

# EASTERN PRODUCE KENYA LIMITED



## Corporate Social Responsibility Report

2<sup>nd</sup> Quarter 2019

Prepared by:

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## 1. Current Significant Issues

Land leases issues were dominant during quarter one 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.

Political tension on land reclamation still on; monitoring is ongoing. Rehabilitation of Kibabet wetlands still work in progress, fencing off the area successfully done and a footbridge successfully constructed.

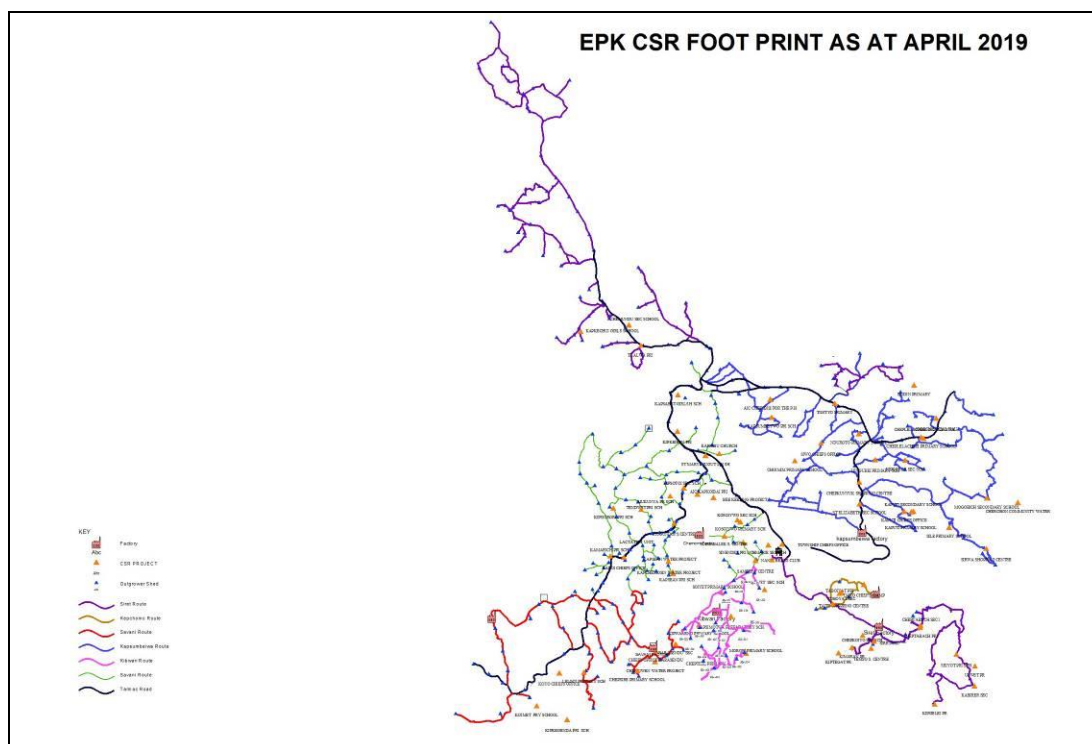
## 2. Update on Corporate Social Responsibility Plan Implementation

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.

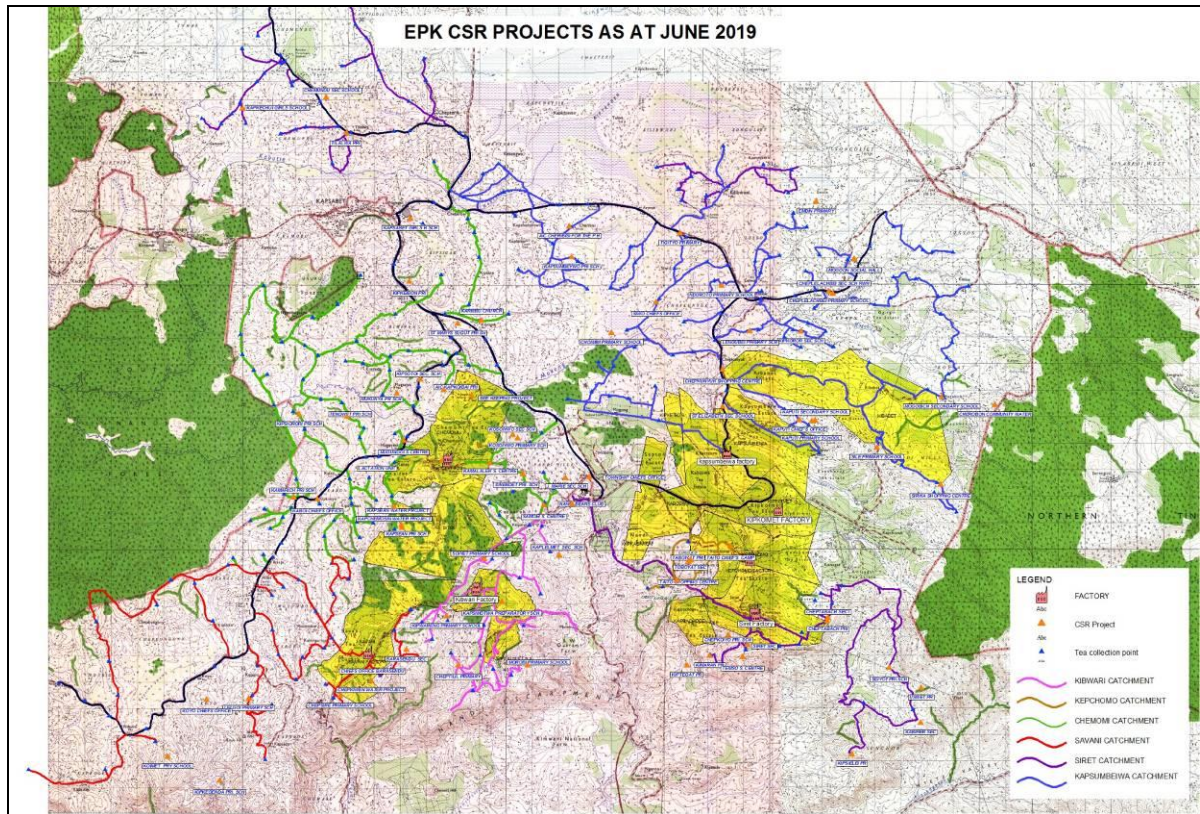
## 3. Community Relations

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.



Footprint as at April, 2019



**Footprint as at June, 2019**

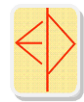
### **3.1. Enhancing Food Security**

The company conducted Kitchen garden establishment demos to help improve the community and employees' food security status.



***A kitchen garden establishment demo at Loita community - Kibwari***





### 3.2. Education

During the quarter, 100 desks were donated to 5 primary schools neighboring the company. Two secondary schools received 20 lockers and 20 chairs each.



***Desks for Sinendet primary school pupils***

### 3.3. Water

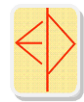
Water through Rain water harvesting projects was also provided to 1 secondary school, this quarter.



***Students at Kapkechui girls' Secondary school happy with the water reservours provided by sired- this has reduced accidents experineced by the girls while fetching water from a nearby river. 'Our buckets don't break anymore compared to before while climbing up the hill to the dorm from the river,' Nancy a form 3 student said.***

### 3.4. Environment

The company received awards towards environmental conservation and climate change mitigation. One award was presented to Kipkoimet Estate for her initiative and sustainabce of



waste management from the homes, while the other award went to sitoi indigenous tree nursery for her innovation on forest enrichment with indigenous tree seedlings.



**The awards received by respective estate managers with technical department team**

#### **4. Trainings/ Social audits**

Internal trainings were conducted, during the quarter with managers and trainee managers attending.

#### **5. Mini Field Days**

During the quarter, 3 mini field days were held. The aim is to reach farmers with practical guide on crop husbandry, address diversification as well as social issues like modern day slavery and child labour. These topics have been covered comprehensively and remaining 4 sessions will be held within the 3<sup>rd</sup> quarter.

Shed chair persons meeting together with transporters were also held. Issues related to management of tea during transportation and mapping of farms were discussed.



**A mini field day in the community**



**A shed Chairpersons meeting held in Siret**

## **6. Roads and Bridges**

Through a partnership with the County government, and Siret Estate, 2.2 km of proposed 2.6 Km Cheptabach road was murramed and compacted easing transport for both the Cheptabach community and tea transporters to Siret.



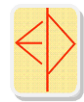
**Photo showing Work in progress at Cheptabach Road in June, 2019**

## **7. Others**

### **7.1 Gender**

ToTs continue to carry out sensitization activities in relation to Gender and social issues in the work place to complement SHARP week in the month of August.





## 7.2 Partnerships

### 7.2.1 Taylors 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 was in April 5<sup>th</sup> 2019. So far 6 women with 7 children are making use of the facility

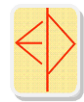


*The Baby Nursing Unit at chemomi*

- 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.



**Ongoing works at the site**



### 7.2.2 Twinings supported projects

HER Health Peer educators continued to receive training sessions during the quarter. They will be graduating in septemebr 2019. A mid term review on the project was held during the quarter. Findings indicated a positive trend in health seeking behaviours of our employees. The peer health educators shared success stories since they received the first training session.



### 8. Community relations

Support to our local administration has been positively received, and as a result enhanced community service delivery has been observed.



Office furniture donated to Koyo Location – neighbouring Savani Tea estate



Community Latrines aimed at enhancing sanitation





## 9. 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 Second quarter 2019 we donated in cash and in kind, goods and services worth **Ksh. 1,664,744.19**.

<b>EASTERN PRODUCE KENYA LIMITED</b>			
<b>SUMMARY OF DONATIONS 2019</b>			
<b>ESTATE</b>	<b>QUARTER 1 AMOUNT (KShs)</b>	<b>QUARTER 2 AMOUNT (KShs)</b>	<b>TOTALS</b>
Kibwari	26,450.36	164,152.50	190,602.86
Sitoi	61,281.20	0	61,281.20
Kapsumbeiwa	174,071.40	521,865.32	695,936.72
Chemomi	56,500.00	309,274.50	365,774.50
Siret	204,118.51	275,898.90	480,017.41
Nandi Office	219,900.00	74,325.70	294,225.70
Kepchomo	6,500.00	3,250.00	9,750.00
Savani	15,192.00	29,183.00	44,375.00
Kibabet	27,000.00	48,450.00	75,450.00
Kaboswa	19,043.41	4,514.31	23,557.72
Kipkoimet	12,518.54	23,025.96	35,544.50
Kipkeibon	9,764.24	68,064.00	77,828.24
Kaprachoge	9,494.45	142,740.00	152,234.45
T/Dept.	0	0	0.00
Kapkagaron	0	0	0.00
W/Shops	0	0	0.00
<b>TOTALS</b>	<b>778,792.34</b>	<b>1,664,744.19</b>	<b>2,443,536.53</b>



## 10. Key Performance Indicators

### 10.1. Business Integrity

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

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

### 10.2. Workplace

#### 10.2.1. Employee Engagement

A decrease (18%) in number of employees was evident in our own estates and a decrease (15%) in the managed estates in the second 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%
April	3696	7636	6589	4760	6247	5350	6058	3363	-44
May	6293	7692	6718	7018	7028	6284	6501	4572	-30
June	6969	7749	6664	7140	7213	7461	6773	6874	1
<b>AVERAGE</b>	<b>5187</b>	<b>7347</b>	<b>6368</b>	<b>5877</b>	<b>6711</b>	<b>5808</b>	<b>5863</b>	<b>4830</b>	<b>-18%</b>

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%
April	1081	2190	1818	1323	1734	1578	1558	1000	-36
May	1766	2294	2146	2043	1985	1861	1713	1445	-16
June	2130	2239	2235	2151	1998	2198	1778	1896	7
<b>AVERAGE</b>	<b>1493</b>	<b>2093</b>	<b>1945</b>	<b>1714</b>	<b>1875</b>	<b>1891</b>	<b>1612</b>	<b>1377</b>	<b>-15%</b>



### 10.2.2. Sick Leave

The table below indicates the sick leave figures from 2012 to 2019. So far a 51% decrease is observed in average number of sick leave days taken in own estates and 29% 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%
April	352	666	573	520	840	400	551	252	-54
May	496	928	669	563	891	597	613	231	-62
June	698	670	549	982	1255	549	762	242	-68
<b>AVERAGE</b>	<b>463</b>	<b>641</b>	<b>530</b>	<b>631</b>	<b>853</b>	<b>443</b>	<b>481</b>	<b>236</b>	<b>-51%</b>

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%
April	77	193	116	295	233	169	116	83	-28%
May	107	248	182	171	195	193	127	107	-16%
June	238	238	179	259	299	196	169	126	-25%
<b>AVERAGE</b>	<b>125</b>	<b>198</b>	<b>145</b>	<b>200</b>	<b>230</b>	<b>150</b>	<b>112</b>	<b>80</b>	<b>-29%</b>

### 10.2.3. Casual Leave

There was a decrease (46%) in average number of casual leave taken in our own estates and (47%) 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%
April	531	2312	2206	1281	3147	1631	2186	1318	-40%
May	1127	2914	2679	1726	2995	2402	2669	972	-64%
June	1893	3039	2098	2910	3513	2644	2594	1568	-40%
<b>AVERAGE</b>	<b>1076</b>	<b>2428</b>	<b>2296</b>	<b>1819</b>	<b>2897</b>	<b>1984</b>	<b>2465</b>	<b>1336</b>	<b>-46%</b>

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%
April	166	746	338	167	481	299	224	187	-17%
May	241	742	427	266	522	429	467	145	-69%
June	340	765	509	947	754	501	412	147	-64%
<b>AVERAGE</b>	<b>302</b>	<b>594</b>	<b>420</b>	<b>405</b>	<b>646</b>	<b>395</b>	<b>370</b>	<b>197</b>	<b>-47%</b>



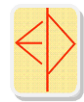


#### 10.2.4. Absenteeism

The absenteeism figures decreased by 52% in our own estates and decreased (27%) 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%
April	165	250	280	161	220	1013	577	183	-68%
May	189	272	244	195	154	764	503	427	-15%
June	277	405	197	229	1108	1036	1197	378	-68%
<b>AVERAGE</b>	<b>289</b>	<b>291</b>	<b>231</b>	<b>199</b>	<b>342</b>	<b>794</b>	<b>753</b>	<b>362</b>	<b>-52%</b>

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%
April	73	322	279	393	173	285	323	69	-79%
May	83	422	414	576	106	240	277	268	-3%
June	218	451	244	166	137	362	361	234	-35%
<b>AVERAGE</b>	<b>160</b>	<b>343</b>	<b>317</b>	<b>314</b>	<b>131</b>	<b>232</b>	<b>239</b>	<b>174</b>	<b>-27%</b>



### 10.2.5. 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 (63%) in number of incidents in our own estates and an increase (33%) 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%
April	3	2	1	1	3	0	0	0	0
May	2	0	0	0	4	3	3	1	-67
June	1	0	2	0	1	0	0	0	0
<b>TOTAL</b>	<b>8</b>	<b>6</b>	<b>5</b>	<b>8</b>	<b>20</b>	<b>6</b>	<b>8</b>	<b>3</b>	<b>-63%</b>

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
April	0	0	0	1	1	0	0	1	100
May	0	0	0	0	1	1	1	0	-100
June	1	0	0	0	0	1	1	1	0
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>33</b>

### 11. 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 fair-trade sales.

LINTON PARK REGIONAL OFFICE SIREET OEP Fair-trade 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
Apr	-	665	98,240	28,350	25,130	9,842	-	0	100
May	12,540	61,920	50,280	-	44,140	-	-	0	100
Jun	550	35,280	54,570	69,570	25,130	-	-	0	100
<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>-67</b>



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## **12. Environment**

Waste water analysis results received in the second 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.

## **13. Risk and Compliance Update**

### **13.1. 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.

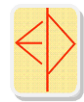
Renewal of licenses and certificates were processed to meet January 2019 and other timelines due within the quarter.

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

### **13.2. 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.





#### 14. Work Plan and Focus Areas

EASTERN PRODUCE KENYA LIMITED WORK PLAN FOR CSR – QUARTER 3, 2019			
Date	Venue	Activity	Objective(s)
July	ODs' Office, EPK	<ol style="list-style-type: none"> <li>Quarter 2 CSR Committee meeting</li> <li>Village inspections by GD</li> <li>RFA surveillance 1 audit</li> </ol>	<ol style="list-style-type: none"> <li>To look at the donations requests that have come in during the first quarter and identify those to support and review progress with actions from quarter 2 meeting</li> <li>to check on village improvement</li> <li>to Assess our compliance to RFA standards</li> </ol>
August	EPK	<ol style="list-style-type: none"> <li>Implementation and monitoring of CSR projects</li> <li>SHARP week</li> <li>Mini Field Days</li> </ol>	<ol style="list-style-type: none"> <li>To complete all CSR approved projects within specified instructions and ensure quality is checked</li> <li>To carry out activities aimed at raising SHARP program awareness</li> <li>To support farmers through experiential learning and practical sessions on crop husbandry</li> </ol>
Sept	Kericho, Nandi	<ol style="list-style-type: none"> <li>GEP meeting</li> <li>Implementation and monitoring of CSR projects</li> <li>Handing over of Mogoon community Library</li> <li>Graduation of HER Health PHEs - Savani</li> </ol>	<ol style="list-style-type: none"> <li>To participate in the gender empowerment platform meeting and share practices in tea sector related to gender issues</li> <li>To complete all CSR approved projects within specified instructions and ensure quality is checked</li> <li>To officially hand over community library project to Mogoon community</li> <li>To mark completion of training sessions of the Peer Health Educators</li> </ol>

-End-