

General

Period covered by your Communication on Progress (COP)

From 1 July 2012 to 31 May 2013

Statement of continued support by the Chief Executive Officer (CEO)

Please provide a statement of your company's chief executive expressing continued support for the Global Compact and renewing your company's ongoing commitment to the initiative and its principles (Please include name and title of the chief executive at the bottom of the statement).

I am pleased to confirm that East African Breweries Limited reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In our first annual Communication on Progress, we describe our actions to integrate the Global Compact and its principles into our business strategy, culture and daily operations. We are also committed to share this information with our stakeholders using our primary channels of communication.

Charles Ireland
Group Managing Director
East African Breweries Limited

Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses (For more information on the principles, [click here](#))

Assessment, Policy and Goals

Description of the relevance of human rights for the company (i.e. human rights risk-assessment). Description of policies, public commitments and company goals on Human Rights.

At East Africa Breweries Limited (EABL), we recognize that we are responsible for the impact of our activities on our employees, on consumers of our products and on the communities in which we operate. We have a broad responsibility, embodied in the expectations of civilized society and in the Universal Declaration of Human Rights, to use our influence to promote and protect human rights and freedoms by establishing clear ethical standards for ourselves and by fostering similar standards in all who act with us or on our behalf.

As a minimum, we will strive to ensure that our operations are consistent with the legal principles applicable in the countries in which we operate in.

Examples

- Reference to (statement of support for) the Universal Declaration of Human Rights or other international standards
- Written company policy on respecting Human Rights and preventing potential abuses (e.g. in code of conduct)
- Policy requiring business partners and suppliers to adhere to the principles on Human Rights?
- Assessment of Human Rights related risks and impact in industry sector and country(ies) of operation (see Risk Assessment Report at www.humanrightsbusiness.org)
- Specific goals in the area of Human Rights for the upcoming year

Implementation

Description of concrete actions to implement Human Rights policies, reduce Human Rights risks and respond to Human Rights violations.

It is our belief that the countries and communities in which we operate should benefit from our presence. Our Code of Business Conduct includes examples of human rights issues and we have a dedicated policy on Human Rights that seeks to expand on them. The policy covers:-

- **Valuing diversity** - At EABL we encourage the uniqueness of individual contribution within a team environment. One of our core values, "Freedom to succeed", promotes openness and teamwork, invites employees to challenge convention and encourages trust in people.
- **Anti-discrimination** – All our employees have the right to expect that their basic human identity and dignity are fully respected in the workplace and we reject any form of unfair discrimination.
- **Valuing people** - EABL does not make use of, nor will we have partners who make use of any form of forced or compulsory labour.
- **Employee engagement** - We seek to have all our people highly engaged and aim to create an environment where all employees believe they can achieve their potential.
- **Respect for national sovereignty** - EABL recognizes that there is potential conflict, and moral dilemma, in countries where human rights are compromised.
- **Community** - As a responsible corporate citizen, EABL has rights and responsibilities in society. We believe that by being active and caring about the communities where we operate, we can best meet these social responsibilities and contribute to positive change.

- **Safe working environment** - EABL is committed to ensuring the health, safety and welfare of its employees whilst working or on company business, and ensuring that each employee is made aware of applicable eABL safety programs and safety and health regulations.

EABL has taken the following measures to prevent human rights violations in its work locations:-

- We have SpeakUp telephone lines that are available to all our employees and third party business partners to report any suspected violations. The help line is monitored on a 24 hour basis through a third party provider based in UK.
- All employees joining EABL are taken through our Code of Business Conduct which includes sections on Human Rights during the new-joiner induction process.

Examples

- Suggestion box, call center or grievance mechanism
- Awareness raising or training of employees on Human Rights
- Consultation with stakeholders and affected parties
- Allocation of responsibilities for the protection of Human Rights within your company
- Human resource policies and procedures supporting Human Rights

Measurement of outcomes

Description of how the company monitors and evaluates performance.

Allegations of violation of Human Rights policy requirements of our Code of Business Conduct are recorded in a central database and investigations are carried out by trained personnel. A specialist investigations team which is part of Diageo plc's global functions is normally called upon if further expertise is required in dealing with violations.

Disciplinary measures are taken against employees who are found to be in violation and communications on breach learnings are made to all employees to enforce behavior change. Our management team reviews the trends in violation of Human Rights policy among other breaches and determines if further action including additional training on specific areas is required.

Examples

- Specific progress made in the area of Human Rights in the past reporting period
- Information about how your company deals with incidents of Human Rights violations
- Investigations, legal cases, rulings, fines and other relevant events related to Human Rights
- Periodic review of results by senior management
- External audits of Human Rights performance

Labour Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

(For more information on the principles, [click here](#))

Assessment, Policy and Goals

Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities).

Description of written policies, public commitments and company goals on labour rights.

Our Code of Business Conduct offers guidance concerning our employee labour rights, compensation and responsibilities. The policy covers:-

- **Work-life balance** - We recognize that everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.
- **Releasing employee potential** - Releasing the potential of each and every one of our people will make a positive difference both to our employees and to our business.
- **Fair reward** - We recognize the skills and contributions of all our employees and will ensure that they are justly and fairly remunerated to account for their contributions to the company.
- **Anti-discrimination** – All our employees have the right to expect that their basic human identity and dignity are fully respected in the workplace and we reject any form of unfair discrimination.
- **Child labour** – We do not employ children under the age of 16. Where young people under the age of 18 work for EABL or our business partners, we have a special responsibility to protect and promote their interests to ensure that they are only employed under circumstances that protect them from physical risks. For all EABL employees under the age of 18, we will pay particular attention to their vocational training and development needs. The company will ensure that all young people under the age of 18, be they full or part time employed, are treated in accordance, with all of our own values and standards.

In addition, we are firmly committed to ensuring the **occupational health, safety** and well-being of our employees, contractors and visitors. In this regard our goal is for all aspects of EABL's businesses to be conducted in compliance with applicable health and safety laws, and regulations, company policies, standards and best practices pertaining to work place health and safety.

We will continue to refine our Human Rights policy as needed to ensure we continuously adhere to all relevant local employment laws with regard to working conditions, training and a duty of general care.

Examples

- Reference to ILO Core Conventions or other international instruments
- Written company policies to uphold the freedom of association and collective bargaining and the elimination of forced labour, child labour and employment discrimination
- Written policies that clearly state employee rights and responsibilities and their compensation and benefits
- Policy requiring business partners and suppliers to adhere to the Labour principles
- Assessment of labour-related risks in the industry sector and country(ies) of operations
- Specific goals in the area of Labour Rights for the upcoming year

Implementation

Description of concrete actions taken by your company to implement labour policies, reduce labour risks and respond to labour violations.

Allegations of violation of labour policies are recorded in a central database and investigations are carried out by trained personnel. Disciplinary measures are taken against employees who are found to be in violation and communications on breach learnings are made to all employees to enforce behavior change. Our management team reviews the trends in violation of Labour policies among other breaches and determines if further training on specific areas is required.

Actions taken to implement labour policies, reduce labour risks and respond to labour violations include:-

- All employee are entitled to medical insurance
- All employees have free access to our medical clinic. The clinic has been enhanced to provide specialist treatment including dentists, pediatricians among other areas of specialization, including access to laboratory services.
- All employees are encouraged to exercise at the company gym which is located near our main plant in Nairobi so as to maintain a balance of good health and work life.
- All our locations conduct hazard/safety risk assessments to understand the degree of risk associated with key activities and develop action plans to address the risks identified
- Employees are encouraged to participate in our annual employee values survey to express any concerns and propose improvements to their working welfare. The management team normally takes prompt actions to remediate concerns raised as appropriate.

Examples

- Suggestion box, call center or grievance mechanisms
- Awareness raising or training for employees on labour rights and policies
- Describe how the health and safety of all employees is ensured
- Describe how your company prevents discrimination of all kinds and ensures comparable pay for comparable work
- Consultation with employees and other stakeholders
- Allocation of responsibilities for the protection of labour rights within your organization
- Human Resource policies and procedures supporting the Labour principles
- Participation in international framework agreements and other agreements with labour unions

Measurement of outcomes

Description of how the company monitors and evaluates performance.

Examples

- Demographics of management and employees by diversity factors (e.g. gender, ethnicity, age, etc.)
- Describe how your company deals with incidents of violations of Labour principles
- Investigations, legal cases, rulings, fines and other relevant events related to Labour
- Periodic review of results by senior management
- Specific progress made in the area of Labour during the last reporting period
- External audits (e.g. SA 8000)

The management team has had an excellent working relationship with the unionized staff achieved through discussions and enforcement of appropriate labour policies. All violations of labour policies are dealt with in line with the company's breach handling framework which requires appropriate investigation and disciplinary process.

Our sites have continued to experience decreased work related injuries as a result of enforcement of our 'Zero Harm Safety Culture.'

Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies
(For more information on the principles, [click here](#))

Assessment, Policy and Goals

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection

We recognise that our management of environmental issues is important to our stakeholders and fundamental to the long-term sustainability of EABL. Our aim is to achieve and maintain environmental sustainability – a condition where our business causes neither long-term critical depletion of natural resources nor lasting damage to species, habitats, biodiversity or the climate.

Our environmental policy sets out the commitments we have made to achieve this aim. It covers all EABL's businesses and operations. Our leaders are responsible for fully integrating the policy elements into their functional management. Recognizing that some sites and offices have different environmental impacts from others.

As a minimum, we expect our suppliers and partners to have a clear environmental policy statement in place and to be committed to developing and applying appropriate environmental management systems.

Examples

- Assess the environmental footprint and impact of your company
- Written company policy on environmental issues, including prevention and management of environmental risks
- Policy requiring business partners and suppliers to adhere to the environmental principles
- Describe specific goals in the area of the environment for the upcoming year

Implementation

Description of concrete actions to implement environmental policies, reduce environmental risks and respond to environmental incidents

Employees in all our supply sites are trained on requirements of our environmental policy and management teams normally monitor adherence to the requirements of the policy.

- We seek to minimise the impacts of owned and contracted logistics by requiring or encouraging an environmentally friendly approach to: selecting modes of transport; vehicle efficiency; fuel type; driving style and journey planning.
- We research the environmental impacts of our operations and supply chains and the means of minimising them. We encourage the development and spread of environmentally friendly technologies – internally, through programmes such as GREENiQ and externally, where we seek to work cooperatively with other companies and organisations to share best practice.
- We purify waste water through our recycling plans to ensure toxins are not released into the environment

Examples

- Awareness raising or training of employees on environmental protection
- Initiatives and programmes to reduce waste materials (e.g. recycling) and consumption of resources (energy, fossil fuels, water, electricity, paper, packaging, etc.)
- Activities aimed at improving the energy efficiency of products, services and processes

- Development and diffusion of environmentally friendly technologies
- Raise awareness among suppliers by asking them for environmental data on their products
- Environmental management system with objectives and procedures for evaluating progress, minimizing negative impacts and transferring good practices
- Allocation of responsibilities for environmental protection within your company

Measurement of outcomes

Description of how the company monitors and evaluates environmental performance

The company's E-Green team were involved in tree planting activities to mark the World Environment Day across the group in 2012. The team planted trees within the EABL grounds at Ruaraka and also proceeded to plant a total of 30,000 trees in partnership with barley farmers and other stakeholders in the Purko area of Mau Escarpment.

In May 2012, the EABL team joined other companies in the 'Save the Mau' tree planting exercise in Eburru, Mau Forest, near Naivasha, where the total number of trees planted in the season rose to 180,000. In Uganda, the E-Green team joined Luzira community in an extensive environment cleaning exercise and tree planting in the areas of Nabitalo Parish, Wakiso.

The EABL Foundation has continued to carry out new water projects and the improvement of water facilities in Naivasha and Kilifi. To mark World Water Day, we commissioned various projects in Kariobangi and Korogocho in Kenya comprising the development of new water reservoir system installed primarily to supply the only public health facility in Kariobangi Health clinic with water.

Examples

- Information about how your company deals with incidents
- Investigations, legal cases, rulings, fines and other relevant events related to environmental principles
- Specific progress made in the area of the environmental protection during the last reporting period
- Periodic review of results by senior management
- External audits of environmental performance

Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery (For more information on the principles, [click here](#)).

Assessment, Policy and Goals

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment). Description of policies, public commitments and company goals on anti-corruption.

EABL does not condone the offer or acceptance of bribes in any form, anywhere we operate. Our stand against corruption is synonymous with our integrity as a business and our pride in what we do. We are committed to work against corruption in all its forms, including extortion and bribery.

The company has had anti-bribery provisions in its Code of Business Conduct for many years. EABL launched a specific Anti-corruption policy in 2012 and it is applicable to all employees, third party contractors, distributors, agents, consultants representing or acting for or on behalf of EABL.

Our goal is to continue providing education to all levels of employees and third parties about corruption as well as what to do should one encounter it.

Examples

- Assessment of risk of corruption and bribery in the company's industry and country(ies) of operation
- Written company policy of zero-tolerance for corruption, bribery and extortion
- Reference to (or statement of support for) the UN Convention Against Corruption and other international instruments
- Protocol to guide staff in situations where they are confronted with extortion or bribery
- Policy requiring business partners and suppliers to adhere to the anti-corruption principles
- Specific goals in the area of anti-corruption for the upcoming year

Implementation

Description of concrete actions to implement anti-corruption policies, reduce anti-corruption risks and respond to incidents.

EABL has taken the following measures to prevent corruption in its work locations:-

- We have SpeakUp telephone lines that are available to all our employees and third party business partners to report any suspected violations. The help line is monitored on a 24 hour basis through a third party provider based in UK.
- All employees joining EABL are taken through our Code of Business Conduct which includes sections on anti-corruption during the new-joiner induction process.
- All employees have been made aware of their responsibility to report any suspected fraudulent activities through their line managers, Legal Counsel, Human Resources or through a member of the Compliance and Ethics team.
- We have run 'Pathway of Pride' events for the last three years where we bring all employees and selected contractors/suppliers to discuss the importance of fighting corruption within our business and also in the larger society.
- Employees who are implicated in corruption are taken through a strict disciplinary process and learnings arising from substantiated breaches are normally communicated to employees for learning purposes.
- We have rolled out the "Know Your Business Partner" anti-corruption program in May 2013 that aims to identify business partners that are subject to higher risk of corruption with an aim to apply appropriate mitigating actions at an early stage.

- As part of our annual employee self-certification programme, all employees provided a certification to confirm whether they have conflicts of interest during execution of their responsibilities in February 2013.
- Employees are required to maintain gift registers to record all gifts/entertainment received or offered during the course of duty. The registers are reviewed on a monthly basis by the line managers to ensure that improper gifting and entertainment is identified and remediated on a timely basis.
- EABL participates in industry-wide forums where anti-corruption initiatives are discussed. We have hosted Safaricom, Mabati Rolling Mills and English Press at our premises in Nairobi during the last 10 months and shared details of our internal anti-corruption programs; which include the successful 'Pathway of Pride' events noted above.

Examples

- Suggestion box, call center or grievance mechanisms
- Awareness raising or training of employees about company's policies regarding anti-corruption and extortion (e.g. mailings, internet, internal communication, etc.)
- Allocation of responsibilities for anti-corruption within your company
- Participation in industry initiative or other collective action on anti-corruption

Measurement of outcomes

Description of how the company monitors and evaluates anti-corruption performance.

All allegations of breach of EABL's anti-corruption policy and related sections of the Conduct of Business Conduct are investigated thoroughly and, if substantiated, appropriate action taken in relation them. This includes disciplinary processes for employees, which may result in termination of employment, and learnings being communicated to employees for educational purposes.

The company monitors breaches on a quarterly basis and establishes the trend in allegations/findings on areas of fraud, conflict of interest and improper payments.

Our internal audit team and the external auditors also review appropriateness of our fraud and corruption prevention/detection programs and the management team is proactive to implement recommendations in order to ensure we maintain a strong overall control environment.

Examples

- Information about how your company deals with incidents of corruption
- Internal audits to ensure consistency with anti-corruption commitment, including periodic review by senior management
- Investigations, legal cases, rulings, fines and other relevant events related to corruption and bribery
- Specific progress made in the area of anti-corruption during the last reporting period
- External audits of anti-corruption programmes