



Communication on Progress Year: 2010

Statement of Continued Support of the UN Global Compact

EVEREADY® East Africa Limited ("EVEREADY®") is proud of its affiliation to Global Compact.

EVEREADY® fully supports the ten principles that are promoted by Global Compact with respect to the environment, labour practices, human rights and anti-corruption.

With this communication, EVEREADY® expresses its commitment to uphold the ten principles of Global Compact and to implementing the Global Compact principles in its day to day operations and to recognise them as part of its operational strategies.

EVEREADY® will continuously review its processes and where we identify areas of improvement EVEREADY® will take appropriate action to align them to the principles.

EVEREADY® will endeavour to publish its commitment to the ten principles in its communication with its employee's, stock holders, the public, its trade partners and the government.

A handwritten signature in black ink, appearing to read "Steven G. Smith".

Steven G. Smith, **Managing Director**

May 24, 2010

Company name: EVEREADY® East Africa Limited

Sector: Manufacturing

Number of employees: 274 (excluding casual employees)

UN Global Compact signatory since: August 16, 2007

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Brief description of nature of business

EVEREADY® is incorporated in Kenya in 1967 under the Companies Act as a public limited liability company.

EVEREADY® mainly manufactures and distributes 'EVEREADY®' dry cell carbon zinc primary batteries as well as 'ENERGIZER alkaline, lithium and rechargeable batteries throughout the East African region. EVEREADY® also supplies flashlights under the EVEREADY® and ENERGIZER® brand names for a broad spectrum of usage together with shaving razors, blades and accessories under the brand name 'SCHICK®'.

Scope of this COP

This communication covers the four focus areas of Global Compact comprised of anti corruption, human rights, labour and the environment.

The communication will cover the above areas as they relate to the company's stakeholders including its employees, the community, its consumers and its business partners.

Human Rights

UN Global Compact principles covered:

Principle 1: Business should support and respect the protection of internationally proclaimed human rights

Principle 2: Business should ensure that they are not complicit in human rights abuses

Human Rights Current

Commitment

- We fully support the protection of such rights as outlined in the United Nations' Global Compact.
- We are committed to upholding human rights within the areas of influence and operate our business in a way that makes us an exemplary employer.
- We treat all colleagues with respect.
- We do not condone the exploitation of children at any of our locations.

A brief description of our Processes or Systems:

- **Corporate values:** Passion, Integrity, Respect, Initiative and Teamwork.
- **Supplier Code of Conduct (SCOC):** The SCOC alone cannot ensure compliance, but it provides a solid foundation for engagement with suppliers so that our expectations are clear. EVEREADY® endeavours to hold its suppliers and contractors to the same ethical business standards and human rights compliance it supports. Contracts currently executed by EVEREADY® require contractors to embrace the commitments upheld by EVEREADY® in its operations.
- **An in-house rule** designed to uphold the prohibitions or constraints regarding the undertaking of certain commercial business operations with Governments, entities or persons affected by sanctions or embargos agreed by the United States, the United Nations or any other national body that may be legally binding.
- **Business Practices & Code of Conduct (BPSC):** this contains clear guidelines that apply to all colleagues. Procedures have been set up to enable employees to anonymously report violations. All reports of a breach are kept confidential.
- In order to ensure compliance with the above obligations, EVEREADY® utilizes several channels available to its staff through which they can report those situations that are ethically questionable including those that may give rise to any human rights violation. These channels include a **web address, a telephone line and postal address.**
- EVEREADY® monitors the dealings of its staff in terms of ethical compliance through the annual **ethical Questionnaire** themed "have you done the right thing?". All colleagues participate in this program.
- The existence of the web address, postal address and the confidential telephone is posted permanently on the Company notice board.

Activities implemented in the last year:

- We implemented a new set of corporate values in the course of 2009 relating to Passion Integrity, Respect, Initiative and Teamwork. Our values are the foundation of our corporate culture and since their launch, we have communicated them to all our employees.
- Reviewed and revised the Business Practices and Code of Conduct.
- Implemented the SCOC into more supplier contracts.
- The Company seconds various colleagues including its Managing Director to various government bodies and industry associations such as National Economic and Social Council of Kenya (NESC), Kenya Association Manufacturers (KAM), the Federation of Kenya Employees (FKE) and Kenya Private Sector Alliance (KEPSA) through which the Company contributes to shaping public policy on various issues touching on various aspects of the Global Compact principles including human rights.
- The Company's Managing Director is a member of the National Aids Control Council (NAAC) whose

	<p>key mandate is to coordinate stakeholders in the multi-sectoral response to HIV/AIDs in Kenya.</p> <ul style="list-style-type: none"> ▪ The dissemination and review of ethical Questionnaires sent and filled by all colleagues. <p><i>Measurement of outcomes and value added for our company:</i></p> <ul style="list-style-type: none"> ▪ The ethics program ensures top of the mind awareness by colleagues of the need of treating others with respect and promotes ethical dealing in all matters.
Human Rights Future	<p><i>Activities planned for next year:</i></p> <ul style="list-style-type: none"> ▪ Further extension of the application of the SCOC into more supplier contracts. ▪ Review and dissemination to all colleagues of the BPSC and Insider Trading guidelines. ▪ Continuous monitoring of BPSC compliance through questionnaires disseminated to all employees. ▪ Continued assessment through the Company's performance evaluation process, of the extent to which key colleagues (sectional heads) live by the company values as an example to the rest of the staff.

Labour Rights

UN Global Compact principles covered:

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

Principle 4: Business should support the elimination of all forms of forced and compulsory labour

Principle 5: Business should support the effective abolition of child labour

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

Commitment:

At EVEREADY® we believe that all colleagues deserve to have a voice to articulate their needs. We do not believe in or support child labour in any of its forms nor do we practice or condone the forced labour in our operations and those of our business partners.

A brief description of our Processes or Systems

- We foster a constructive and respectful working relationship with employee union representatives through ongoing dialogue beyond the periodic negotiations in respect of the Collective bargaining Agreement.
- All potential employees disclose the adult status prior to employment. This disclosure is part of the recruitment process documentation.
- EVEREADY® monitors the dealings of its staff in terms of ethical compliance through the annual **ethical Questionnaire** themed “have you done the right thing?”. All colleagues participate in this program
- EVEREADY® requires its suppliers to provide assurances through the SCOC and contracts that the hiring of their employees is undertaken in accordance with current employment legislation prohibiting discrimination and child labour.
- EVEREADY®’s internal policies and procedures include the ethical and procedural fundamentals which prohibit discrimination in the work place. These are contained in the BPSC and the Company’s **Anti Harassment & Retaliation guidelines**.
 - Encourage diversity and equal opportunities.
 - Guarantee a workplace that has no room for discriminatory attitudes for reasons of gender, ethnic origin, creed, religion, age, disability, political affinity, nationality, citizenship, civil status or socio-economic condition.
 - Upholds the freedom of association through the utmost respect for the role and duties befalling workers’ delegates in accordance with current legislation, and most especially regarding collective bargaining.
 - Complying with current labour legislation and other legal and statutory provisions affecting the employment of forced and child labour. In order to ensure compliance with the above obligations, EVEREADY® utilizes several channels available to its staff through which they can report those situations that are ethically questionable including those that may give rise any human rights violation.
 - The Company seconds various colleagues including its Managing Director to various government bodies and industry associations such as National Economic and Social Council of Kenya (NESC), Kenya Association Manufacturers (KAM), the Federation of Kenya Employees (FKE) and Kenya Private Sector Alliance (KEPSA) through which the Company contributes to shaping public policy on various issues touching on various aspects of the Global Compact principles including employment related matters.

Labour Rights
Current

	<ul style="list-style-type: none"> ▪ The Anti Harassment & Retaliation guidelines are posted permanently in the Company notice board. <p>Activities implemented in the last year</p> <ul style="list-style-type: none"> ▪ Further review of the BPSC manual. ▪ Review of compliance status of the BPSC and Insider Trading guidelines through the Ethics questionnaire. ▪ Dissemination of the company's expectation with regard to the above principles through further dissemination of the SCOC to suppliers and incorporation of SCOC warranties in business partners contracts. ▪ Negotiation with the Union on better terms and conditions of work for union colleagues. ▪ Ongoing and continuous training of colleagues on health and safety at work. ▪ Publication of the Anti Harassment Policy and dissemination of the BPSC to all colleagues. ▪ Continuously operated the <i>alert!</i> Telephone line and email communication channels for ethical violations. ▪ Fully implemented legal obligations with no citations. ▪ Commenced negotiations for a new collective bargaining agreement with the workers union with a view to improving the terms and conditions of employment. ▪ Continue to implement the Company's HIV policy which disallows discrimination on account of HIV status. <p>Measurement of outcomes and value added for our company</p> <ul style="list-style-type: none"> ▪ No adverse citation by government on employee rights violations in any of its forms. ▪ Received more commitment from suppliers to uphold SCOC principles. ▪ Increased consultation with regard to ethical dilemmas by colleagues noted. For example, receipt of gifts during the Christmas festivities in 2009 elicited a large number of consultation on the terms of the BPSC policy as regards the retention or pooling of gifts received. ▪ Favourable relations with the union for the benefit of the colleagues and the company.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Labour Rights Future</p>	<p>Activities planned for next year</p> <ul style="list-style-type: none"> ▪ Further extension of the application of the SCOC into more supplier contracts. ▪ Review and dissemination to all colleagues of the BPSC and Insider Trading guidelines. ▪ Continuous monitoring of BPSC compliance through questionnaires disseminated to all employees. ▪ Continued assessment through the Company's performance evaluation process, of the extent to which key colleagues (sectional heads) live by the company values as an example to the rest of the staff. ▪ Continue to implement the Company's HIV policy which provides for equal employment and benefits irrespective of a colleagues HIV status and disallows discrimination on account of HIV status.

Environment

UN Global Compact principles covered:

- Principle 7: Business should support a precautionary approach to environmental challenges
- Principle 8: Business should undertake initiatives to promote greater environmental responsibility
- Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

Environment Current

Commitment

In EVEREADY®, we are committed to doing our fair share to protect the environment. We believe that effective environment management will help our business to operate in a more sustainable manner. EVEREADY® affirms that commitment and pledges to protect the health and safety of colleagues, the environment, and to make a positive difference in the communities around us.

A brief description of our Processes or Systems

We:

- Have environmental and energy policies in which the company defines its commitment to furthering sustainable development, respect for the environment and efficiency in the use of natural resources. In this regard the company applies an Energy and Water conservation policy.
- Maintain safe and environmentally sound operations with full compliance as a basic commitment.
- Implement a zero process waste water discharge policy.
- Encourage our colleagues to report unsafe acts as part of their ongoing duties and have developed tools to support it.
- Contribute to local efforts to protect the environment.
- Organized periodic Safety Health and Environment audits by the Company's affiliate Energizer Inc. USA.
- Require sourcing from suppliers that conduct operations in a safe and environmentally responsible manner through the SCOC.
- Drive continuous improvement in our environmental, health and safety performance through the Safety Health & Environment Policy.
- Increase energy efficiency through actions that directly affect our usage patterns.
- Ensuring compliance with environmental legislation.
- Established of Health and Safety Committee comprised of colleagues that meet regularly and the establishment of fire fighting teams ensures that we promote health and safety at our operations.
- Ensure a working environment free of health risks on all its premises through the adoption of rules and procedures based on international best practices in matters of health and safety at work and the prevention of industrial hazards, and consistent with those legal requirements that, as appropriate, are applicable.
- The Company seconds various colleagues including its Managing Director to various government bodies and industry associations such as National Economic and Social Council of Kenya (NESC), Kenya Association Manufacturers (KAM), the Federation of Kenya Employees (FKE) and Kenya Private Sector Alliance (KEPSA) through which the Company contributes to shaping public policy on various issues touching on various aspects of the Global Compact principles including environment related matters.

	<ul style="list-style-type: none"> ▪ Dealing in product that is environmentally friendly. Energizer Inc whose products are distributed by the company introduced the first No Added Mercury battery system. ▪ The Company also distributes rechargeable battery products that encourage reuse practices. <p>Activities implemented in the last year</p> <ul style="list-style-type: none"> ▪ Commissioned a new paste station that is expected to further improve our efficiency and positively affect our electricity usage patterns. ▪ Commissioned a new Transformer that is expected to increase efficiency in energy usage in our operations. ▪ Improved the system of managing process waste through improved practices in waste handling. ▪ The Company introduced lighting products that use LED technology which allow for more efficient use of energy. <p>Measurement of outcomes and value added for our company:</p> <ul style="list-style-type: none"> ▪ Cost savings related to better energy usage patterns (as differentiated from the measure of the unit cost of energy). ▪ Zero waste water discharge from the company processes. ▪ No adverse citation from the environmental regulatory body National Environmental Management Authority of Kenya (NEMA) from the Annual audits of the Company's facility. ▪ Improve waste management practices.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Environment Future</p>	<p>Activities planned for next year:</p> <ul style="list-style-type: none"> ▪ Further extension of the application of the SCOC which has environmental implications into more supplier contracts. ▪ Participation in the Energy Efficiency Awards. ▪ Continuous environment self audit submitted to the NEMA.

Anti-corruption

UN Global Compact principles covered:

Principle 10: Business should work against corruption in all its forms, including extortion and bribery

Anti-corruption
Current

Commitment:

EVEREADY®'s mission, vision and values require us to base our behaviour on honesty and transparency. For this reason, we constantly monitor the way in which any conflicts of interest in our relationships with our environment are resolved, paying particular attention to public authorities, the communities in which EVEREADY® operates and our suppliers and contractors.

A brief description of our Processes or Systems:

- The Mission, Vision and Values of the Company was approved and subsequently communicated to EVEREADY®'s colleagues. EVEREADY®'s management team is rated on their performance against these core values which include Integrity, Passion, initiative, Respect and Teamwork.
- The BPCS setting out the company's expectations as regards corruption and ethical dealing is disseminated to all colleagues.
- The Ethics questionnaire monitoring compliance with the Company's expectations as regards corruption and ethical dealing is disseminated to all colleagues and reviewed.
- As a Kenyan public limited company, EVEREADY® operates a dual management system with a management team and a supervisory Board. One third of the Board members are independent.
- The company has consulted the audit firm of KPMG to spearhead its internal audit function with a view to continuously monitoring, review and improve its internal systems and processes to ensure that the same comply with best practices in system and process controls in such areas as accounting and financial reporting.

Activities implemented in the last year:

- Extension of the application of the SCOC into more supplier contracts.
- Review and dissemination to all colleagues of the BPSC and Insider Trading guidelines.
- Continuous monitoring of BPSC and Insider Trading guidelines compliance through questionnaires disseminated to all employees and reviewed.
- Continued assessment through the Company's performance evaluation process, of the extent to which key colleagues (sectional heads) live by the company values including Integrity.
- Implementation of 2 phases of internal audit checks by the Company's Internal Auditors on various key processes including procurement to pay, corporate governance, production and financial management.

Measurement of outcomes and value added for our company:

- Further extension of the application of the SCOC into more supplier contracts.
- Review and dissemination to all colleagues of the BPSC and Insider Trading guidelines.
- Continuous monitoring of BPSC compliance through questionnaires disseminated to all employees which will be reviewed as appropriate.
- Continued assessment through the Company's performance evaluation process, of the extent to which key colleagues (sectional heads) live by the company values as an example to the rest of the staff.
- Continued improvement of process and system controls through the internal audit function.

Anti-corruption Future	<p><i>Activities planned for next year:</i></p> <ul style="list-style-type: none">▪ Further extension of the application of the SCOC into more supplier contracts.▪ Review and dissemination to all colleagues of the BPSC and Insider Trading guidelines.▪ Continuous monitoring of BPSC compliance through questionnaires disseminated to all employees.▪ Continued assessment through the Company's performance evaluation process, of the extent to which key colleagues (sectional heads) live by the company values as an example to the rest of the staff.▪ 3rd phase of the internal audit control function.▪ Major review and update of the procurement guidelines and policies.
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How do you intend to make this COP available to your stakeholders?

- To our stock holders through the Board of Directors.
- Through the company staff meetings and ongoing communication with colleagues using other media.

Donations, awards

We support the community in various activities among them are:

- Support to Mater Hospital's Heart run to support their cardiac unit in providing interventions to needy members of the society.
- Ongoing support to Westwood's Children's Home which has received support for many years.
- HIV/AIDS Workplace program received a Gold Certificate for the APHIA II initiative (Government of Kenya and USAID)
- Best in Occupational Health and Safety – Manufacturing section by The Kenya National Cleaner Production Center (KNCPC).
- The Company seconds various colleagues including its Managing Director to various government bodies and industry associations such as National Economic and Social Council of Kenya (NESC), Kenya Association Manufacturers (KAM), the Federation of Kenya Employees (FKE) and Kenya Private Sector Alliance (KEPSA) and other committees through which the Company contributes to shaping public policy on various issues touching on various aspects of the Global Compact principles including environment related matters.
- Support to Junior Achievement, a not for profit organization that mobilizes the private sectors to development of talent among the youth in high school and provide mentorship opportunity.