

EASTERN PRODUCE KENYA LIMITED



Corporate Social Responsibility Report

2nd Quarter, 2022

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Nandi Hills



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1.0 CURRENT SIGNIFICANT ISSUES

During the quarter, political temperatures continued to rise due to the presidential campaigns. However, things remained calm in the workplace.

2.0 UPDATE ON CORPORATE SOCIAL RESPONSIBILITY IMPLEMENTATION PLAN

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

3.0 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)

3.1.1 Donations' Summary

Donations summary is as depicted in the table below. So far, we have donated in cash and in kind, goods and services worth **Ksh. 2,507,237.02**

EASTERN PRODUCE KENYA LIMITED			
SUMMARY OF DONATIONS QUARTER TWO, 2022			
Estate	Quarter 1 (Amount)	Quarter 2 (Amount)	Total
Chemomi	30,189.80	283,805.94	313,995.74
Nandi Office	276,560.00	297,708.00	574,268.00
Kaboswa	3000.00	12,000.00	15,000.00
Kibabet	20,400.00	15,120.00	35,520.00
Savani	176,288.64	85,506.45	261,795.09
Siret	43,078.00	296,860.20	339,938.20
Sitoi	6,552.00	0.00	6,552.00
Kapsumbeiwa	89,403.35	163,438.00	252,841.35
Kipkoimet	0.00	375,985.89	375,985.89
Kepchomo	9,750.00	53,725.75	63,475.75
GCW	0.00	0.00	0.00
Kibwari	13,000.00	213,000.00	226,000.00
Kipkeibon	20,799.00	4,059.00	24,858.00



Kaprachoge	7,848.00	9,159.00	17,007.00
Grand total	696,868.79	1,810,368.23	2,507,237.02

3.1.2 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%
Apr	-	665	98,240	28,350	25,130	9,842	-	0	1,380	0	0	0%
May	12,540	61,920	50,280	-	44,140	-	-	0	0	0	0	0%
June	550	35,280	54,570	69,570	25,130	-	-	0	0	0	0	0%
TOTAL	40,590	121,345	363,488	228,680	200,773.50	180,848	4,320	1,440	7,362	7,614.70	1194	-84%

3.1.3 CSR Footprint

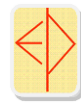
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3.2 Food Security

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.

3.3 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 2nd quarter we supported 3 primary schools with 60 desks, and 1 secondary school with 20 lockers and 20 chairs. So far in the year 120 primary school desks and 40 secondary school desks have been donated, enabling 360 pupils and students to sit comfortably and participate actively in class.



Photos showing Classroom furniture being received in Kaborowo primary school and Tiryo Secondary School

3.4 Water

During the rain water harvesting systems were approved for installation in 2 primary schools. So far 5 learning institutions have the RWH systems installed, as a means of ensuring a sustainable water supply.

3.5 Sanitation

To enhance sanitation and access to sanitation facilities within our communities, we put up 2 (a double door and a 4 door latrine) sanitation facilities in Soiyet Market and Taito Chief's Office. These being public areas, we have ensured access to toilet facilities addressing the dignity and comfort of the community people visiting the areas.



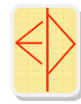
Photo showing a constructed double door latrine being handed over to Tendwet primary school

3.6 Health

Estate dispensaries continue to be manned professionally, with top ten diseases being monitored. Dispensary staff have been encouraged to attend the Continuous Medical Education (CMEs) offered by the Sub-County Hospital, facilitated by the Ministry of Health.

3.6.1 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. COVID19 booster shots were available and workers were encouraged to take them.



3.7 Extension Services

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.

3.8 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.

3.9 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 held a consultative meeting where EPK agreed to participate in an online gender training, developed by Twinings, Carry out a supervisors' training on 'Equal Treatment of Workers'. In addition, Twinings and EPK agreed 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 was discussed with Twinings, the County government and other partners/stakeholders during the second quarter. Action to link up/register the facility was taken up by the County Government.

3.9.1 b) HER health Project

HER Health project commenced in Chemomi with 60 participants undergoing HER Health training. During the quarter, we reduced the number of participants to 40 due to budgetary and labour management constraints. This is one of the areas we are seeking to develop an approach on evaluation of the project to assess the impact it is having on the workers.

3.9.2 Developments with Taylors of Harrogate supported Projects

The Sustainability team from Taylors of Harrogate paid a visit to EPK in the course of the quarter. We held discussions on partnerships for sustainable community development reaching our smallholder tea farmers.

3.9.2 a) Savani Secondary School Science laboratory Project



Taylor's of Harrogate Sustainability team paid a visit to Savani Secondary School Science laboratory. A good report was given on the impact it has had on the learners and education in general in the school.

3.9.2 b) The Refurbishment of the Kobujoi Community Forest Association (CFA) Resource Centre.

EPK submitted a proposal to Taylor's of Harrogate on Biodiversity Conservation following an invitation through their Value Chain Investment Scheme. During the quarter, Taylor's of Harrogate shared an MoU accepting to co-fund the Project with EPK. We intend to commence the project once the MoU is signed from our end. EPK will renovate the Community Resource Centre by carrying out infrastructural repairs and setting up an IT section and library, where development activities for the communities will take place.

The objective of the Project is to empower future generations, (Targeting schools) along with the CFA and current members of the Nandi South Community, with skills and expertise on biodiversity conservation and ecosystems management. This project will enhance efficient utilization of existing resources and to develop new investment opportunities for conservation. It will specifically enable them to address the diminishing natural forest Nandi South Forest.

4.0 GOVERNANCE AND HUMAN RESOURCE

4.1 Workplace Key Performance Indicators

4.1.1 Employee Engagement

A decrease (16%) in number of employees was evident in our own estates, and 18% decrease in managed estates in 2022 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 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%
Apr	3696	7636	6589	4760	6247	5350	6058	3363	6017	5395	4354	-19%
May	6293	7692	6718	7018	7028	6284	6501	4572	5881	5634	5202	-8%
June	6969	7749	6664	7140	7213	7461	6773	6874	6054	5674	5472	-4%
AV.	5187	7347	6368	5877	6711	5808	5863	4830	5992	5311	4473	-16%

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%
Apr	1081	2190	1818	1323	1734	1578	1558	1000	1712	1499	1146	-24
May	1766	2294	2146	2043	1985	1861	1713	1445	1686	1576	1448	-8
June	2130	2239	2235	2151	1998	2198	1778	1896	1792	1682	1556	-7
AV.	1493	2093	1945	1714	1875	1891	1612	1377	1719	1514	1240	-18%

4.1.2 Sick Leave

The table below indicates the sick leave figures from 2012 to 2022. So far, an increase (15%) has been observed in the average number of sick leave days taken in own estates and 1% 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%
Apr	352	666	573	520	840	400	551	252	430	399	438	10%
May	496	928	669	563	891	597	613	231	457	509	446	-12%
June	698	670	549	982	1255	549	762	242	585	520	669	29%
AVERAGE	463	641	530	631	853	443	481	236	448	438	504	15%

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%
Apr	77	193	116	295	233	169	116	83	324	78	37	-53%
May	107	248	182	171	195	193	127	107	98	102	67	-34%
June	238	238	179	259	299	196	169	126	170	99	175	77%
AVERAGE	125	198	145	200	230	150	112	80	149	70	71	1%

4.1.3 Casual Leave

There was a decrease (14%) in average number of casual leave taken in our own estates and (3%) 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%
Apr	531	2312	2206	1281	3147	1631	2186	1318	949	1588	1211	-24%
May	1127	2914	2679	1726	2995	2402	2669	972	1164	1830	1583	-13%
June	1893	3039	2098	2910	3513	2644	2594	1568	1240	2186	2588	18%
AVERAGE	1076	2428	2296	1819	2897	1984	2465	1336	1500	1896	1623	-14%

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%
Apr	166	746	338	167	481	299	224	187	82	283	304	7%
May	241	742	427	266	522	429	467	145	207	387	403	4%
June	340	765	509	947	754	501	412	147	199	449	557	24%
AVERAGE	302	594	420	405	646	395	370	197	276	366	355	-3%

4.1.4 Absenteeism

The absenteeism figures decreased by 12% in our own estates and decreased 20% 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%
Apr	165	250	280	161	220	1013	577	183	158	160	114	-29%
May	189	272	244	195	154	764	503	427	193	227	199	-12%
June	277	405	197	229	1108	1036	1197	378	160	224	161	-28%



AVERAGE	289	291	231	199	342	794	753	362	151	169	149	-12%
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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%
Apr	73	322	279	393	173	285	323	69	155	93	60	-35%
May	83	422	414	576	106	240	277	268	116	98	39	-60%
June	218	451	244	166	137	362	361	234	82	77	41	-47%
AVERAGE	160	343	317	314	131	232	239	174	152	71	57	-20%

4.1.5 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 managed estates and a decrease (17%) in our own estates. 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%
Apr	3	2	1	1	3	0	0	0	1	0	0	0%
May	2	0	0	0	4	3	3	1	2	2	1	-50%
June	1	0	2	0	1	0	0	0	0	1	1	0%
TOTAL	8	6	5	8	20	6	8	2	8	6	5	-17%

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%
Apr	0	0	0	1	1	0	0	1	0	0	0	0%
May	0	0	0	0	1	1	1	0	0	0	0	0%



June	1	0	0	0	0	1	1	1	0	0	0	0%
TOTAL	3	0	2	2	2	3	3	4	1	0	0	0%

4.1.6 Employee Development

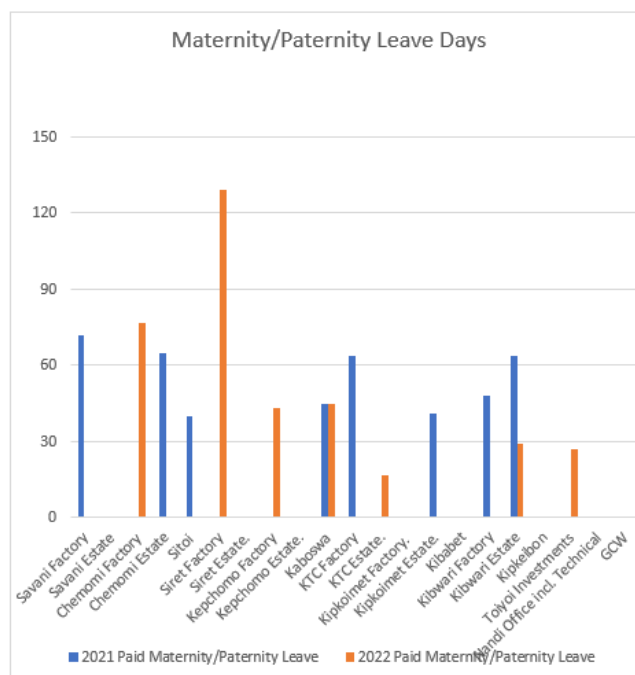
Company Operations trainings have continued to take place during the quarter. Statutory First Aid trainings were carried out with planned Occupational Health and Safety planned for 3rd quarter 2022.

5.0 GENDER

EPK completed the UN-Target Gender Equality Accelerator Programme which the CSR Manager, the Company Director and the AGM East participated in. This 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 give a summary some of the trends. We note a 5% and 12% increase in percentage of graded female employees and female managers respectively. A decrease (16%) of paid days for parental care in the 2nd quarter 2022 compared to 2021 similar period.

EASTERN PRODUCE KENYA LIMITED			
Table showing female representation in 1st quarter 2021 compared to 1st 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%
Table showing female representation in 2nd quarter 2021 compared to 2nd quarter 2022			
	2021	2022	Percentage change in 2022 compared to 2021
Percentage of female employees	36.17	36.2	0%
Percentage of graded female employees	28.12	29.4	5%
Percentage of female managers	26.35	29.4	12%
Percentage of female guards	13.49	13.70	2%
Paid days for parental care	439	367	-16%



Graph showing paid parental care in 2nd quarter, 2021 compared to 2022 similar period

6.0 ENVIRONMENT

Waste water analysis results received in the 2nd 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.

6.1 Indigenous Forestry

The rains, whilst sporadic, enabled all estates to proceed with their planned enrichment programmes, using not only seedlings raised in the 2 large Company nurseries at Kapsumbaiwa and Sitei, but also the myriad smaller village nurseries across the various estates.

At the end of the quarter, approximately 34 hectares of a budgeted 56 have been planted. A major delay in the enrichment has been caused by a need to fell standing pines and gum trees in the target areas. These have now been sold and – at the time of writing – are being felled, leaving the area free for enrichment with indigenous species.

There has been no spreading of the *Cylindrocarpus* infestation mentioned in the 1st quarter, and preventative action has been taken.

Approximately 250 small Meru Oak (*Vitex keniensis*) volunteer seedlings were retrieved from underneath Cypress trees due to be felled in Kibabet estate. These were grown on in pots in the Kibabet nursery, and replanted in that estate's enrichment efforts. This is particularly satisfying as Meru Oak is an endangered species – according to the International Union of Conservation of Nature.

With the rains came increased weed growth and hence need for maintenance of the indigenous areas. Alas, this need was not universally met by estates, resulting in some areas' growth being slowed. The matter has been redressed.



A small (0.84 ha) *Pinus patula* compartment in Savani has been identified for a standing sale. As this compartment is contiguous with a riparian indigenous area, it was decided that this will be replanted to indigenous forest after harvesting of the pine crop.

7.0 RISK AND COMPLIANCE UPDATE/ANTI-CORRUPTION

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 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.

7.3 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.

8.0 HUMAN RIGHTS

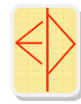
Our focus on OGM development with respect to resolutions of grievances arising from business-related human rights harm continued to take centre stage. During the Quarter, we continued to work with TRA to operationalize constructively and proactively raise our OGM standards and promote good practice in line with our policies and systems.

We carried out a CSR, Sustainability and Strategy training and highlighted on the OGM, Tweguu Akase ~ *Talk to me, am listening*. We highlighted on the Design and approach of the programme and explained how it was going to help EPK address Human Rights violations.

On monitoring grievances at the workplace, we received 16 grievances in the period Jan-June. The management team resolved 9 of them and 1 was escalated to litigation. The remaining 6 are pending resolution.

9.0 CSR WORK PLAN

EASTERN PRODUCE KENYA LIMITED		
WORK PLAN FOR CSR – QUARTER 3, 2022		
Date	Activity	Objective(s)
Jul- Sept, 2022	Quarter 3 CSR Committee meeting	-To review requests and identify those to support -To review progress with actions from quarter 1 and 2 meetings
	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
	TRA visit/OGM development	-To carry out awareness of Tweguu Akase Programme - To Launch the OGM

-End-