arising from business-related human rights harm took center stage. We have continued to work with TRA to operationalize constructively and proactively raise our OGM standards and promote good practice in line with our policies and systems.

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.

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 our neighbours.

We continued to align all our community 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)

3.1 Food Security

Village inspections conducted during the quarter by Technical department team showed that employees are keen on maintaining their kitchen gardens for a steady supply of vegetables. Field Educators and village headmen continue to support kitchen gardens establishment, maintenance and compost making.

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 1st quarter we supported 3 primary schools with 60 desks, and 1 secondary school with 20 lockers and 20 chairs benefitting 180 pupils and students.



Classroom furniture donated to Chepngétuny primary school and St Robert's Arwos Secondary School



3.3 Water

During the quarter 3 institutions were supported with rain water harvesting, as a means of ensuring a sustainable water supply. The installation of the Rain water harvesting systems is still in place and all will be handed over to the institutions in quarter 2.



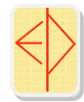
Photo showing a Rain Water Harvesting System Installed at St Robert's Arwos Primary School.

3.4 Sanitation

The CSR committee approved construction of 2 (1double door latrine and a 4 door latrine) at a school and shopping centre respectively. These continue to enhance sanitation and access to sanitation facilities within our communities.



Photo showing a constructed double door latrine being handed over to Tendwet primary school



3.4 Environment

3.4.1 Indigenous Forestry

Dry weather conditions precluded any planting during the quarter. Weed growth on already enriched areas, whilst slowed by the weather, continued thus ensuring the continued need for maintenance.

Most estates continued with the preparation of areas to be enriched during the coming planting season – mainly the slashing of vines and creepers, whilst preserving naturally regenerated stems.

The search for seed continued during the quarter and contacts with Kakamega Forest proved useful with several kilograms of seed being sourced from there. Some of the germination rates were disappointing. However, at the time of writing a new organic “growth enhancer” is being tried which, if the manufacturer is to be believed, will help in this regard.

That *Prunus africana* is subjected to attack by the borer beetle *Oncideres* is reasonably well known. However, in Kepchomo the attacking beetle acted as a vector for a fungus of the *Cylindrocarpon* genus. The result was that, when *Prunus africana* shade trees were attacked by the beetle, the accompanying fungus killed the tea in a circle approximately 5 m in radius from the stem.



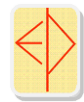
Photo showing tea affected by the Infection on Prunus africana shade tree

Pant pathologists and entomologists from the TRI were summoned and, following their advice, the infected plants were isolated and destroyed. There has been no spreading of the infection.

Prunus africana has now been removed from the list of approved shade trees, although it will continue to be a valuable asset in the indigenous forests.

3.5 Health

Estate dispensaries continue to be manned professionally, with top ten diseases being monitored and analyzed. No major incidences have been reported. Dispensary staff have been encouraged to attend the Continuous Medical Education (CMEs) offered by the Sub-County Hospital, facilitated by the Ministry of Health.



3.6 Trainings

Company Operations trainings have continued to take place during the quarter, with statutory trainings planned for 2nd quarter 2022.

3.6 Extension Service Support

During the quarter the out-growers' department carried out activities aimed at improving smallholders' tea farming and green leaf supply. Fertilizer was procured for the smallholder farmers during the first quarter, with intention to issue during the second quarter. Mini field days were held in Cheptabach and Temso catchment areas, with the aim of expanding to other areas.

Shed chairpersons meeting for all the 6 factories were held. Training sessions covering plucking operations, weeding, pruning, fertilizer application, and RFA were conducted. The meetings included transporters' meeting and the main issues addressed included understanding the transport contract.

Capacity building sessions were held with Out-grower green leaf clerks on client-service provider relationship aimed at improving respectful communication practices. Shed and cluster visits by extension Officers and the Group Manager were also conducted.

3.7 Roads and Bridges

The main Himaki-Nandi Hills road continues to pain the company, contractors and the community due to its bad state. The community roads have continued to be maintained by the County Government while the estates have maintained their roads for ease of networking.

3.8 COVID-19 RESPONSE

COVID 19 measures are still in place and all our working and neighbouring communities continue to be encouraged to keep safe and follow MoH guidelines on prevention of COVID 19 infections.

3.9 Partnerships

3.9.1 Developments with Twinings Tea – UK

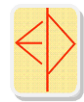
We have been having discussions on how best to engage with Twinings for more impactful projects in their supply chain – Kibwari, Savani and Chemomi. During the 2nd quarter we shall hold consultative meetings to develop a functioning roadmap on Gender, Discrimination and Health Projects, including supervisors' trainings. In addition, we are keen to develop an approach on evaluation of the projects implemented to assess the impact they are having on the beneficiaries.

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 are challenges that continue to hinder comprehensive service provision and they include empanelment of the facility with NHIF. This will be discussed with Twinings during the second quarter on a planned visit to the facility.

3.9.1 b) HER health Project

HER Health project commenced in Chemomi with 60 participants undergoing HER Health and HER respect projects.



3.9.2 Taylors of Harrogate supported Projects

We are expecting Taylors of Harrogate to visit during the second quarter to assess the projects we have implemented in partnership and the Science Laboratory is one of them. We have also received an invitation to a new Value Chain Investment and we are keen to partner on more impactful projects.

3.9.2 a) Savani Secondary School Science laboratory Project:

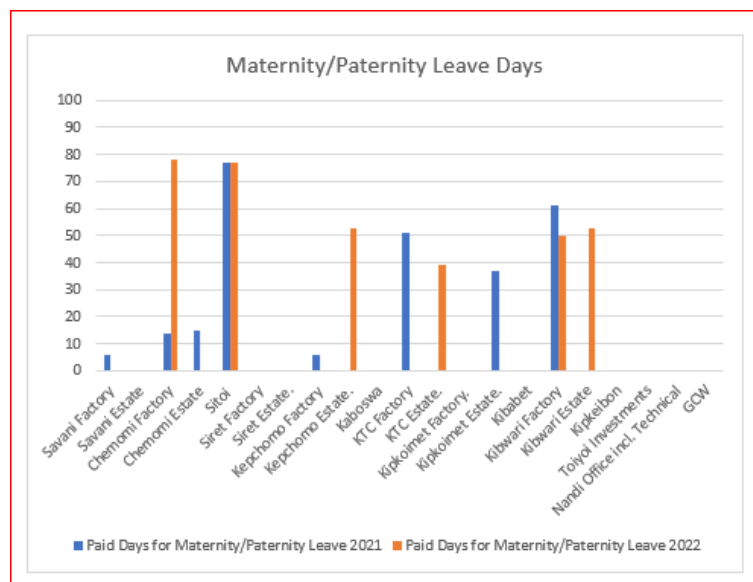
The Savani Secondary School Science laboratory will be in use for the second time in sitting for National Examinations since its inauguration. The school community continues to be grateful for the support. The teachers have utilized the facility for practical exercises to support the students do well in the sciences subjects.

4. Gender

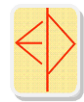
During the quarter, we completed the UN-Target Gender Equality Accelerator Programme. This is a United Nations program aimed at strengthening the company's contribution to Sustainable Development Goal number 5. Our participation in this programme gave us an opportunity to learn and demonstrate our commitment measure progress on gender equality to ourselves and our stakeholders. As a result, we have put targets to increase gender representation across all cadres of employees by 2030. Most importantly we have put measures in place to formalise our mentorship programme, which we expect will improve the working environment and build a healthy, high performing and gender sensitive work culture.

We have been monitoring female representation using the Social Indicator Dashboard. The table and graph below summarizes some of the trends. We note a 4% and 12% increase in percentage of graded female employees and female managers respectively. A notable increase (31%) of paid days for parental care in the first quarter 2022 compared to 2021 similar period.

EASTERN PRODUCE KENYA LIMITED			
Table showing female representation in 1 st quarter 2021 compared to 1 st quarter 2022			
Indicator	2021	2022	Percentage change in 2022 compared to 2021
Percentage of female employees	35.48	35.12	-1%
Percentage of graded female employees	28.03	29.11	4%
Percentage of female managers	26.30	29.50	12%
Percentage of female guards	13.74	13.71	0%
Paid days for parental care	267	350	31%



Graph showing paid parental care in first quarter, 2021 compared to 2022 similar period



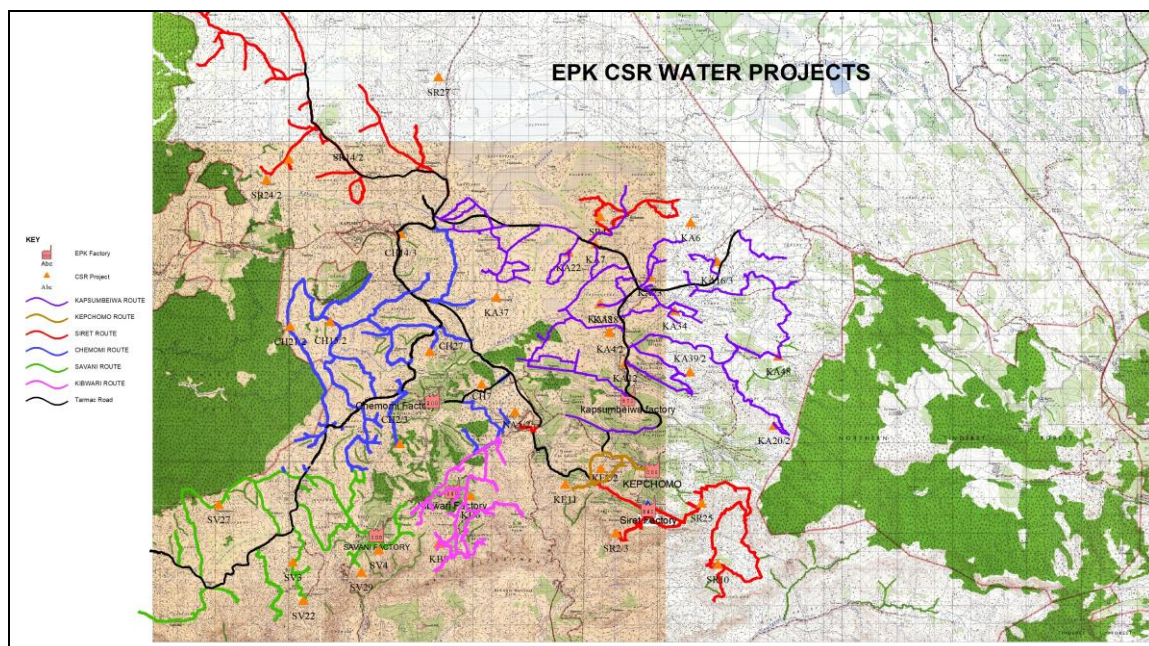
5. Donations' Summary

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. 696,868.79**

EASTERN PRODUCE KENYA LIMITED		
SUMMARY OF DONATIONS QUARTER ONE, 2022		
Estate	Quarter 1 (Amount)	Total
Chemomi	30,189.80	30,189.80
Nandi Office	276,560.00	276,560.00
Kaboswa	3000.00	3000.00
Kibabet	20,400.00	20,400.00
Savani	176,288.64	176,288.64
Siret	43,078.00	43,078.00
Sitoi	6,552.00	6,552.00
Kapsumbeiwa	89,403.35	89,403.35
Kipkoimet	0.00	0.00
Kepchomo	9,750.00	9,750.00
GCW	0.00	0.00
Kibwari	13,000.00	13,000.00
Kipkeibon	20,799.00	20,799.00
Kaprachoge	7,848.00	7,848.00
Grand total	696,868.79	696,868.79

6. CSR Footprint

Our CSR footprint for the quarter shown below demonstrate our Water Projects in the community. Over 400,000 litres of water harvested per day to supply schooling and other communities with sustainably acquired water resources.





7. Key Performance Indicators

7.1 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.

7.2 Workplace

7.2.1 Employee Engagement

A decrease (22%) in number of employees was evident in our own estates, and 24% decrease in managed estates in 2021 compared to the same period in 2022. This is attributed to labour management and factory annual maintenance.

EASTERN PRODUCE KENYA LIMITED												
Table showing Number of Employees (excluding management) from 2012 to 2022												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Percentage change in 2022 compared to 2021
Jan	6349	7156	6214	7128	6994	5905	5718	5493	5921	5261	4314	-18%
Feb	4188	6952	5715	5207	6735	4653	5051	4171	6131	4745	3538	-25%
Mar	3628	6899	6313	4009	6050	5195	5080	4511	5949	5157	3958	-23%
AV.	4722	7002	6081	5448	6593	5251	5283	4725	6000	5054	3937	-22%

EASTERN PRODUCE KENYA LIMITED - Managed Estates												
Table showing Number of Employees (excluding management) from 2012 to 2022												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Percentage change in 2022 compared to 2021
Jan	1768	1990	1941	2110	1942	2264	1771	1560	1680	1482	1224	-17%
Feb	1232	1876	1771	1546	1856	1569	1575	1296	1763	1365	1001	-27%
Mar	984	1970	1759	1114	1738	1876	1280	1065	1682	1481	1062	-28%
AV.	1328	1945	1824	1590	1845	1903	1542	1307	1708	1442	1096	-24%

7.2.2 Sick Leave

The table below indicates the sick leave figures from 2012 to 2022. So far, an increase (23%) has been observed in the average number of sick leave days taken in own estates and 4% increase in managed estates figures compared to 2021.

EASTERN PRODUCE KENYA LIMITED												
Table showing sick leave figures from 2012 to 2022												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Percentage change in 2022 compared to 2021
Jan	548	561	523	843	868	410	335	323	318	406	539	33%
Feb	290	382	411	460	650	313	262	222	466	309	375	21%
Mar	397	641	455	421	617	389	364	150	437	490	561	14%
AV.	412	528	463	575	712	371	320	231	407	401	492	23%

EASTERN PRODUCE KENYA LIMITED - Managed Estates												
Table showing sick leave figures from 2012 to 2022												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Percentage change in 2022 compared to 2021
Jan	170	207	233	224	250	128	95	94	129	42	81	93%
Feb	84	144	69	136	172	72	80	24	70	36	46	28%
Mar	79	158	93	119	235	142	85	51	105	63	20	-68%
AV.	111	170	132	160	219	114	87	56	101	47	49	4%



7.2.3 Casual Leave

There was a decrease (25%) in average number of casual leave taken in our own estates and (20%) decrease in Managed estates compared to 2021 similar period.

EASTERN PRODUCE KENYA LIMITED												
Table showing Casual leave figures from 2012 to 2022												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Percentage change in 2022 compared to 2021
Jan	1584	1652	2361	2395	2823	2063	2706	2029	1884	2142	1780	-17%
Feb	746	1844	2137	1604	2572	1192	2492	1230	1902	1455	1296	-11%
Mar	578	2812	2296	1001	2334	1972	2145	901	1865	2179	1284	-41%
AV.	969	2103	2265	1667	2576	1742	2448	1386	1883	1925	1453	-25%

EASTERN PRODUCE KENYA LIMITED - Managed Estates												
Table showing Casual leave figures from 2012 to 2022												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Percentage change in 2022 compared to 2021
Jan	575	414	515	605	824	556	563	347	383	303	392	-29%
Feb	366	374	382	270	771	296	319	231	418	328	279	-15%
Mar	126	528	350	178	526	293	239	125	371	447	194	-57%
AV.	356	439	416	351	707	382	374	234	390	359	288	-20%

7.2.4 Absenteeism

The absenteeism figures increased by 5% in our own estates and increased 26% in managed estates in 2022 compared to 2021 similar period.

EASTERN PRODUCE KENYA LIMITED												
Table showing Absenteeism figures from 2012 to 2022												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Percentage change in 2022 compared to 2021
Jan	536	262	215	234	227	274	911	511	132	133	155	17%
Feb	334	254	203	231	200	857	555	289	131	134	135	1%
Mar	233	306	248	144	143	822	779	386	136	137	132	-4%
AV.	368	274	222	203	190	651	748	395	133	134	141	5%

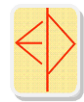
EASTERN PRODUCE KENYA LIMITED - Managed Estates												
Table showing Absenteeism figures from 2012 to 2022												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Percentage change in 2022 compared to 2021
Jan	363	216	410	380	93	188	147	147	193	80	86	8%
Feb	125	208	304	311	181	139	211	269	183	52	84	62%
Mar	101	442	256	58	100	183	115	62	186	30	35	17%
AV.	196	289	323	250	125	170	158	159	187	54	68	26%

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 zero change in number of incidents in our own estates as well as 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 2022												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Percentage change in 2022 compared to 2021
Jan	2	2	1	1	3	2	1	0	1	1	0	-100%
Feb	0	1	1	4	7	0	2	0	1	0	2	100%
Mar	0	1	0	2	2	1	2	1	3	2	1	-50%
TOTAL	2	4	2	7	12	3	5	1	5	3	3	0%

EASTERN PRODUCE KENYA LIMITED (Managed Estates)												
Table showing Short Term Disability figures from 2012 to 2022												



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Percentage change in 2022 compared to 2021
Jan	1	0	0	0	0	0	1	1	0	0	0	0%
Feb	1	0	1	0	0	1	0	0	0	0	0	0%
Mar	0	0	1	1	0	0	0	1	1	0	0	0%
TOTAL	2	0	2	1	0	1	1	2	1	0	0	0%

8. Fair-trade Premium

The table below summarizes the amount of fair-trade premium so far received by Sireet from 2012 to 2022. There was a decrease (84%) in premiums received.

LINTON PARK REGIONAL OFFICE													
SIREET OEP Fair-trade Premium (US\$) Comparison 2012 to 2022													
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Percentage change in 2022 compared to 2021	
Jan	21,200	4,400	52,778	38,160	18,083.5	-	4,320	0	1,412	0	1194	100%	
Feb	-	3,560	50,890	26,000	7,700	2,880	0	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	0	-100%	
TOTAL	27,500	23,480	160,398	130,760	106,373.50	171,006	4,320	1,440	5,982	7,614.70	1194	-84%	

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 2, 2022		
Date	Activity	Objective(s)
April- June 2022	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
	Assessments of CSR approved projects	-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 community-based partnership projects	-To improve community relations with like-minded partners

-End-