



Communication on Progress Year: 2014

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.

Jackson Mutua, **Managing Director**
June 2014

Company name: EVEREADY® East Africa Limited

Sector: Manufacturing & Trading

Number of employees: 232

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 automotive batteries under the brand name TURBO and 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 colleagues 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.

Activities implemented in the last year:

- We continued to monitor the adoption of our corporate values (Passion Integrity, Respect, Initiative and Teamwork) in the course of 2013 through our performance management framework. The implementation continued to focus on senior managers in 2014 to ensure that they continued to live our promise. It is intended for a full roll out of to the rest of the colleagues in 2015. The year 2013 therefore saw senior managers rated on their performance against the 5 values in the performance management process.
- Reviewed and revised the Business Practices and Code of Conduct for continued relevance in 2013.
- Implemented the SCOC into additional supplier contracts while maintaining the provisions in prior agreements. All standard contracts by Eveready now have the SCOC provision as a standard terms of engagement.
- The Company continued to second various colleagues including its Managing Director to various government bodies and industry associations such as the Kenya Association Manufacturers (KAM), the Federation of Kenya Employees (FKE) and Kenya Private Sector Alliance (KEPSA). The organizations and institutions provided EEAL with an opportunity to shape public policy on various issues touching on various aspects of the Global Compact principles including human rights.

	<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. ▪ The Corporate values promote respect among colleagues and its incorporation into the performance appraisal system ensures that all colleagues treat each other with respect and also promotes ethical dealing in all matters.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Human Rights Future</p>	<p><i>Activities planned for next year:</i></p> <ul style="list-style-type: none"> ▪ Cascade evaluation of our values to all colleagues. ▪ Review and update of the BPSC. ▪ Review and update of the Insider Trading guidelines. ▪ Review and dissemination to all colleagues of the BPSC and Insider Trading guidelines. ▪ Monitoring of BPSC compliance through questionnaires disseminated to all employees. ▪ Continue assessment through the Company’s performance evaluation process, of the extent to which 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

Labour Rights
Current

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. We treat all colleagues with fairly and equally.

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 their adult status prior to employment in the recruitment process. Official identification is required to confirm the adult status.
- 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.
- All EVEREADY® staff, have contracts which clearly indicate the voluntary nature of their employment and procedures for ceasing employment.
- 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. The documents and other company practices:-
 - 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 the 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.

	<p><i>Activities implemented in the last year</i></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. The process was successfully completed in the year and a new contract to be renegotiated in 2011. ▪ 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 negative citations. ▪ Continue to implement the Company’s HIV policy which disallows discrimination on account of HIV status. <p><i>Measurement of outcomes and value added for our company</i></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 questions by colleagues on ethical dilemmas noted. ▪ Favourable relations with the union for the benefit of the colleagues and the company. ▪ No complaints on harassment recorded through our <i>alert!</i> system. ▪ No labour complaints.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Labour Rights Future</p>	<p><i>Activities planned for next year</i></p> <ul style="list-style-type: none"> ▪ Re-negotiations for a new collective bargaining agreement for the three year period to 2017 with the workers union with a view to improving the terms and conditions of employment. ▪ Review and dissemination to all colleagues of the BPSC and Insider Trading guidelines. ▪ Monitoring of BPSC compliance through questionnaires disseminated to all employees. ▪ 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. ▪ Operate 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.
- A zero process waste (into the environment) Discharge Policy.
- Full compliance with hazardous waste disposal. To this end significant commitments were made in 2013 to dispose of process waste in accordance with government guidelines.
- A system that encourages 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.
- 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.
- Presence of a robust 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 at all our locations.
- 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 the 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.
- Dealing in product that is environmentally friendly. Energizer Inc whose products are distributed

	<p>by the company introduced the first No Added Mercury battery system.</p> <ul style="list-style-type: none"> ▪ The Company also distributes rechargeable battery products that encourage re-use practices. <p><i>Activities implemented in the last year</i></p> <ul style="list-style-type: none"> ▪ Continue to use no bin symbols on the packaging of its locally manufactured dry cell products. ▪ Submitted the company to an internally managed environmental audit process. ▪ Submitted the company to a self environmental audit managed by the government regulator NEMA. ▪ Improved the system of managing process waste through improved practices in waste handling. ▪ The Company has expanded its product offering that utilizes LED technology. ▪ Expanded product offering that re-uses rechargeable technology to reduce disposal cycle times for dry cells. ▪ Continued to maintain product quality certifications for its product under the Diamond Mark Scheme, the Standardization Mark and Import Standardization Mark that are managed by the local government bureau of standards. ▪ Continued operationalization of zero process waste discharge. <p><i>Measurement of outcomes and value added for our company:</i></p> <ul style="list-style-type: none"> ▪ Environmental stewardship. ▪ Zero waste water discharge from the company processes. ▪ Lack of an adverse citation from the environmental regulatory body National Environmental Management Authority of Kenya (NEMA) ▪ Improve waste management practices.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Environment Future</p>	<p><i>Activities planned for next year:</i></p> <ul style="list-style-type: none"> ▪ Further extension of the application of the SCOC which has environmental implications into more supplier contracts. ▪ Continuous environment self audit submitted to NEMA. ▪ Maintenance of quality certifications.

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 consults 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.
- Major review of the policies affecting key processes including human resource management, 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"> ▪ Set up a fully functional internal audit department ▪ 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. ▪ Quarterly internal audit of functions and processes. ▪ A scheduled review and update of the procurement guidelines and other policies.
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How do you intend to make this COP available to your stakeholders?

- Through our Annual Report to our stakeholders
- To our stock holders through the Board of Directors.
- Through ongoing communication with colleagues using the intranet and other published media.

Donations, awards, activities

We support the community in various activities among them are:

- The HIV/AIDS Workplace program.
- The Company seconds various colleagues including its Managing Director to various government bodies and industry associations such as the 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.
- Monetary donations to organizations that deal with projects that are aligned to the company's focus areas of health and education to women and children.
- Outreach programs with specialist groups.
- Support of personal commitments by individual colleagues.