



RC 771

**GUINNESS**  
NIGERIA

# CREATING VALUE BEYOND THE BREW

**Sustainability Report  
2018/2019**







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**NEW**  
**BAILEYS**  
*Delight*



*LIGHT & LUSH WITH A TASTE OF **AFRICAN HONEY***



For almost seven decades, Guinness Nigeria has cultivated a holistic corporate responsibility and sustainability-focused way of being that has created and multiplied value for our company, our people, our shareholders and our world.

Through the diverse quality brands that we produce, we have broken barriers and united people of various cultures and creeds in celebration and unity of purpose, forged new friendships and connections and kept true to our brand promise of celebrating life every day and everywhere.

# OUR CEO SPEAKS



**“The mission of Guinness Nigeria's business is to offer refreshing brands that consumers enjoy while celebrating life every day and everywhere and to bring about worthwhile social change to the areas we do business.”**

We are proud to present to you the 2018/2019 Guinness Nigeria Plc (Guinness Nigeria) Sustainability Report. As a business, Guinness Nigeria has put a lot into helping Nigeria meet its set targets towards contributing to the ambitious goals of the United Nations Sustainable Development Goals (SDGs) to end poverty (SDG 1), fight inequality and injustice (SDGs 5 and 10), and tackle climate change (SDG 13) by 2030, as we will all benefit from a better world when the global goals are successfully attained.

In our efforts to continuously see progress as we play our part in embedding sustainability in all areas of our business operations, we maintain high ethical standards, respect human rights and promote societal and community development. Furthermore, we continuously emphasise this long-term vision for sustainability to our consumers, shareholders, employees, influencers, the media, NGOs, and all other key partners globally and locally.

The mission of Guinness Nigeria's business is to offer refreshing brands that consumers enjoy while celebrating life every day and

everywhere and to bring about worthwhile social change to the areas we do business. I am pleased by the successful introduction of the latest brands in our portfolio to the Nigerian market and confident that these new releases will position our Company towards a more profitable economic growth. The continuous growth of our business gives us greater capacity to shine a light on global sustainability issues and foster a positive impact for everyone in it.

We are aware that the sustainability of our society and the global environment, particularly in relation to climate change, water resource concerns, women's empowerment and economic development, have a direct relevance to our business. Our goal as a business is to be recognised as the best performing, most trusted and respected brand in Nigeria and achieving our sustainable development targets reinforces this ambitious goal. Therefore, we strive to deliver on our commitments set under the SDGs through our projects – whether by providing safe and clean water through our Water of Life scheme, providing quality eye care services, offering undergraduate scholarships

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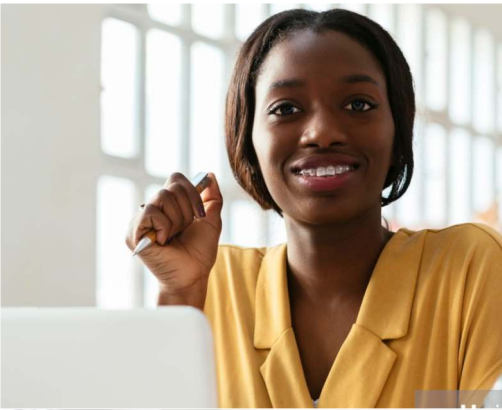
or empowering women through our Spirited Women Network initiative. We recognise that these sustainable ideas and innovations are increasingly vital to the long-term growth of our business and are prepared to continuously demonstrate that our focus remains on maintaining them.

In adhering to the direction set by Diageo's global strategy, Guinness Nigeria's sustainability strategy is aligned and underpinned by three main pillars: Leadership in Alcohol in Society, Building Thriving Communities and Reducing our Environmental Impact in the communities where we live and work. As such, we use these pillars to advance activities that reflect the situation in Nigeria, engage citizens,

change attitudes and fashion movements for responsible sustainable action. We seek to treat this year's sustainability report as an opportunity to reaffirm that we recognise the challenges we face as a society but remain steadfast in our contributions to tackle these challenges. This report will depict our achievements in the 2018/2019 financial year and serve as a representation of how we have responded to our stakeholders needs and concerns as we try to ensure that sustainable growth remains within our reach.

We are committed to playing a vital role in building thriving communities and for demonstrating leadership in alcohol in society, for our business, within the industry and society at

large. For instance, our Sustainable Agriculture program – through which we support 5,000 smallholder farmers – is still enhancing our local sourcing capabilities and providing local farmers with a healthy source of income, as they serve as our source for sorghum. We educated our employees on responsible alcohol consumption under our 'Leadership in Alcohol in Society' pillar, and through our "SMASHED" campaign, an underage alcohol education programme for students, we reached over 13,000 students and teachers in secondary schools; surpassing our expectations. Guinness Nigeria will continue to leverage on local collaborations to improve the livelihoods of Nigerians and contribute to economic inclusion; as well as ensure that all our marketing and sponsorship programs center around promoting moderation.



# £180 million

**commitment to  
solar, biomass and  
water recovery**



and Benin. Our research reports that this will lead to 60% reduction in water consumption, which will mean that a pint of our flagship brand in Nigeria - Guinness Foreign Extra Stout – will be made with 60% less water. We hope to further push our groundbreaking moves towards continually increasing our sources of renewable energy, whilst brewing with less water.

In order to remain a company that contributes to the creation of value with its consumers, shareholders, employees, influencers, the media, and all other key partners, Guinness Nigeria will continue to drive its three pillars of Reducing its Environmental Impact, Modelling Leadership in Alcohol in Society and Building Thriving Communities. With our contribution to these impactful social, environmental and economic initiatives, we hope to further the realisation and significance of driving sustainable development in Nigeria – for the everyday Nigerian.

I will end by reiterating that if we can make the Global Goals happen, we will all benefit from a better world.

**Baker Magunda**  
**Managing Director/  
Chief Executive Officer**  
**Guinness Nigeria Plc**

**“In order to remain a company that contributes to the creation of value with its consumers, shareholders, employees, influencers, the media, and all other key partners, Guinness Nigeria will continue to drive its three pillars of Reducing its Environmental Impact, Modelling Leadership in Alcohol in Society and Building Thriving Communities.”**

I am proud of Diageo's newly announced £180 million commitment to bring new solar, biomass and water recovery to seven Sub-Saharan markets, including Guinness Nigeria. This development will contribute to ensuring our areas of operation in Nigeria move towards a more renewable future, we minimise our impact on the environment and create employment opportunities. Through these initiatives, we hope to also encourage our key partners within our business, and other companies in the industry, to take similar steps in water stewardship and to reduce carbon emission in their communities. Our water replenishment plan will ensure efficient use and treatment of water across our brewing sites in Lagos

# ON SUSTAINABILITY WITH OUR SENIOR LEADERSHIP



**“Raising awareness across the business and bringing environmental issues to front of mind.”**

For me, sustainability is my duty as a leader within Guinness Nigeria. I am charged with doing everything possible to minimise the impact of our operations on the environment. This is achieved through raising awareness across the business and bringing environmental issues to front of mind. This also includes creating action plans to reduce waste to landfill, greenhouse gases, energy use and water consumption and then engaging my team to deliver on these plans.

Nigeria is a water-stressed country, so firstly, we need to invest heavily in reducing the volume of water we use as a business, actively support and encourage recycling, be a leader among our peer businesses and increase awareness amongst our employees, communities we operate in and the population at large. We also need to continue to develop our Water of Life program, in order to ensure that we bring clean water to millions more over the coming years.

**Colman Hanna**  
*Supply Director*





**“Every business decision we make rests on the three pillars of sustainability - the economy, the society and the environment.”**

Sustainability is the bedrock on which our business rests. As the only Total Beverage Alcohol company in Nigeria, every business decision we make when producing these iconic brands must take into consideration the three pillars on which sustainability rests - the economy, the society and the environment. It means ensuring that our sustainability strategy reflects in every aspect of our business from the way we engage with the local farmers that grow our ingredients, to the communities where we make and sell our products and eventually to the consumers who enjoy our ever-growing portfolio of drinks.

We need to ensure that our business continues to be a force for good through our various sustainability initiatives such as the Water of Life scheme that provides clean and safe water for thousands of Nigerians, the scholarship programmes and vocational training support for young people, the capacity building programs for smallholders farmers, the recycling programme that also serves as a source of livelihood for a growing number of women and, most importantly, through the different responsible-drinking programmes that promote the conscientious use of alcohol.

**Viola Graham-Douglas**  
*Corporate Relations Director*



# ON SUSTAINABILITY WITH OUR SENIOR LEADERSHIP



**“Sustainability means ensuring that we build an enduring business that will be remembered and celebrated as an icon for the society– long after we exit the scene.”**

Incidentally, my purpose is to be the builder, adding value, growing what I find and leaving it in a better position than when I found it. It is only by making sure that the change that I am part of is enduring, that I can then deliver on my purpose. So, to me as Finance Director, sustainability means ensuring that we build an enduring business that will be remembered and celebrated as an icon for the society – long after we exit the scene.

In many ways, we are already contributing to this sustainability in the economy – our business employs thousands, directly and indirectly, across our entire value chain from suppliers to customers. The amazing work that we are doing with the sourcing of our cereals is an obvious and much celebrated example but there are a myriad of other examples too – think of the many traders who rely on selling of our quality products to make a living, our logistics operations that employ many. These are even some of the by-products which are used to drive the economy – and in some countries, spent grains are a major feed source for farmers. Through the maintenance of these sustainable contributions, our brands can remain part and parcel of our society's celebratory occasions.

**Stanley Njoroge**  
*Finance Director*



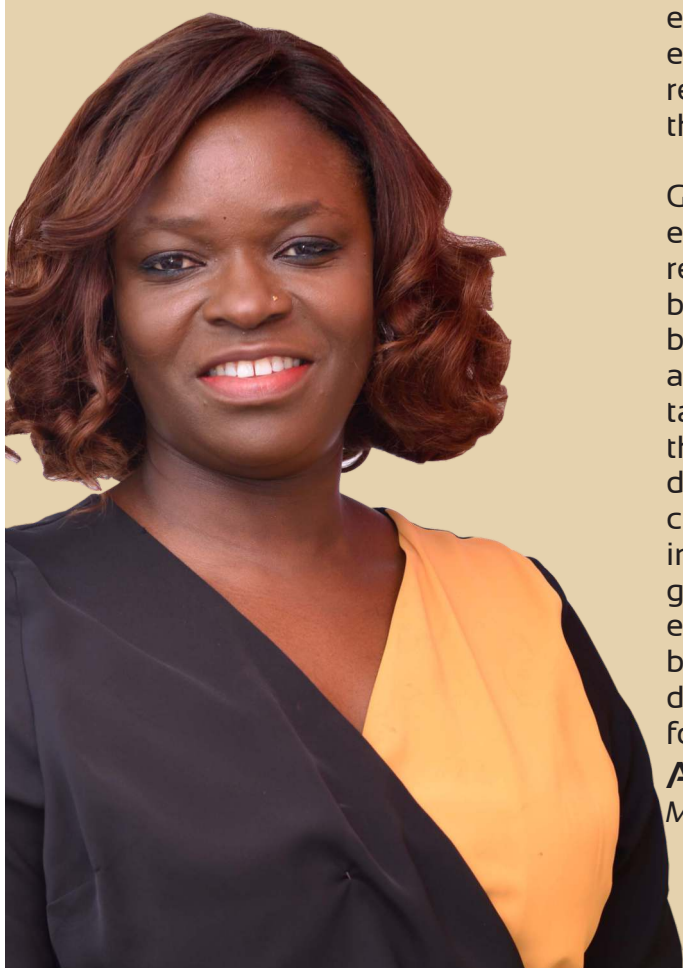


**“ We must be deliberate in all we do to fulfil our promise to our consumers, be it our responsible drinking agenda, the impact of our operations on the environment or guaranteeing the quality of our brands.”**

Sustainability is a guarantee of the continuity of our business. It is critical to demonstrating Diageo's purpose beyond delivering commercial value. It is about leaving a legacy for future generations by ensuring that our purpose of celebrating life every day, everywhere, manifests in our day-to-day activities reflecting in the choices we make living in service of that higher order.

Guinness Nigeria can contribute to economic, environmental and societal sustainability by actively recognising how our brands and business impacts the broader environment. How our business impacts the bigger picture and how it advances the sustainability agenda, needs to be more obvious and felt more tangibly in our everyday activities and by everyone in the individual roles they perform. We must be deliberate in all we do to fulfil our promise to our consumers, be it our responsible drinking agenda, the impact of our operations on the environment or guaranteeing the quality of our brands. Sustainability entails being mentally present in every aspect of our business because this is how we stand to make a difference – a positive impact that we can leave at the forefront.

**Adenike Adebola**  
*Marketing Director*

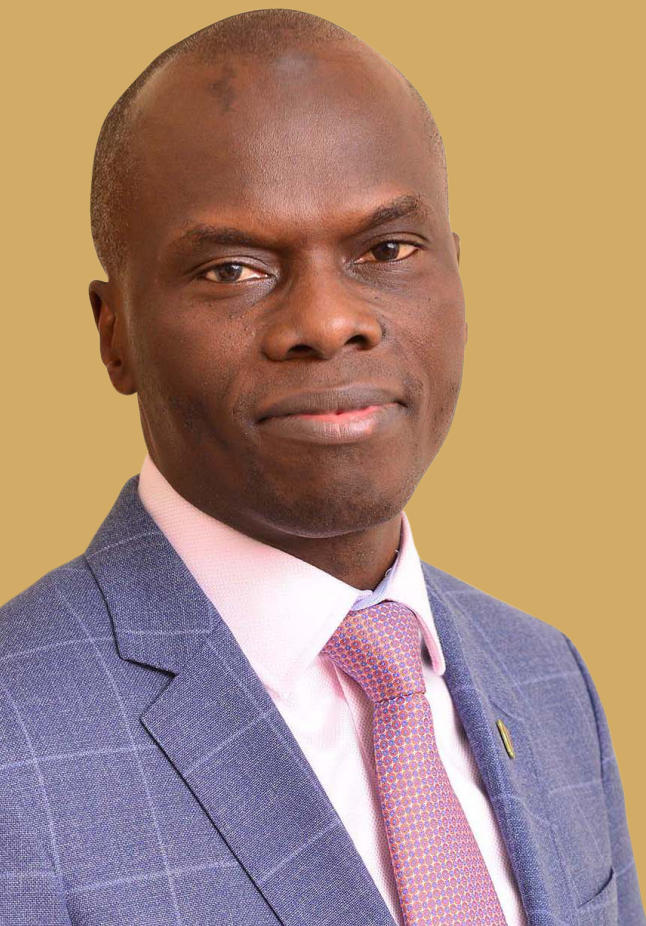




**“Sustainability means keeping the wellbeing of our society in general in mind, including the community in which we operate.”**

Sustainability means leaving every aspect touched by our operations as a business, especially the environment, in a better state than we met it. It means making deliberate efforts to ensure that the resources that we use or deploy in the course of business, are not depleted in a manner that reduces the chances of continuing to deliver value to the stakeholders of the business. Sustainability means keeping the wellbeing of our society in general in mind, including the community in which we operate, the shareholders and investors in our business, the employees and officers of our company, the regulators that we relate with and consumers of our iconic brands.

Guinness Nigeria can contribute to a more sustainable economy, environment and society by being deliberate and taking positive and proactive actions to ensure that we can leave all the touchpoints of our business in a better state than we met it.



**Rotimi Odusola**  
*Legal Director and Company Secretary*

# 2018 Milestones

## Reducing Our Environmental Impacts

**647,640**  
HL of recycled water

**100%**

waste/environmental  
suppliers screened using  
environmental  
criteria

**ZERO**  
environmental  
spill

**19.9**

tons of recyclable  
waste collected,  
processed and diverted  
from landfills into  
productive reuse

Commenced  
a post-consumer  
recycling initiative  
for all formats -  
cans, bottles  
and PETs

99.8 tons  
of CO2 prevented  
from release into the  
environment through  
recycling of 16.6 tons  
of plastic

**3,000**

reached through  
the annual responsible  
drinking campaign in  
Cross Rivers State

**13,003** students,  
60 secondary schools,  
3 states reached with  
the **SMASHED**  
programme

**5,000**

signatures from consumers  
indicating commitment to never  
drinking and driving

## Leadership in Alcohol Society

**800**

Lagos State  
drivers trained on  
**DRINKiQ**

# Building Thriving Communities



Zero fines for non-compliance with laws and regulations



3-number of states where responsible drinking campaign were conducted



1,000 farmers trained and supported under the cassava out-grower scheme



11 undergraduates benefitted from the Guinness Scholarship Scheme



2,075 – number of people that received access to improved source of drinking water in Kebbi State through the WASH Programme



Silver medal, MAN Best Kept Industrial Premises for 2018



230 women in Kebbi and Sokoto states cured of cataract disease through surgery conducted in partnership with Sightsavers



8 Water of Life schemes actioned across the country, reaching over 15,000 people

# ABOUT US

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Guinness has evolved over the years to match trends for various age groups and social strata by offering the highest quality brands, giving a satisfying experience in taste and quality that distinguishes it from other brands.

# Building Connections for a Prosperous and Sustainable World

The simple act of sharing has for centuries bonded people of diverse cultures and heritage together. Guinness has evolved over the years to match trends for various age groups and social strata by offering the highest quality brands, giving a satisfying experience in taste and quality that distinguishes from other brands.

As an iconic brand, the story of Guinness is incomplete without mentioning its founder, Arthur Guinness, who in 1759 brewed the first ever Guinness stout. Since then, the Guinness brand has attained unprecedented heights with diverse products in different categories from beers to spirits to non-alcoholic beverages. Its global reach spans across 180 countries and still counting. In 1997, Guinness merged with Grand Metropolitan Plc to become part of the Britain-based multinational alcohol conglomerate, Diageo.

In Nigeria, Guinness has a proud heritage dating back to the first Guinness Foreign Extra Stout that was brewed over 55 years ago and the establishment of its various brewing plants in different parts of the country, with Lagos as its headquarters. Guinness Nigeria is presently the world's fourth-largest market for Guinness and the only Total Beverage Alcohol (TBA) company in Nigeria. As such, we are the only brand producing beverages in all forms, both alcohol and non-alcoholic. The most important time to us is 17:59, the Guinness time, which is the perfect time for a taste of black.



**Arthur Guinness**  
(24 September 1725 – 23 January 1803)  
Founder of the Guinness brewery business

*Arthur Guinness*<sup>TM</sup>



## Our Blueprint for Success

At Guinness Nigeria, we have core values that guide our thoughts and actions in order to foster co-operation and team spirit and to benefit all of our stakeholders – from our employees who are our most valued assets, to our customers who expect quality products, and to our shareholders who entrust their capital to us.

These principles and core values are the blueprint for mapping our success framework. This framework is not an end in itself. Rather, it forms the foundation of our culture, defines behaviours required of all and guides our decision-making

## Our Values

Our five values include:

- We are passionate about customers and consumers. Our curiosity, customer and consumer insights drive our growth. We care for our brands. We are courageous in pursuing their full potential. We are innovative, constantly searching for new ideas that drive growth; developing them across our business
- We give ourselves and each other the freedom to succeed because this fosters entrepreneurial spirit. We trust each other; we are open and challenging. We always function as a team – when we are together and when we are apart.
- We are proud of what we do and how we do them. We act sensitively with the highest standards of integrity and social responsibility. We enjoy and benefit from diversity
- We strive to be the best – we are restless, always learning and always improving. We constantly set high standards and then try hard to exceed them. We deliver results, win where we compete and celebrate our successes
- We value each other – we seek and benefit from diverse people and perspectives. We strive to create mutually fulfilling relationships and partnerships.

## Our Purpose

Celebrating life every day, everywhere.

## Our Vision

To be the best performing, most trusted and respected consumer products company in Nigeria.

## Report Profile

This report covers the relevant and significant social, economic and environmental issues for the reporting year 1st July, 2018 to 30th June, 2019. It gives our stakeholders an overview of our performance in these areas, complementing our annual report, which primarily covers our financial and economic performance.

Scripted in accordance with the Global Reporting Initiative's GRI Standards core reporting option, this report covers our sustainability performance in our operations and activities in Nigeria. The report provides an overview of our progress against targets in our three core pillars: Leadership in Alcohol in Society, Building Thriving Communities, and Reducing Environmental Impact. Furthermore, it reviews our progress in line with our commitment to the global goals as well as our adherence to the Sustainability Disclosure Guidelines of The Nigerian Stock Exchange (The NSE) which requires annual reporting on sustainability as we work towards becoming a Premium Board member of The NSE.

This report outlines our materiality process and our approach to stakeholder engagement and how we have responded to issues raised. It will provide our stakeholders in Nigeria and across the globe with meaningful information about our sustainability performance as well as showcase our future ambitions and aspirations.

### REPORT BOUNDARY

Our report boundary is our operations and activities in Nigeria

including our corporate structure, brand portfolio and location of operations.

### Data

There have been no significant changes in the scope or boundaries of the data we are reporting this year. The data represented on the economic, environmental and social indices of this report has been collected using the Global Reporting Initiative's (GRI) Disclosures and Principles, as well as the Sustainability Disclosure Guidelines of The NSE. Data collected is based on the reports and documents of the different departments and units within Guinness Nigeria. It was important to exercise strict internal controls during collation and analysis of data to ensure accuracy, reliability and completeness.

### Priority Issues

Our priority issues are the products of our materiality analysis. They are critical economic, environmental and social issues, which may either reflect a significant impact on our business performance or substantively influence the assessments and decisions of our stakeholders.

### Reference

We will cross-reference the following frameworks throughout the report:

Global Reporting Initiative – The GRI Sustainability Reporting Standards are the first and most widely adopted global standards for sustainability reporting. We utilised the GRI's ten principles for determining reporting content and quality as well as the management approach in the narration of our disclosures.

Sustainability Disclosure Guidelines of the Nigerian Stock Exchange – These guidelines provide indicators that should be considered when providing annual sustainability disclosures to The Exchange. The Exchange encourages all issuers to consider and adopt the practice of sustainability reporting.

Sustainable Development Goals (SDGs) – The SDGs, otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity

United Nations Global Compact (UNGC) – The UNGC is a voluntary initiative based on business leaders' commitment to implement universal sustainability principles and to undertake partnerships in support of UN goals.

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## Exploring Our Diverse Brands

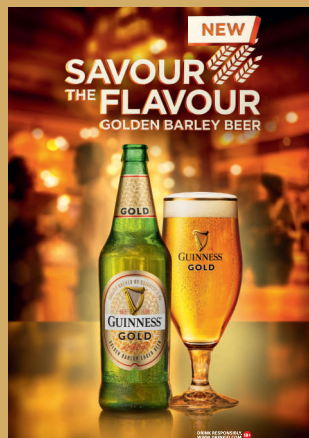
Every day, we bring millions of people together across generations and communities through the simple act of sharing a drink. We recognise the power of these connections in forging a peaceful and sustainable world. With diverse people come varying consumer preferences; while some consumers are pursuing more balanced lifestyles, others want more choices. Our portfolio strategy for meeting the diverse needs of our target market entails producing brands for different peoples, purposes and occasions. Presently, our portfolio consists of numerous brands and a number of these brands are part of the most valuable and recognised beer and beverage brands world-wide.

To maintain our leadership position, we nurture and preserve each brand's distinctive identity and purpose. At the same time, we leverage our national and global distribution, creative resources and operational expertise across all our brands.

Our brands come in different categories, including scotch whisky, vodka, liqueur, gin, beers, ready-to-drink and non-alcoholic beverages, offering consumers a choice for every occasion. Some of these brands include: Guinness Foreign Extra Stout (FES), Guinness Africa Special, Malta Guinness, Dubic Malt, Harp Lager, Smirnoff Ice, Smirnoff Guarana, Snapp, Satzenbrau Pilsner, Orijin Spirit Mixed drink, Orijin Bitters, Orijin Zero, Johnnie Walker, Baileys, Ciroc, Smirnoff Vodka, Tanqueray, Captain Morgan, Gordon's Dry Gin, Royal Challenge Whiskey, Mr Dowell's Whiskey, J and B Rare, and Don Julio, amongst others.

Our desire for growth and customer satisfaction drives us to identify exciting opportunities to pilot new products, distribution channels, occasions and retail experiences to offer more choice to consumers, with the same great quality. We actualise this by combining our in-depth understanding of our different markets with an analysis of changing consumer habits and preferences.

In the course of the reporting year, we added new products to our brands portfolio.



Guinness Gold is the unique liquid brewed specially with selected golden barley malts for more flavour and its deep richer golden liquid.

**Brand Purpose:** Orchestrate and encourage consumers to freeze time and celebrate golden moments...with flavour.

**Positioning:** For discerning consumers who expect more from their drinking experience.

*Guinness Gold made with golden barley for more flavour.*



Baileys Delight is the light and lush cream liquor that blends Premium Cream with the taste of African Honey.

**Brand Purpose:** Drive unprecedented recruitment and brand growth by making Baileys relevant, salient and accessible in real casual and everyday treating occasions.

**Positioning:** Baileys is your co-conspirator in the pursuit of pleasure.

*Light, lush Baileys Delight...Served chilled, no ice.*



Orijin Gin is the most credible, authentic and differentiated herbal beverage brand of choice in Nigeria, championing the power of heritage and tradition as a right to win.

**Brand Purpose:** Penetration into the Gin category with Orijin Herbal Gin for a more pleasurable Gin experience to instigate recruitment and brand growth.

**Positioning:** Win as the most authentic herbal gin.

*Orijin Herbal Gin...the pleasurable gin experience.*

## Local and Global Affiliations

To actualise our vision of contributing to sustainable development, we partner with relevant organisations both locally and internationally with the intent of sharing knowledge, experience, technology, human resources, amongst others, required for driving a just and sustainable world. A number of these organisations are regulatory in nature and require adherence to principles and guidelines in order to maintain an equilibrium in the social, economic and environmental space.

These organisations include:

 <p><i>Food and Beverage Recycling Alliance (FBRA)</i></p>	 <p><i>Manufacturers Association of Nigeria (MAN)</i></p>	 <p><i>Association of Food, Beverage and Tobacco Employers (AFBTE)</i></p>
 <p><i>National Union of Food Beverage and Tobacco Employees (NUFBTE)</i></p>	 <p><i>United Nations Global Compact (UNGC)</i></p>	 <p><i>International Alliance for Responsible Drinking (Global Producers Commitment)</i></p>
 <p><i>Global Reporting Initiative (GRI)</i></p>	 <p><i>United Nations Development Programme (UNDP)</i></p>	 <p><i>International Labour Organisation (ILO)</i></p>
 <p><i>AIM-PROGRESS</i></p>	 <p><i>Convention on Business Integrity</i></p>	 <p><i>Supplier Ethical Data Exchange (Sedex)</i></p>
 <p><i>Sustainable Agriculture Initiative (SAI)</i></p>	 <p><i>Spirits and Wine Association of Nigeria (SWAN)</i></p>	

# LEADERSHIP AND GOVERNANCE

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At Guinness Nigeria, our highest decision-making body remains our Board of Directors, who have the ultimate declaration on decisions which concerns all our functions.



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L-R: Rotimi Oduola, Prof. Fabian Ajogwu, Zainab Abdurrahman, Mark Sandys, John O'Keeffe, Babatunde Savage, Stanley Njoroge, Dr. Omobola Johnson, Baker Magunda, Amb. Sunday Dogonyaro, Yemisi Ayeni, Ngozi Edozien, Bismarck Rewane, Leo Breen.

We have a corporate governance structure which was designed to align with the interests of our stakeholders, guaranteeing that we create shared value across all fronts – people, profit and planet. This is because we recognise that social, economic and environmental considerations are viable factors to the success and sustenance of our business, and good corporate governance encourages proper evaluation and risk management processes.

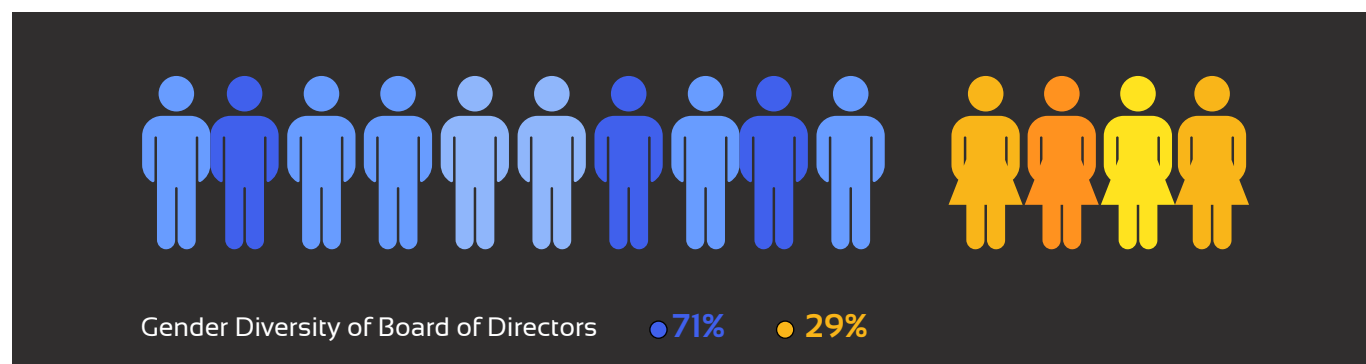
At Guinness Nigeria, we operate a Board of Directors governance structure which consists of individuals of different nationalities, each bringing their unique personality, intellect and world view. We have a diverse Board to allow for

a mix of ideas as we foster organisational growth and advance sustainable business development. Presently, our Board of Directors (BOD) consists of six Independent Non-Executive Directors, five Non-Executive Directors, the MD/CEO, the Finance and Strategy Director and the Legal Director/Company Secretary, all comprising of 10 men and 4 women. The Non-Executive Directors are independent of management and are free from any constraints, which may materially affect the exercise of their judgement as directors of the Company.

Candidates for board membership are selected based on their competencies and experiences in areas such as corporate governance, compliance, human resources,

marketing, technology, media and public relations, and accounting. Added to these are the prospective candidates' depth of experience and level of knowledge as well as character qualities such as integrity, excellence, good reputation and in depth understanding of Guinness Nigeria's business.

Amongst other things, the Board of Directors is responsible for the development of strategy and management framework of Guinness Nigeria, structure and capital disbursement for projects, financial reporting and controls, major internal controls, contracts, communication, board membership and other appointments, remuneration, delegation of authority and corporate governance matters.



### Board and Statutory Committees

There are two Board Committees and one Statutory Committee, which include the Governance and Remuneration Committee, Finance and Risk Committee and Statutory Audit Committee, respectively. These committees meet at least once every quarter to deliberate on various issues and implement tasks that contribute to organisational growth. A total of 16 meetings were held in the course of the reporting year. Some of the duties of these committees range from review of the Company's quarterly financial reports, review of reports on significant tax and operational risks,

as well as the related controls and assurance processes designed to manage and mitigate such risks.

Our Board of Directors currently consists of the following persons:

- Mr. Babatunde Savage – Chairman
- Mr. John O'Keeffe – Vice Chairman
- Mr. Baker Magunda – Managing Director/Chief Executive Officer
- Mr. Bismarck Rewane – Non-Executive Director
- Mrs. Zainab Abdurrahman – Independent Non-Executive Director
- Ambassador Sunday Dogonyaro – Independent Non-Executive Director

- Ms. Ngozi Edozien – Independent Non-Executive Director
- Dr. Omobola Johnson – Independent Non-Executive Director
- Mr. Leo Breen – Non-Executive Director
- Mr. Mark Sandys – Non-Executive Director
- Mr. Stanley Njoroge – Finance and Strategy Director
- Mrs. 'Yemisi Ayeni – Independent Non-Executive Director
- Prof. Fabian Ajogwu SAN – Independent Non-Executive Director
- Mr. Rotimi Odusola – Legal Director/Company Secretary

### Functions of Board Committees

S/N	Board Committees	Functions
1	Governance and Remuneration Committee	This committee transparently appoints new directors to the Board and offers recommendations regarding the tenures and re-appointment of Directors. The committee provides a written report of its recommendations to the Board quarterly.
2	Finance and Risk Committee	The committee comprises of four (4) Independent Non-Executive Directors and one Non-Executive Director who have a wide range of financial, commercial and international experience. Collectively, they oversee the integrity of the financial statements of the Company and review the effectiveness of its internal control and risk management process.
3	Statutory Audit Committee	This committee comprises of both Independent Non-Executive Directors and shareholders elected at the Annual General Meeting. This committee evaluates the independence and performance of external auditors, receives the interim and final audit presentation from the external auditors and reviews the annual audited financial statements before its submission to the Board. The committee also offers recommendations to the Board on the appointment and remuneration of external auditors and reviews the internal controls of the Company.

## **Risk Management Policies and Practices**

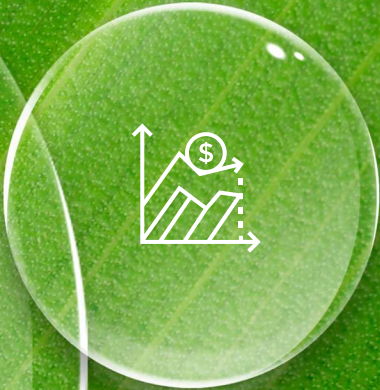
The Board of Directors have the responsibility of ensuring the maintenance of the internal control and risk management, which it does through its Finance and Risk Committee. In compliance with the requirements of the Code of Corporate Governance issued by the Securities and Exchange Commission in 2011, management provided assurance to the Board during the financial year that the risk management control and compliance systems in Guinness Nigeria Plc are operating efficiently and effectively.

Guinness Nigeria Plc's approach to risk management is in line with Diageo's Global Risk Management Standard. On an annual basis, we undertake a holistic risk assessment to identify top internal and external existing or emerging risks which are thereafter ranked based on their likelihood of occurrence and their impact to the business. These risks and mitigation plans are reviewed on a bi-monthly basis at the Risk Management Committee (RMC) meeting which is chaired by the Managing Director and comprise the heads of functions and the Guinness Leadership Team.

We have continued to sustain a strong control programme through our Controls Assurance and Risk Management (CARM) framework, which also ensures Guinness Nigeria Plc complies with the Sarbanes Oxley Act 2002. Embedding change is a top risk for Diageo, hence changes in the organisation during the year were carefully managed to ensure our robust control environment and assurance programme is not impacted.

# OUR ECONOMIC FOOTPRINT

At Guinness Nigeria, we remain committed to sustaining economic development by ensuring that we nurture our natural and social capital and harness them for socio-economic growth. As we continue to address our customer expectations and respond to market demand, we have not only consistently maintained our market share, but we have also significantly contributed to sustainable economic growth by creating jobs, increasing workforce productivity, private investments, improving efficiency and modernisation of organisations.



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At Guinness Nigeria, we remain committed to generating economic well-being by ensuring that we nurture our natural and social capital and harness them for socio-economic growth. As we continue to address our customer expectations and respond to market demand, we have not only consistently maintained our market share, but we have also significantly contributed to sustainable economic growth by creating jobs, increasing workforce productivity, private investments, improving efficiency and modernisation of organisations.

#### Economic Performance

At Guinness Nigeria, we lay great emphasis on achieving robust economic performance through continuous innovation, investment and expansion of our distribution links and manufacture of new products based on market demands. Additionally, by improving our operational efficiencies, we continue to lay the foundation for long term success. In the course of the reporting year, we introduced three new products which were widely accepted in the market.

Our strategic pillars of productivity, expansion of our portfolio as well as execution of our commercial footprint initiatives accounted for our overall success. This table summarises our economic performance for the reporting year.

S/N	Item Description	Figure
Direct Economic Value Generated (DEVG)		
1	Net revenues	Revenue: N131,498,373,000.00
		Other Income: N1,532,380,000.00
		Total: N133,030,753,000.00
2	Total capitalisation broken down in terms of debt and equity (For private sector organisations)	Equity: N89,060,462,000.00
		Debt: N13,381,610,000.00
Economic Value Distributed (EVD)		
3	Operating cost	N100,309,408,000.00
4	Employee wages and benefits	N8,878,050,000.00
5	Payments to government (including levies and tax remission)	N1,619,898,000.00
6	Finance cost	N2,613,309,000.00
	Total	N113,420,665,000.00
Economic Value Retained (EVR)		
7	Calculated as 'Direct Economic Value Generated' less 'Economic Value Distributed'	N19,610,088,000.00

## Creating Direct and Indirect Employment

As an organisation operating in the private sector, we play a key role in supporting the implementation of SDG 8 (Decent work and economic growth) through employment and value creation in the different markets in which we operate. Through our brewery operations, we contribute to SDG targets 8.1 and 8.2 which advocate for sustaining per capita economic growth in accordance with national circumstances and achievement of higher levels of economic productivity through diversification, technological upgrading and innovation. By adopting these SDGs in our business practice, we support economic prosperity, higher productivity and originality. As a result, our success feeds into target 8.5 – to achieve full and productive employment.

As a manufacturer of fast-moving consumer goods, we foster operational efficiency to ensure that gaps are non-

existent in terms of availability of our products. As such, we engage people and provide jobs in different spheres including production, logistics, marketing, sales and administration – across the country. We currently have over 822 employees and our activities are integrated into a long supply chain with economic impact reflecting both directly and indirectly. For the reporting year, we subscribed to local suppliers in the agricultural value chain, logistics and in some of our packaging materials. Over 80% of our raw materials were sourced from local suppliers. Our retail and hospitality sectors are not left out, as they serve as the vehicle through which our products reach our consumers, also generating indirect employment for individuals.

## Value Generation and Distribution Across the Value Chain

Production and sale of our products, activities of our various suppliers, our

patronage in hospitality and retail, and our facilities, all add value to the final product for our consumers. This added value generates revenue for reimbursement of employee wages, payment of dividends to shareholders, tax liabilities and reward for our investors. This added value is also the source of VAT revenues collected by government. For the reporting year, the value generated through the production and sales of our products amounted to a total sum of N131,498,373,000.00.

## Tax Remission

As a responsible corporate citizen, we know to adhere to government rules and policies. As such, a significant part of our income is paid as tax to the government. The sum of N1,619,898,000.00 constituted the total amount paid for tax and other monies remitted to the government. Our taxes consist of excise duties as well as income taxes, corporate income tax and others as required by the Nigerian government.

**We support economic prosperity, higher productivity and originality**

**N131.5b**  
generated through production and sales

**N1.6b**  
tax and other monies remitted to the government

We currently have over **822 employees** and our activities are integrated into a long supply chain with economic impact reflecting both directly and indirectly



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# COMPLIANCE

Responsible business practices serve as the foundation of our Company's success and are imperative to protecting our value chain and the communities in which we live and work.



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Responsible business practices serve as the foundation of our Company's success and are imperative to protecting our value chain and the communities in which we live and work. We nurture a culture of ethical leadership and integrity in our diverse, skilled workforce committed to serving all those who count on us to provide high-quality, safe and reliable products. Whether we are seeking to protect the data and privacy of our business partners and consumers, being transparent about our business activities, engaging with suppliers or assessing options for safe and ethical decision-making, we seek to sustain the trust earned over the course of our almost seven decades of business operations in Nigeria.

## Code of Business Conduct

We have a Code of Business Conduct (COBC) which is based on our purpose and values as an organisation. At the heart of our Code is a culture of "Acting with Personal Integrity" at all times during our engagement with internal and external stakeholders. The Code is the basis of our ethics and compliance programme and is applicable to all our stakeholders - employees, distributors and business partners. Our Code covers salient topics such as:

- Health, safety and personal security
- Bribery and corruption
- Responsible drinking
- Money laundering
- Discrimination and human rights
- Information management and security
- Quality, insider trading
- Conflict of interest, competition

- Data privacy
- Relationships with customers
- Suppliers and other business partners
- External communications and social media.

In order to ensure that all our employees commit to a culture of 'Acting with Personal Integrity,' we provide corresponding Code training on an annual basis for our employees. The Code training is also part of our new-hire induction programme, which all employees are required to undergo.

We have also continued to maintain strict adherence to the principles that we are signatory to, such as the United Nations Global Compact (UNGC) and United Nations Guiding Principles on Business and Human Rights (UNGHR). In September 2011, Guinness Nigeria signed up to the Convention on Business Integrity (CBI) to further demonstrate our commitment to integrity over corruption, as well as to ethical business practices.

As confirmation of our unshaken resolve and full commitment to compliance, no fines or sanctions were imposed on the company for non-compliance concerning health and safety impacts of products and services or other laws and regulations both locally and internationally.

## Ethics and Anti-Corruption

Guinness Nigeria has an Anti-bribery and Corruption Policy, and Competition and Anti-trust Policy which all employees must comply. As a subset of the Anti-Bribery and Corruption Policy is our gifting and

entertainment policy, which provides mandatory guidance on giving and receiving of gifts and entertainment in order to mitigate the risk of engaging favours for payments, especially to government officials. All gifts given or received by the organisation in accordance with the mandatory guidance must be approved by our Legal team and recorded on our online register after approval. This record indicates all details relating to the gift/entertainment, including the purpose and monetary value. The online register is audited on a quarterly basis to assess the appropriateness of the gifts/entertainment.

Our over 800 employees, the governing board members and over 1,000 business partners, including customers and vendors, have been engaged on our anti-corruption drive either through trainings, onboarding, contracts and policy refresh.

To incorporate best practice anchored on integrity and transparency of purpose, we have a clear policy covering our ethics, which is implemented and communicated company-wide through our Code of Business Conduct. This policy prohibits our employees from directly or indirectly offering or accepting money or anything else of value to obtain an improper advantage. Furthermore, we are explicitly against participation in unfair trading and illegal anti-trust activities.

## Transparent Grievance Mechanism Process

Our internal and external reporting and complaints channels are supported by a whistleblowing line, which was set up to enable employees to report infringements of our Code of Business Conduct, internal standards, or applicable laws anonymously. Improper conduct is never in Guinness Nigeria's interest and being fully aware that improper conduct can damage our reputation and trustworthiness, we ensure all our employees place great importance on ethically impeccable norms.

Through the whistleblowing line, employees are advised to report unethical or unlawful behaviours and actual or suspected breaches of all internal policies or laws and regulations that are capable of undermining our integrity or that may pose a threat to our business. Employees may report to: Line managers, Legal, Corporate Security, Human Resources, Controls, Compliance and Ethics (CC&E) or SpeakUp by calling 2000 or 0708-060-1816 ext. 855-382-2630 or send an mail to [www.diageospeakup.com](mailto:www.diageospeakup.com).

Business Partners and Customers are also advised to report actual or suspected breaches to Speak Up by calling the above numbers or sending an email to the designated email address. Upon receipt of complaints on unethical or unlawful behaviours, grievances are investigated in line with our Breach Management Standards and substantiated cases are treated in compliance with our local disciplinary policy. The Controls, Compliance and Ethics team in the organisation provides policy guidance and trainings to employees

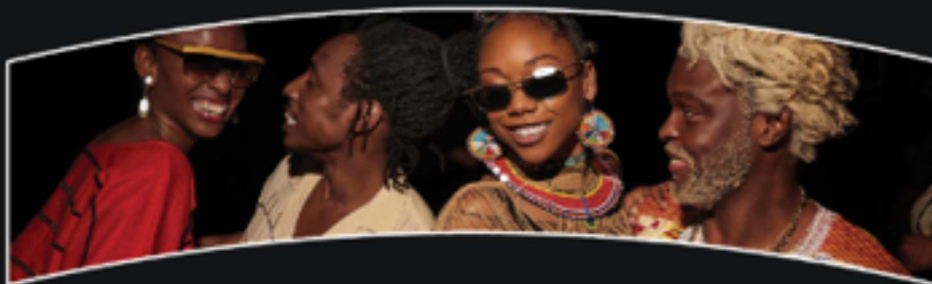


to promote sound ethics and lawful behaviours, maintaining our organisational integrity. This move has helped to reinforce the integrity and discipline of our employees and dissuade workplace misbehaviour, thus continuously imparting the utmost legal and ethical standards in our workforce.

### Dealing in Securities Code

In line with relevant legal and regulatory provisions, the Board approved a Dealings in Securities Code (DSC), which prescribes a code of behaviour by directors and senior

employees, as well as those in possession of market sensitive information relating to the Company. Affected persons are prohibited from dealing in the Company's securities during closed periods and are mandated to obtain consent, to deal, from appropriate senior executives of the Company. The Company Secretary, who is the designated Code Manager, tasked with ensuring adherence to the provisions of the DSC, regularly issues Closed Period Notifications to directors, employees and other relevant persons under the DSC.



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# OUR APPROACH TO STAKEHOLDER ENGAGEMENT

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We are privileged to interact with a variety of individuals and entities in the course of our business. These people and entities are directly affected by our activities and their activities directly affect our performance.



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Over the years, our approach to managing Global Responsibility and Sustainability at Diageo — including our environmental, social and governance (ESG) strategy — has always focused on long-term solutions in areas that drive continuous improvement and value for our business and our stakeholders.

We are privileged to interact with a variety of individuals and entities in the course of our business. These people and entities are directly affected by our activities and their activities directly affect our performance. They comprise our stakeholders, consumers, investors and shareholders, employees, regulators, distributors, business

partners and vendors, host communities in which we live and work, the media and civil society groups. In determining with whom to engage with respect to the environment, social and governance topics, we take into consideration a variety of factors, including:

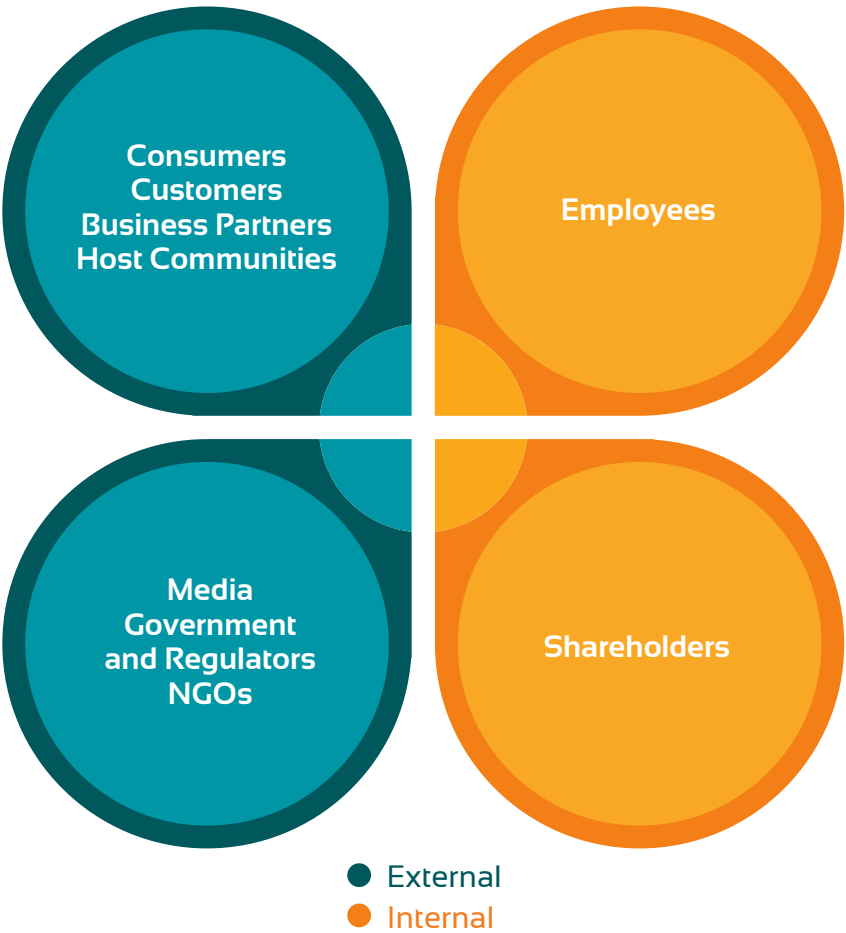
- Alignment of stakeholders' vision with our own vision and goals
- Opportunity for mutually beneficial partnerships
- Opportunity for mutual learning

The deep and longstanding relationships we cultivate with our stakeholders are vital to actualising our organisational goals and targets as well as our citizenship and sustainability targets. At Guinness Nigeria, stakeholder engagement occurs at all levels of our business,

and information gained through these interactions is communicated through line management and, where appropriate, to senior management, including our Board of Directors and are accorded appropriate response and actions. Forms and frequency of engagement with our various stakeholders vary and include: face to face meetings, e-mails, town hall meetings, annual reports, industry forums, investor calls, websites amongst others.

In the course of the reporting year, we engaged on a variety of issues covering expansion and growth of our business with our various investors, business partners and marketing teams, and advancement of our corporate responsibility and sustainability initiatives such as our Water of Life programmes, our recycling initiatives amongst others. For our employees, we engaged with them on several issues including performance, motivation, volunteering and more.

### Stakeholder Categorisation for Guinness Nigeria



### Stakeholder Engagement on this Report

Various internal stakeholders across Guinness Nigeria provided their input into this report. The final content has been reviewed by the members of the sustainability and corporate communications team.

## Stakeholder Engagement Grid

S/N	Stakeholder Group	Method of Engagement	Reasons for Engagement	Frequency of Engagement
1	Consumers	<ul style="list-style-type: none"> <li>Dedicated toll-free line 08001759175</li> <li>Guinness Nigeria's website</li> <li>Social media</li> <li>Print and electronic media</li> <li>Points of sale</li> <li>Periodic trade visits and bar calls</li> <li>Feedback from in-bar promoters</li> </ul>	<ul style="list-style-type: none"> <li>Product quality</li> <li>Accessibility of products</li> <li>Product availability</li> <li>Responsible consumption /Underage drinking</li> <li>Products affordability</li> <li>Redemption of promo incentives</li> <li>Feedback from in-bar promoters</li> </ul>	Daily, weekly, monthly and as the need arises
2	Customers (Distributors Wholesalers and Retailers)	<ul style="list-style-type: none"> <li>Direct contact through sales</li> <li>Customer relationship managers</li> <li>Customer call centres/toll free line</li> <li>Customer meetings</li> <li>Industry trade groups/meetings</li> <li>Customer satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>Product quality</li> <li>Underage drinking/responsible consumption</li> <li>Accessibility of desired brand/s</li> <li>Materials/ingredients in our brands</li> <li>Data protection and privacy</li> <li>Reuse of packaging materials e.g., bottles</li> <li>Ethical behaviour and performance</li> </ul>	Daily, weekly, monthly and as the need arises
3	Employees	<ul style="list-style-type: none"> <li>Intranet</li> <li>Newsletters</li> <li>Company website</li> <li>Town hall meetings</li> <li>Yammer</li> <li>Training and development sessions</li> <li>Departmental road shows</li> <li>One on one engagements</li> <li>Performance review sessions</li> <li>Team meetings</li> <li>Team bonding sessions</li> <li>Retreats</li> <li>Employee handbook</li> </ul>	<ul style="list-style-type: none"> <li>Organisational culture/policies</li> <li>Ethical business practices</li> <li>Clarity in job function/Role description</li> <li>Business performance</li> <li>Sustainable innovation</li> <li>Workplace health and safety</li> <li>Human capital development</li> <li>Diversity and inclusion</li> <li>Human rights</li> <li>Data protection and privacy</li> <li>Compensation and benefits</li> </ul>	Daily, weekly, quarterly, as the need arises
4	Investors/ Shareholders	<ul style="list-style-type: none"> <li>Annual report</li> <li>Annual sustainability report</li> <li>Annual shareholders meeting</li> <li>Investor releases</li> <li>Road shows</li> <li>Company's website</li> <li>Conferences</li> <li>Dialogue</li> <li>Direct engagement</li> <li>Annual General Meetings and Extraordinary General Meetings</li> <li>Formal correspondence</li> </ul>	<ul style="list-style-type: none"> <li>Business performance</li> <li>Brand/s awareness</li> <li>Organisational policies and corresponding impact</li> <li>Major changes within the organisation's operation and structure</li> <li>Return on investment</li> <li>Growth opportunities</li> </ul>	Quarterly and annually
5	Business Partners (Vendors, suppliers consultants, etc)	<ul style="list-style-type: none"> <li>Guinness supplier education procedure</li> <li>Online registration on the SEDEX platform</li> <li>Memorandum of Co-operation /Understanding</li> <li>Formal correspondence</li> <li>Periodic meetings</li> <li>Surveys</li> <li>Supplier forums</li> <li>One on one engagement</li> </ul>	<ul style="list-style-type: none"> <li>Definition of terms of engagement</li> <li>Procedures for procurement</li> <li>Ethics and compliance</li> <li>Health and safety</li> <li>Responsibility</li> <li>Standards for suppliers</li> <li>Health and safety, human rights, diversity and inclusion</li> </ul>	Daily, weekly, monthly, quarterly, as the need arises
6	Host Communities	<ul style="list-style-type: none"> <li>Direct local engagement with community heads</li> <li>Philanthropic efforts such as infrastructural support to communities through the Water of Life scheme</li> <li>Sponsorships e.g., scholarship scheme</li> <li>Employee volunteering activities</li> <li>Periodic engagement through a community liaison officer</li> <li>Ad hoc correspondence as required</li> </ul>	<ul style="list-style-type: none"> <li>Environmental issues</li> <li>Project implementation</li> <li>Social footprint of business operations</li> <li>Employment issues</li> <li>Health and safety issues around operational areas</li> <li>Local community issues</li> </ul>	Quarterly and ad hoc

7	Regulators	<ul style="list-style-type: none"> <li>• Direct engagements with Regulatory Affairs Manager</li> <li>• Meetings with business leadership, when necessary</li> <li>• Periodic reports as required</li> <li>• Informal meetings on specific cases and formal meetings on policy matters</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with regulations</li> <li>• Research and development</li> <li>• Assessment of product quality</li> <li>• Product registration and approval</li> <li>• Ethical business practices</li> <li>• Advert vetting and approval</li> <li>• Inspection of production areas</li> <li>• Safety and reliability of brands.</li> <li>• New product testing</li> <li>• Issuing of licence</li> </ul>	Regular and ad hoc
8	The media	<ul style="list-style-type: none"> <li>• E-mails</li> <li>• Media parleys</li> <li>• Meetings</li> <li>• Correspondences with various ministries and government arms as may be required</li> </ul>	<ul style="list-style-type: none"> <li>• Advertising of new campaigns and promotions</li> <li>• Publicity of initiatives</li> <li>• Opinion polls</li> </ul>	Regular and ad hoc
9	Government	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Correspondences with various ministries and government arms as may be required</li> </ul>	<ul style="list-style-type: none"> <li>• Product and regulatory issues</li> <li>• Establishment of new operations sites</li> <li>• Trade issues such as tax, tariffs and excise duties</li> <li>• Maintenance of standards</li> </ul>	As the need arises
10	NGOs/Civil Society Organisations	<ul style="list-style-type: none"> <li>• Direct engagement/consultations on new proposals</li> <li>• Dialogue</li> <li>• Collaborative partnerships,</li> <li>• Sponsorships</li> <li>• Social Media</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborative partnerships in the implementation of strategic initiatives for instance partnership with WATERAID to implement a Water Hygiene and Sanitation Scheme (WASH) intervention in communities in Kebbi State etc.</li> </ul>	Ad hoc

# MATERIALITY ASSESSMENT

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This process helps us optimise the economic, environmental, and social performance required for long-term business success, while also enabling us to communicate our value contribution and positive impact in the communities in which we operate.



For our reporting, we periodically conduct materiality assessment in order to identify and better understand the areas where we should focus our efforts. This process helps us optimise the economic, environmental, and social performance required for long-term business success, while also enabling us to communicate our value contribution and positive impact in the communities in which we operate. As part of our assessment, we reference the GRI Standards to identify key sustainability benchmarks, The NSE Guidelines, SDGs, the International Labour Organisation Conventions and the Principles of the UNGC. In addition, we are guided by employee surveys and feedback from direct interface with our customers and other stakeholders.

Our objectives in undertaking periodic materiality assessments are to:

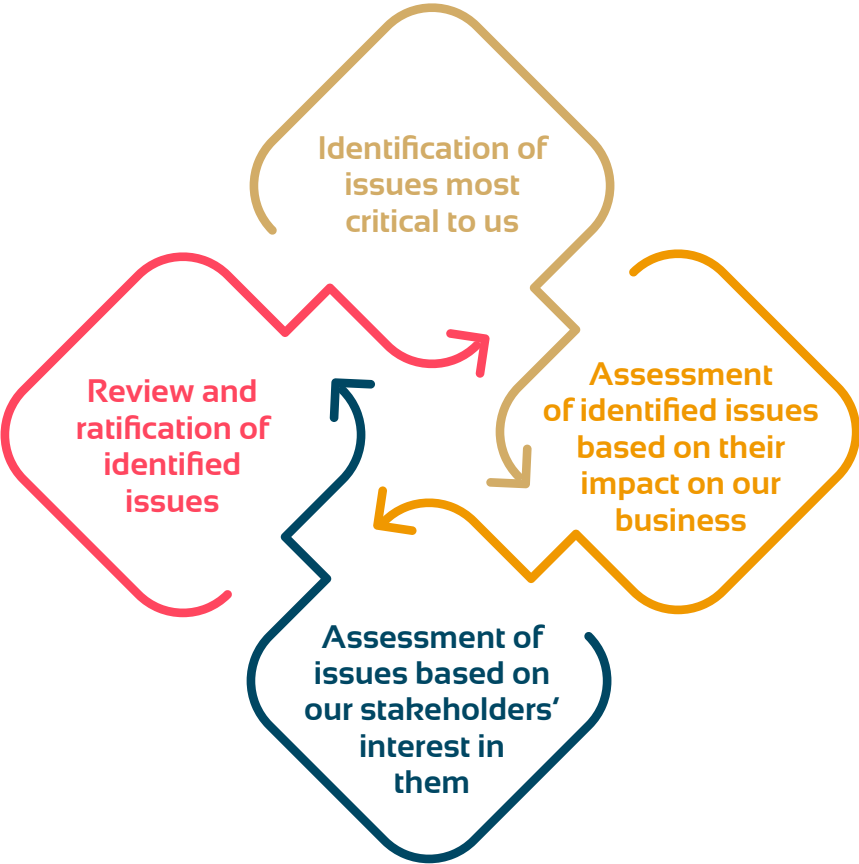
- identify significant environmental, social and governance risks and opportunities for Guinness Nigeria
- identify areas for target-setting to improve business and sustainability performance
- align our materiality issues with our strategic targets
- provide stakeholders with information on our approach towards sustainability.

Our Materiality Process

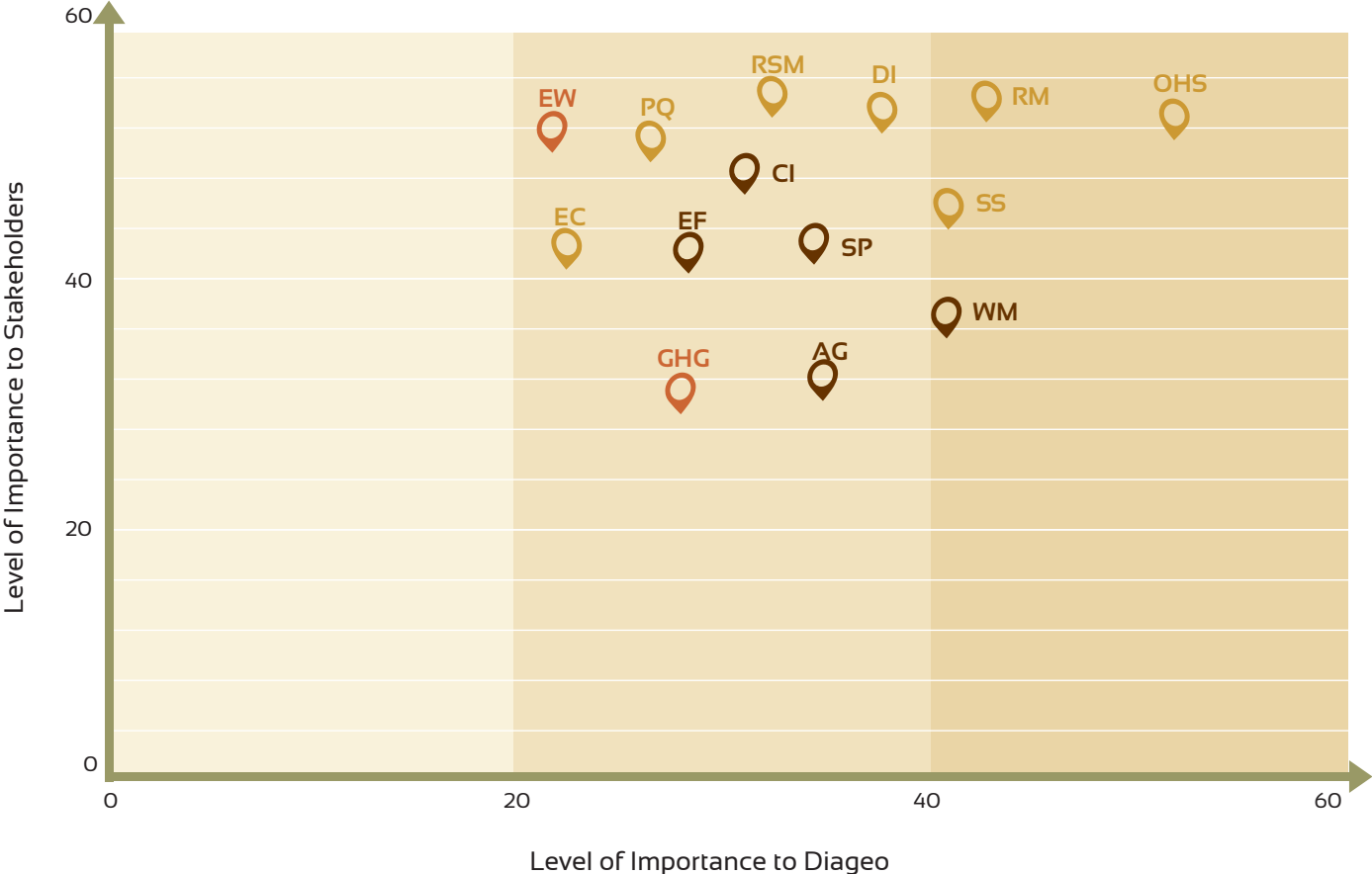
We utilise the input and response from our stakeholders during our various stakeholder engagements, to assess each sustainability topic area in terms of relatively high or low importance to stakeholders and our business aspect. The results of this assessment generate scores for the overall importance of each topic to our stakeholders and our business. The resulting 'matrix' of topics is indicated in the materiality matrix below. It is important to note that the list of topics shown in the diagram is not exhaustive but represents the most material issues to our business as at the reporting period.

Our commitment to advancing sustainable development has been largely dependent on certain constant variables. These variables contribute to our materiality process and represents identified risks and opportunities of our organisation. In the course of the reporting year, key factors that had direct or indirect impact on our business operations and that will potentially continue to have impact on our operations in the mid and long term are market forces, talents, technology, applicable laws and regulations and a few other topics.

Our materiality process entails:



Materiality Matrix



High Impact Areas
Product Quality (PQ)
Responsible Supply Chain Management (RSM)
Sustainable Sourcing (SS)
Responsible Marketing (RM)
Occupational Health and Safety (OHS)
Ethics and Compliance (EC)
Diversity and Inclusion (DI)
Greenhouse Gas Emission (GGE)

Medium Impact Areas
Community Investments (CI)
Energy Efficiency (EF)
Accountability and Governance (AG)
Sustainable Packaging (SP)
Water Management (WM)

Low Impact Areas
Effluents and Waste (EW)

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# OUR STRATEGY FOR SUSTAINABLE DEVELOPMENT

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We focus on issues where we have the greatest opportunities for influence and impact in order to create long term value for our stakeholders.



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We have a sustainability strategy which is in tactical alignment with our parent company, Diageo's global strategy, and it is underpinned by three key pillars.



We focus on issues where we have the greatest opportunities for influence and impact in order to create long term value for our stakeholders, such as social responsibility around alcohol, protecting the environment and our other social and economic impacts in the communities where we operate. To ensure our efforts in community investment are as effective as possible, we concentrate on responsible drinking, education, health and skills for life. Other areas of social and environmental impact include the Guinness Eye Hospitals, our undergraduate scholarship schemes and our flagship Water of Life initiative. We implement these initiatives by collaborating throughout our value chain and across government, business and civil society, to address systemic challenges. We also seek to engage our employees and customers across all our brands in our effort to involve our various stakeholders in a bid to build a more sustainable world collectively.

#### **Leadership in Alcohol in Society**

We recognise that the misuse of alcohol can have negative impacts on individuals, communities, and society.

Through the Leadership in Alcohol in Society campaign, our aim is to reduce alcohol-related harm through impactful programmes, training and through partnership and collaboration with key stakeholders. In doing so, we provide consumers with the information and tools they need to make informed choices about drinking or not drinking.

#### **Building Thriving Communities**

We recognise that we cannot succeed in isolation. As such, we work with a broad community of people, businesses and agencies to create shared value. We have a responsibility to ensure that our people, our suppliers, the communities around our operations, our customers and consumers, and society at large all thrive as a result of our business. We create value for millions of people as a buyer of goods and services, as an employer, as corporate citizens and as producer of some of the world's most-loved brands. We have developed strategic programmes and initiatives which are targeted at empowering communities, protecting human rights, maintaining a sustainable supply chain and developing our people.

#### **Reducing our Environmental Impact**

At Guinness Nigeria, we are committed to reducing our environmental impact across our operations. We understand that measuring and managing our environmental impact is not only important for the planet and the communities in which we work, but it is also essential for the financial sustainability of our supply chain and our business. Our efforts toward reducing our environmental impact are directed at water management, carbon reduction, sustainable packaging and waste management.

#### **Our 2020 Commitment**

Informed by issues we deemed material to us and the UN Sustainable Development Goals (SDGs) in mind, we set ambitious goals for ourselves that align with our key priorities to be actualised by year 2020. We remain committed to measuring, monitoring and reporting on programmes and initiatives that advance these goals and we consider them to be our key performance indicators in our sustainable development journey.

## Objectives, Achievements and Targets

S/N	2018/2019 Objectives	2018/2019 Achievements	2019/2020 Targets
1	Leadership in Alcohol in Society	<ul style="list-style-type: none"> <li>Reached over 3,000 commercial drivers through the annual responsible drinking programme</li> <li>Collected signatures from over 5,000 consumers committing to never drinking and driving</li> <li>Collected signatures from over 5,000 consumers committing to never drinking and driving</li> <li>Trained 800 Lagos state drivers on DRINKiQ</li> <li>Adopted additional 1,672 NYSC DRINKiQ ambassadors</li> </ul>	<ul style="list-style-type: none"> <li>Reducing underage drinking</li> <li>Strengthening and Expanding market codes of practise</li> <li>Providing consumer information and responsible product innovation</li> <li>Reducing drink driving</li> <li>Reaching one million adults with training materials that would enable them to champion responsible drinking</li> </ul>
2	Building Thriving Communities	<ul style="list-style-type: none"> <li>Launched the "Grow with Nigeria" initiative supporting over 5,600 local farmers</li> <li>Launched Pilot phase of Female Retailer Programme under Plan W reaching over 120 women in Enugu</li> <li>Donated 10million to Guinness Eye Hospitals in LUTH and ESUT: Names of specific equipment to be provided</li> <li>Partnered with UNITAR to launch a High visibility enforcement campaign in partnership with FRSC</li> <li>Provided eye treatment/ surgeries for 260 women in the North in partnership with Sightsavers</li> <li>Renovated eight Water of Life projects across the country reaching over 15,000 people</li> <li>Guinness scholarships given to 11 persons</li> <li>SMASHED reached additional 13,000 students and teachers in 3 states</li> <li>Over 30% improved participation rate in the Employee health awareness week from the first round</li> <li>First All-Female Technical Operator Team on Spirit Line 12 unveiled, and referred to as The Amazons of Benin</li> </ul>	<ul style="list-style-type: none"> <li>Establish partnerships with farmers to develop sustainable agricultural supplies of key raw materials</li> <li>Source 80% of our agricultural raw materials locally</li> <li>Deliver our responsible sourcing commitments with suppliers to improve labour standards and human rights in our supply chains</li> <li>Establish partnerships with farmers to develop sustainable agricultural supplies of key raw materials</li> <li>Source 80% of our agricultural raw materials locally in Africa by 2020</li> <li>Deliver our responsible sourcing commitments with suppliers to improve labour standards and human rights in our supply chains</li> </ul>
3	Reducing Our Environmental Impact	<ul style="list-style-type: none"> <li>Made significant progress in the post-consumer recycling initiative for all formats (cans, bottles and PETS)</li> <li>Continued membership with the Food Beverage and Recycling Alliance (FBRA) for multinational enterprises (MNEs) to address issues around environmental pollution. Key activities included community clean up events and recycling programmes</li> <li>Recycled water = 647,640 HL</li> <li>Community water = 16,10HL</li> </ul>	<ul style="list-style-type: none"> <li>Reduce water use through a 50% improvement in water use efficiency</li> <li>Return 100% of wastewater from our operations to the environment safely</li> <li>Replenish the amount of water used in our final product in water-stressed areas</li> <li>Reduce absolute greenhouse gas emissions from direct operations by 50% and achieve a 30% reduction along the total supply chain</li> <li>Reduce total packaging weight by 15%</li> <li>Increase recycled content to 45%</li> <li>Make 100% of our packaging recyclable or reusable</li> <li>Sustainably source all our paper and board packaging to ensure zero net deforestation</li> </ul>
4	Environmental Performance Data	<ul style="list-style-type: none"> <li>Total weight of non-hazardous waste, with a breakdown by the following disposal methods where possible:where applicable: i. Reuse and Recycling = 21706.56 te ii. Composting = 974.46Tons iii. Recovery, including energy recovery = 0 iv. Incineration (mass burn) = 0 v. Deep well injection = 0 vi. Landfill = 140.38 te vii. On-site storage = 0</li> <li>Total weight of non-hazardous waste, with a breakdown by the following disposal methods where applicable: I. Reuse and Recycling = 21706.56 te ii. Composting = 974.46Tons iii. Recovery, including energy recovery = 0 iv. Incineration (mass burn) = 0 v. Deep well injection = 0 vi. Landfill = 140.38 te vii. On-site storage = 0</li> </ul>	Maintenance of new certification in internal and external audits

# Our Sustainability Strategy and the SDGs

The SDGs represent a global call to action to end poverty, protect the planet and improve political and economic stability globally. Through 17 bold commitments and 169 targets, the goals seek to drive global action across social, environmental and economic development issues up until 2030. Each goal is inter-linked and they influence each other in complex ways.

As one of the leading consumer goods manufacturing companies in Nigeria, we rely on a world where people and the environment thrive, as these two directly influence the success and capacity of our business. Like other global businesses, we recognise that we contribute to and have the opportunity to address systemic social and environmental challenges. We are committed to augmenting business value, while minimising our environmental impact and working with all sectors to achieve progress on the global goals.

Using the global agenda as our guide, we have identified issues that are the most material to our business, and we apply our company's core strengths, reach and skills development to maximise our impact.



The SDGs in Guinness Nigeria

## Mapping our Sustainability-Strategy Against the SDGs



## Update on our Participation as a Member of Sustainability-Promoting Organisations

S/N	Partnership/ Coalition	Partnership Profile	Update on Guinness Nigeria's Involvement
1	United Nations Global Compact	<p>The UN Global Compact (UNGC) is currently the highest body for corporate citizenship in the world today. Established in 2000 to serve as a platform for dialogue, learning and partnership for organisations willing to commit to adopting corporate responsibility as part of their business strategy and daily operations, the UNGC has successfully attracted and mobilised over 12,000 businesses in over 170 countries across the world to become members.</p> <p>Membership into the UNGC implies an organisation's willingness to align with UN values and support initiatives that advance the UN goals as contained in the Millennium Development Goals (MDGs) – now Sustainable Development Goals (SDGs)</p>	Our annual sustainability report effectively communicates progress on our performance regarding the Ten Principles of the United Nations Global Compact. Through our diverse initiatives nestled under our strategic pillars, we showcase our yearly commitment to upholding the principles in the areas of labour, human rights, environment and anti-corruption
2	The Nigerian Stock Exchange Sustainability	The Guidelines primarily provide the value proposition for sustainability in the Nigerian context. It also articulates a step by step approach to integrating sustainability into organisations, indicators that should be considered when providing annual disclosure to The NSE, and timelines for such disclosures	As a member of the Premium Board of The Nigerian Stock Exchange, sustainability reporting is mandatory to us. Our 2018/2019 sustainability report showcases our adherence to this commitment. Also, the principles contained in the guidelines have been sufficiently reflected in our reporting
3	Global Reporting Initiative (GRI)	The GRI is the most widely used sustainability reporting framework in the world which provides a platform for all companies and organisations to report on their economic, environmental, social and governance performance. It provides an opportunity for organisations to measure, understand and communicate this information. GRI promotes the use of sustainability reporting to enable organisations not only become more sustainable, but also contribute to sustainability at the macro-economic level	In order to monitor and measure our performance towards our sustainability journey, we have adopted the GRI Standards Reporting framework to effectively capture data and present sustainability information through the GRI's Disclosure Management Approach and have utilised its principles for defining reporting content and quality. This not only presents an all-inclusive report, but it helps us to be consistent in our reporting practice

## Update on our Participation as a Member of Sustainability-Promoting Organisations

S/N	Partnership/ Coalition	Partnership Profile	Update on Guinness Nigeria's Involvement
4	International Alliance for Responsible Drinking (Global Producers Commitment)	The International Alliance for Responsible Drinking (IARD) is a not-for-profit organisation dedicated to reducing harmful drinking and promoting the understanding of responsible drinking. The organisation is supported by the leading global beer, wine, and spirit producers, who have come together for a common purpose: to be part of the solution in combating harmful drinking. To advance this shared mission, IARD works and partners with public sector, civil society, and private stakeholders	To demonstrate our commitment to adhering to the tenets of the IARD, we conducted a series of activities across the country to promote responsible drinking. Through our SMASHED initiative and responsible drinking campaign, we reached about 22,000 people with information on responsible drinking
5	Food, Beverage and Recycling Alliance	The Food Beverage and Recycling Alliance (FBRA) is a coalition of select food and beverage companies in Nigeria with the mandate to clean-up and prevent waste pollution from plastics and other food and beverage packaging. Efforts by the FBRA and its steering committee has so far recorded recycling of almost one billion bottles into fibre; over 1,800 direct jobs on an average income of \$6 per day; as well as the creation of synthetic fibre for local industries and export	As a member of FBRA, we participated in several activities in the course of the reporting year, including: signing of an MOU with Lagos State Government on Water Ways Clean Up, participation in the NESREA conference in Abuja, clean up events and community recycling programmes amongst others
6	United Nations Guiding Principles on Business and Human	The United Nations Guiding Principles on Business and Human Rights (UNGPs) is an instrument consisting of 31 principles implementing the United Nations 'Protect, Respect and Remedy' framework on this issue of human rights and transnational corporations and other business enterprises. Developed by the Special Representative of the Secretary-General (SRSG), John Ruggie, these Guiding Principles provided the first global standard for preventing and addressing the risk of adverse impacts on human rights linked to business activity, and continue to provide the internationally accepted framework for enhancing standards and practice regarding business and human rights	Our human rights policy is aligned to that of our parents' company – Diageo. As such, we are a signatory to the UNGHR, and we conduct our businesses and engage with both our internal and external stakeholders with its principle as guidance. We continue to maintain full adherence to the triple dimensions of the principle including Protect, Respect and Remedy for all our employees, business partners and contractors
7	Sustainable Agriculture Initiative Platform	The Sustainable Agriculture Initiative Platform (SAI Platform) is the primary global food and drink value chain initiative for sustainable agriculture. SAI Platform develops (or co-develops) tools and guidance to support global and local sustainable sourcing and agriculture practices. The vision of SAI is to grow a sustainable, thriving and resilient agricultural sector that safeguards farm viability and protects and preserves the earth's resources, human rights and animal welfare while supporting our members and adding value across the food and drink industry	We are consistent in our commitment towards advancing the vision of the Sustainable Agriculture Initiative. In the course of the reporting year, sourcing and buying of our major inputs were done locally thereby directly improving the lives of millions of Nigerians. We source 100% of the sorghum grains and sorghum extracts we use in our production process locally. We established the Agribusiness Desk to trace the source of our grains in order to be sure of where they are cultivated and to prevent illegal buying

# NAVIGATING OUR MARKET TERRAIN

As a producer of the leading alcoholic and non-alcoholic brands in the country, we retain our leading edge by keeping abreast with market dynamics and understanding local needs and preferences.



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As a producer of the leading alcoholic and non-alcoholic brands in the country, we retain our leading edge by keeping abreast with market dynamics and understanding local needs and preferences. We do this by having periodic engagements with our business partners and distributors at the different locations. We also conduct periodic market surveys. Outcome of these are integrated into our business plans and operations.

Over the course of our almost seven decades of industry leadership, we have built a reliable, adaptive and cost competitive network of distributors. To ensure that our products reach our consumers in different parts of the country, we operate a linear distribution chain. Our distributors in different regions across the country ensure that our products reach our wholesalers. Our wholesalers in turn sell to our retailers who in turn sell to our consumers. We thus have market presence in all geographic locations in the country.

### Market Activations and Promotional Activities

A major priority for us is the delivery of consistent, profitable growth. We aim to build an enduring brand and a company that will continue to last by manufacturing beers, spirits and non-alcoholic beverages that will consistently unite people across generations and communities. Our portfolio currently consists of over 35 brands with a variety of our beers, malts and spirits remaining major valuable brands and household names nationwide.

To boost sales and reward our loyal customers, we conduct market activations and promotional activities. In 2018/2019, our marketing and promotional activities were Fans Made of More promo, 1759: Welcome to Guinness Time promo, Reward on Purchase promo, open market activations and sponsorships.

#### Promotional Activities in 2018/2019

S/N	Product	Market Activation
1.	Satzenbrau	In-bar sampling and sales activation
2.	Harp	In-bar sales activation
3.	Johnnie Jazz and Whisky	3rd space
4.	Blue Label Experience	On-trade*
5.	JW experience Programme	On-trade
6.	Reserve Activations	On-trade
7.	Red Nights	On-trade
8.	Black Knights	On- trade
9.	Highball Pop-Ups	3rd space/on-trade
10.	Blue Label NBothy	3rd space
11.	Green Label	Consumer launch
12.	Ciroc Circle Tour	On-trade/3rd space

*\*On-trade means marketing at locations such as bars/lounges, placing our posters and identifiers at these locations*

## Responsible Marketing

As a producer of alcoholic beverages, we have a responsibility to market our brands in such a way as to ensure we do not target those under the legal drinking age. It is also our responsibility to encourage all those who are of legal drinking age (18), who choose to drink, to do so responsibly. For almost 70 years, we have supported and implemented responsible drinking initiatives across several states in Nigeria. Today, we remain committed to prioritising our Leadership in Alcohol in Society strategic sustainability pillar and our commitment to responsible marketing and responsible drinking.

We ensure to package and advertise our products in accordance with applicable laws and regulations. In adherence to the Diageo Marketing Code (DMC), which aligns thoroughly with global regulations, we ensure that marketing is only directed at adults over the legal purchasing age, while also promoting moderate and responsible consumption. All our products are assessed for compliance regarding a recycling logo and responsible drinking messaging is mandated on all our labels. Financial year 2018/19 had no incidents of non-compliance concerning products and servicing information and labelling. Guinness Nigeria ensures the labels on our brands clearly indicate what is contained in each brand. This is part of our commitment to be the most trusted brand, engaging with and empowering our consumers so they are informed and have the tools to make positive choices about what and how they drink.

In this financial year, there were no incidents of non-compliance with laws and regulations with regards to marketing communications since Guinness Nigeria adhered strictly to the DMC. As a result, there were no complaints, fines paid, or sanctions imposed on the company for non-compliance to laws and regulations.

S/N	Complaints	Report
1.	Incidence of non-compliance with laws and regulations with regards to marketing communications	Nil
2.	Incidence of non-compliance concerning products and servicing information and labelling.	Nil
3.	Incidence of non-compliance with laws and regulations with regards to privacy and losses of customer data	Nil
4	Incidence of non-compliance or fine or penalty relating to health and safety of our products	Nil

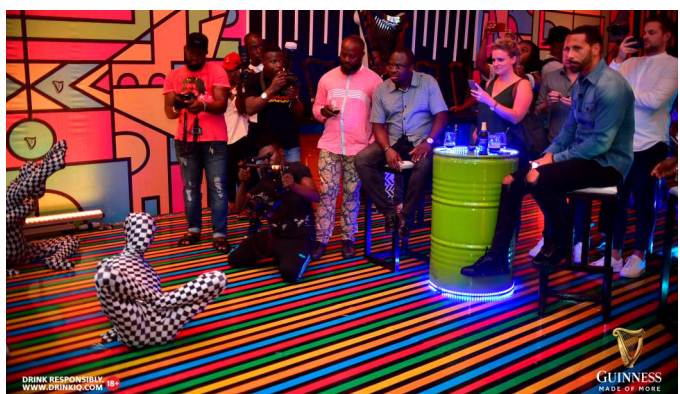
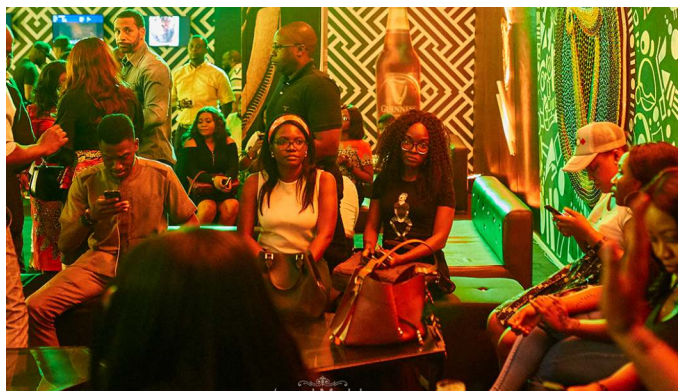
## Marketing with Purpose

Fulfilling our brand promise of celebrating life every day and everywhere entails offering our consumers valuable brands suitable for all purposes and occasions. Equally as important as this is ensuring that consumers are aware of these products through strategic marketing. We recently took our marketing a mark higher by introducing the Guinness Flavour Room for our Guinness Foreign Extra Stout. In driving promotion of this product, we did not only engage a combination of images and words, we also applied multi-sensory engagement which promoted greater excitement, participation, transformation and evolution.

“We recently took our marketing a mark higher by introducing the Guinness Flavour Room for our Guinness Foreign Extra Stout. In driving promotion of this product, we did not only engage a combination of images and words, we also applied multi-sensory engagement which promoted greater excitement, participation, transformation and evolution.”

### Case Study: Guinness Flavour Rooms

Guinness Nigeria opened the doors of its Flavour Rooms from 29th November to 1st December, 2018, to give people a chance to immerse their senses in its flagship brand – Guinness Foreign Extra Stout. The Flavour Rooms pioneered an immersive experience in Nigeria, where stakeholders explored the various dimensions of Guinness, understanding why the rich and distinct Guinness Foreign Extra Stout is a beer Made of More.



### Ignite Your Senses

The Flavour Rooms decoupled the essence of each iconic character of Guinness Foreign Extra Stout [BOLD-BITTERSWEET-REFRESHING-RICH] by utilising a multi-sensorial approach (sight, smell, sound, taste and touch). These staggered experiential qualities aimed to build the right amount of anticipation in four enclosed spaces, causing consumers to engage the brand in transformational ways, opening their minds to new conversations around our iconic stout. The excitement and originality about this already familiar brand, through this experience, created an opportunity for consumers to IGNITE THEIR SENSES.

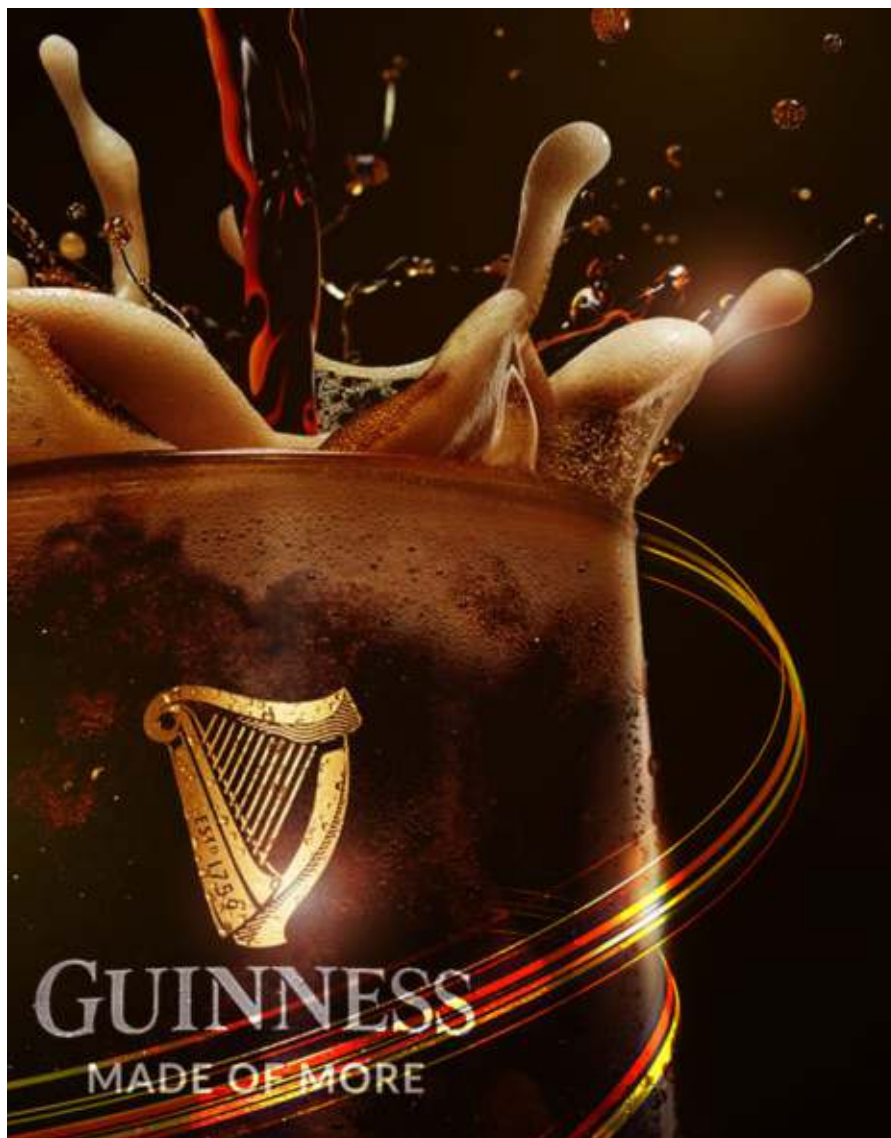
The four different rooms displayed the different characters of Guinness:

1. **The BOLD room** - bold and impactful, just like the bold, brave nature represented by Guinness.
2. **The BITTERSWEET room** - cutting edge and memorable to represent the notable uniqueness of Guinness.
3. **The REFRESHING room** - stylish and relaxing to show the refreshing flavour of Guinness.
4. **The RICH room** - deep and sophisticated to communicate the complexity and richness of the nation's favourite stout.

We found a methodology to address resonant consumer concerns ("Why is it so black?", "I have never tasted it", "I don't understand why it's bitter") while tapping into the opportunity to drive salience and penetration for the brand.

Over three days, we clustered three different tribes of consumers:

- Day One, we welcomed the media tribe: OAPs, VJs, photographers,



videographers, bloggers, storytellers, writers, radio and TV personalities, actors and actresses, play writers and stage performers, journalists and a few more

- Day Two, we hosted local and international influencers with a total followership of 20million.
- Day Three, we invited consumers who had participated in the online engagement programs via blogs and high traffic social platforms. A total of 1,400 people were physically engaged and over

10 million reached online with 85,000 Snapchat interactions.

This step by step brand immersion, one room at a time, provided a deeper understanding of the brand, encouraged trial/tasting and generated more loyalty from existing consumers for the Guinness brand. The Guinness Nigeria Flavour Rooms have been selected as an example of global best-in-class creative at Diageo and is a case study for the new 'Creative Sparks' program.

## Product Quality

Quality is a fundamental value of our products. We believe our consumers deserve consistent, reliable and high quality every time they consume any of our brands. We work hard to make this happen by instilling and maintaining a proactive quality excellence culture throughout our production process.

Our highly trained quality team and state of the art technology are deployed to assess our production processes covering raw materials, processing and finished products; with key focus on continuous improvement and achievement of world class standards. Guinness Nigeria is currently certified to Quality Management System ISO - 9001:2008, Food Safety Management System - ISO 22000:2005 and Food Safety Systems Certification - FSSC 22000:2009.

In addition to careful sourcing of our ingredients and assessment of production processes, different teams from our organisation conduct product sampling to ensure quality of our brands before release. Though our brands have different requirements, over 90% of all our brands and materials coming into our areas of operations are sampled. As such, there was no issue of non-compliance or fine or penalty relating to health and safety of our products in the reporting year. We will continue to uphold our standards and commitment to producing quality brands.

## Promoting Responsible Drinking

Part of our commitment as a responsible corporate citizen entails that we put our stakeholders into consideration in all our decision-making processes and actions. One of the ways we actualise this is by promoting responsible drinking amongst our consumers. At Guinness Nigeria, we are committed to the wellbeing of our consumers. As such, it is our duty to sensitise them to the importance of drinking responsibly. Our message in this regard is centred around encouraging our consumers to 'drink better, not more'.

We understand the important role alcohol plays in forging bonds of friendships and partnerships, especially during celebration of life's milestones. Our aim is to ensure that alcohol is consumed moderately to prevent alcohol-related harm to individuals and society alike. Our strategy for promoting positive drinking focuses on: campaigning to reduce harmful drinking; promoting moderation; and being forerunners in the industry.

### Annual Responsible Drinking Programmes

To further our commitment to promote responsible drinking to our consumers, we annually partner with the Federal Road Safety Corp (FRSC) to host the 'Ember Months' campaign. Presently in its 13th year, the campaign is aimed at commercial motorcyclist and the general public to generate advocacy and enlightenment on the dangers of alcohol consumption while driving. The 'Ember Months' campaign has gained traction as it has reached millions of people across the nation. In 2019, we implemented the Ember

Months campaign by visiting popular motor parks in Lagos and Benin City, Edo State. This was conducted in local languages to aid free flow of communication and comprehension of our message by participants.

The #JoinThePact campaign is a global initiative that Diageo introduced over nine years ago for people to make a pledge not to drink and drive. We broadened the scope of our reach and extended our impact this year to other public places across these states and conducted the Ember Months campaign for three days. We distributed responsible drinking material to encourage motorists to commit to responsible drinking by signing the #JoinThePact pledge. In addition to the #JoinThePact pledge, we encouraged blood-alcohol content checks by donating digital breathalyzer units to the Federal Road Safety Corp of Lagos and Benin commands.





### DRINKiQ Campaign

Our efforts to influence better and positive decisions on alcohol intake have been channeled into equipping consumers with knowledge about the harmful effects of excessive alcohol consumption on the body. Our training resource, DRINKiQ, is an interactive exercise designed to raise the responsible-drinking IQ of the public. Our goal as a company is to reach and inform 10 million consumers by 2025. Presently, we have reached about 5 million consumers. We achieved this feat by leveraging on our consumers to assume the role of DRINKiQ ambassadors and utilise their social media presence to propagate knowledge of responsible drinking.

## WHAT IS A STANDARD DRINK?

One standard drink of alcohol looks like this.

A standard drink or unit of alcohol is a set measure of alcohol. So a standard drink contains the same amount of alcohol whether it is wine, beer or spirits. In many countries a standard drink is defined as 10 grams of alcohol.



Small glass of wine



Standard measure of spirits



Half pint of beer



All contain the same

### DRINKiQ Training for Lagos State Drivers

In the course of the reporting year, we conducted several face-to-face trainings with different consumer groups. We organised a one-day workshop in partnership with the Lagos State Ministry of Transportation in January 2019, which formed part of our on-going drivers' education programme. The workshop consisted of about 800 participants from various agencies such as the FRSC, Lagos State Transport Management Agency (LASTMA) and the Vehicle Inspection Office (VIO). DRINKiQ remains part of Diageo's wider approach to meet our 2020 target of providing training material that will enable one million adults to champion responsible drinking.



### NYSC DRINKiQ Programme in 36 States

We established The National Youth Service Corps (NYSC) DRINKiQ programme in 2015 to serve as a platform to educate our consumers, (including those in far to reach areas), on responsible drinking. We partnered with the NYSC as it is youth-centered, and reaches various parts of the country, including remote areas. We annually provide DRINKiQ training to NYSC desk officers across the 36 states and this knowledge is relayed to corp members that are part of the DRINKiQ Community Development Service (CDS) group. Our aim is for this knowledge to be communicated to the communities in these constituents. For this reporting year, a total of 1,672 corp members were inducted into the course and

provided with DRINKiQ training and materials. The DRINKiQ training module has proven to be a beneficial tool in educating on the importance of responsible drinking across various consumers.

### SMASHED, Tackling Underage Drinking

We are cognisant of the harmful effects of underage drinking to public health. As a result, Diageo, our parent company established the SMASHED initiative to tackle underage drinking by creatively impacting knowledge on youth through drama and interactive educational tools. Launched in the United Kingdom over a decade ago, SMASHED has been delivered in 15 countries around the world including Nigeria with the goal of disseminating knowledge on the facts, causes, and consequences of under-age drinking amongst youth.

Our target group for the SMASHED initiative are intermediate youth between the 13-18 years age range. For the reporting year, we reached a total of 13,003 students in 60 secondary schools across three states (Lagos, Abuja and Ogun). SMASHED was launched in Nigeria in February 2018 and its pilot programme involved 28 government and private schools in Lagos State and reached over 6,000 Senior Secondary School One to Three students and teachers.



## Responsible Drinking Awareness in Rural Communities

To establish responsible drinking values nationwide, we have also focused on educating individuals in rural communities. This was done by using flash cards containing information on the harmful social effects of irresponsible alcohol consumption. The pilot of this particular DRINKiQ campaign was conducted in 13 communities in Cross River State and reached over 3000 people. The program is a part of our strategy to integrate our Alcohol in Society programs with our other projects, such as the Water of Life schemes.



## Guinness Nigeria's Partnership with UNITAR to Promote Road Safety

A vital part of our Leadership in Alcohol in Society sustainability pillar is our commitment to advocating for a heightened road safety through our various initiatives. UNITAR (United Nations Institute for Training and Research) and Diageo have had a partnership in several countries over many years to strengthen road safety. The overarching goal of this collaboration is to support the United Nations Sustainable Development Goals launched in 2015 to reduce road traffic deaths and injuries by 50% by 2020.

The latest effort in this collaboration to promoting safety on roads was the announcement of a renewed 3-year partnership agreement at a high-level meeting in Nigeria in November 2018. The second phase of programme will focus on training law enforcers to deliver random breathalyser tests and the provision of equipment required to support the high visibility enforcement campaign.



# MANAGING OUR SUPPLY CHAIN

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Our ambition is to adopt best practice standards and techniques and to work with suppliers who do the same. We are committed to an ethical and sustainable supply chain and to managing the supply of our products in a responsible way.



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An integral part of doing business the right way is ensuring that we procure in a manner which is sustainable for our business, communities and the environment. Our ambition is to adopt best practice standards and techniques and to work with suppliers who do the same. We are committed to an ethical and sustainable supply chain and to managing the supply of our products in a responsible way.

**“We do not hire, sell, market or advertise to or with children. As such, we do not condone child labour and do not partner with suppliers involved with children in any way.”**

Guinness Nigeria is committed to upholding human rights values, diversity, health and safety, and anti-corruption. We represent a brand that is only available to individuals over the age of 18. We do not hire, sell, market or advertise to or with children. As such, we do not condone child labour and do not partner with suppliers involved with children in any way. All our vendors/suppliers are properly screened to ensure they comply and maintain these standards.

Due to the nature of our brands, we have an international supply-base, which is spread across the country and consists of the agricultural, packaging and production sector. The types of suppliers we engage are classified into the nature of material or item they supply. For example, we have suppliers focused on providing engineering services, product spares, utilities, packaging components, raw

materials, and the like. For the reporting year, a total number of 80 suppliers were engaged and these suppliers cut across all functions.

### Engaging Local Suppliers

At Guinness Nigeria, we believe in fostering economic growth in our areas of operation by patronising local suppliers for our raw materials and other components used in the production of our iconic brands. As a result, we source and procure 100% of our sorghum grains and sorghum extracts from local sources. This allows us to directly improve the lives of millions of Nigerians, while ensuring resource development in the communities we operate.

We took a step further in demonstrating our commitment to transparency and accountability in our local sourcing by establishing the Agribusiness Desk. One of the key functions of the Agribusiness Desk is to ensure we can trace the grains we purchase to the farm fields where they were cultivated. This guarantees that our grains are sourced from local farmers and not from illegal sources such as smuggling or other forms of illicit buying. The mutually beneficial partnership we have maintained with local farmers is increasingly beneficial in preventing the risk of Guinness Nigeria procuring grains from unknown sources, while ensuring that the farmers receive value for their yield.

### Sorghum and Cassava

We utilise sorghum and cassava in the production of some of our brands. These raw materials are mostly sourced from farmers in Northern Nigeria whom we have existing relationships. Through our Agribusiness Desk, we maintain a

mutually beneficial relationship with small holder farmers in the sorghum and cassava ecosystem. We support these farmers with materials such as fertilizers, pesticides, seeds and other necessary items that will help improve their yield. As a result, the capacity of the farmers in terms of production and reach increases, which overall impacts positively on their economic wellbeing. The cassava farmers receive a boost in the value chain of their product through our assistance in converting their cassava to Ethanol, Glucose Syrup and Cassava Starch.

### Sugar

Sugar is another raw material which we source locally. Sugar used in the manufacture of our brands is sourced from companies that have refineries with Backward Integration Plan (BIP), under the guidance of National Sugar Council, as BIP ensures these companies have a commitment to developing farm fields in Nigeria. As a company, our aim is to guarantee long term sustainable supply of raw material while improving the livelihoods of farmers and host community members. As such, we will continue to source for sugar from these companies because their vision aligns with ours in terms giving back to the communities where operate - thereby advancing our sustainability agenda.

## Grow with Nigeria, a Guinness Local Sourcing Initiative

In January 2019, we launched the 'Grow with Nigeria' agricultural scheme to illustrate the economic impact generated from locally sourcing raw materials. This scheme was also set up to demonstrate that local sourcing provides our brands with a distinct quality that is competitive globally. All our stakeholders in the value chain were represented at the launch. The launch of the scheme further demonstrates our commitment to the Federal Government's policy on diversification and local content, the growth of the agricultural value chain and that of smallholder farmers who form an integral part of our business. The Grow with Nigeria scheme has directly benefitted over 5000 small holder farmers in eight states across the country. We remain committed to improving our local economy through our various local sourcing initiatives which we have maintained since the last two decades.



## Packaging Materials

Our sustainable sourcing commitment entails procurement of key commodities for our packaging components; crown corks (for glass bottles), labels, corrugates, glass, films, etc. from local suppliers. All packaging material, excluding the closures for our Mainstream Spirits (MSS) brands, are majorly sourced in the western part of Nigeria. Our decision to source locally is not solely based on economic advantage and the continuity of supply, but also on aspects such as local supplier development, preferential procurement and lead time considerations. In addition to these factors, economic impact is directly and indirectly generated by employing Nigerians.

## Maintaining Supplier Standards

Our Supplier Standards set out the minimum expectations for suppliers around environmental, social and economic sustainability. We expect our suppliers to make every effort to limit the environmental impact of their business operations and to establish programmes to help achieve this objective. Environmental compliance is a critical aspect of supplier selection and we conduct regular audits to ensure suppliers apply environmental/regulatory standards in their practices. Guinness Nigeria also contracts environmental consultants to ensure that suppliers conform to both local and international environmental requirements. Human rights impact assessments have been conducted at all our locations of operation and there has been no breach of human rights.

Guinness Nigeria is subscribed to the Supplier Ethical Data Exchange (SEDEX), a global supply chain management tool for the collection, management, analysis and reporting of ethical data. All our suppliers and business partners are registered with SEDEX and required to go through their screening process. Our suppliers are expected to fill an online self-survey against the principles of the Ethical Trades Initiative (ETI) base code. This enables us to assess their compliance with the elements of ethical business practice and human rights. To determine if the details provided by our suppliers are accurate and balanced, we carry out independent verification audits. In addition to the above, our suppliers are also required to adhere to our Code of Business Conduct.

# OUR PEOPLE

What makes Guinness Nigeria excel is its people. We take great pride in hiring the best and brightest talent and supporting them with a safe and healthy work environment, and opportunities for growth and development.

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What makes Guinness Nigeria excel is its people. We take great pride in hiring the best and brightest talent and supporting them with a safe and healthy work environment, and opportunities for growth and development.

### Employee Profile

We currently have a total staff strength of 822 Full-Time Employees and 1200 Non-Full Time Employees. Of our full-time employees, 197 are female, while 625 are male, amounting to 24% and 76%, respectively. At the management level, we have three female and five male executives, consisting of a mix of nationalities including Uganda and Kenya. The Guinness Leadership Team (GLT) members in the 30 to 50 year-old category are 56%, while 44%

are over 50 years old. In terms of gender categorisation, the GLT comprises 62% men and 38% women for the reporting year. For Full Time Employees, 16% are under 30 years of age and 84% of our employees are within the 30 and 50 year range. About 19% of employees in the 30 to 50 years category are female across all levels of management.

### Creating Unique Career Opportunities

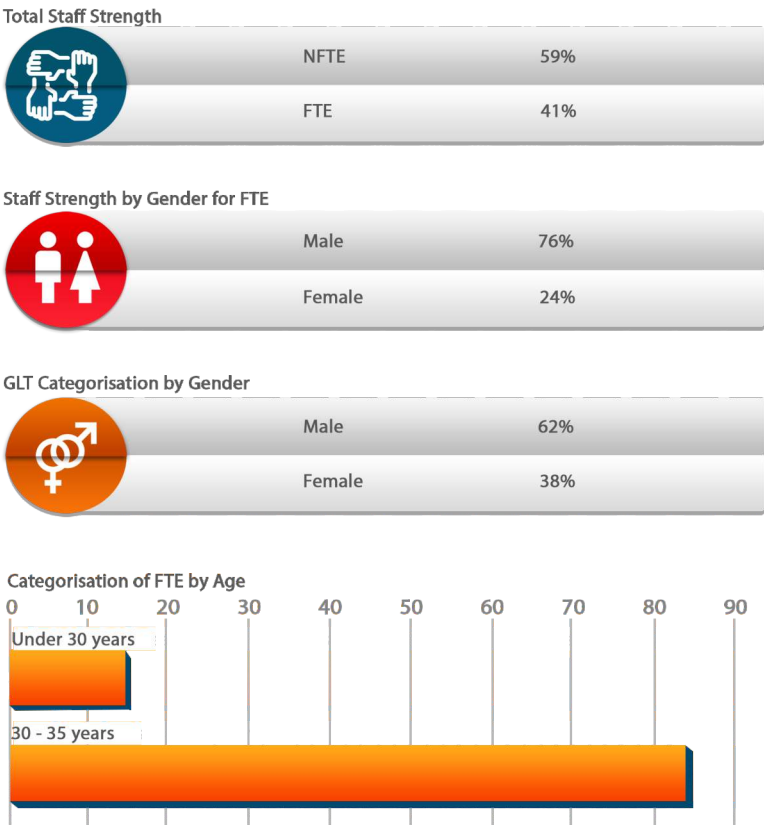
We owe our success to our employees who are passionate about pushing forward our brand promise of celebrating life every day and everywhere. We understand that part of the reason why people join Guinness Nigeria is to build a purpose-driven career that makes a difference. As such, we deploy a

multi-pronged approach to ensure that development is for all our staff regardless of their career level and position. Our development programs cover a full variety of learning methods, including on-the-job training, online courses, workshops and other experiential training.

We currently have a further-education policy which affords staff the opportunity to take time off from work to further their education. We also have a Flexible Working Policy and Time-Off Policy, which enables employees to utilise their non-working time to upgrade their skills. We also make it a point of duty to reimburse our staff their professional membership fees.

Our human rights approach and training is not restricted to hourly training but a way of working. Our ways of working have been included in our Code of Business Conduct training, which is required and completed by all Guinness Nigeria staff within 30 days of joining the business.

We conduct regular performance reviews for our employees. For the reporting year, all 822 of our Full-Time Employees received a regular performance review. Though not a fixed requirement, unlike for Full-Time Employees, all Non-Full Time Employees (NFTEs) can request for career development or performance review sessions from their line managers at their discretion. Guinness Nigeria is a development-focused company and we encourage employees to seek performance-related feedback from their line managers, even before performance review periods.



## Remuneration

We are committed to paying fair wages to our employees and offering the kinds of benefits that are relevant to meet their needs. The processes for employee remuneration are done by our internal reward team in line with Guinness Nigeria reward policy. Our reward philosophy is designed to recognise our employees' individual contributions to our overall success. We recognise that everyone is unique, and we have a desire to ensure that all our employees' needs are considered. We do not engage consultants to determine our staff remuneration. However, they may assist us with survey information to give insights on benefit trends, to ensure Guinness Nigeria is also aligned with industry standards.

Our remuneration policies are the outcome of our engagement with employee union representatives, individual contract negotiation, business decision based on best-in-class practices and government legislation.

## Retirement/Redundancy

In the case of redundancy or retirement, benefits are decided according to our reward policy and

individual contracts. Termination pay is made to employees according to their contract.

We offer transition assistance programs to facilitate continued employability and the management of career-ending, resulting from retirement or termination of employment for our employees. We engage consultancy services with every redundancy exercise to support outgoing employees with managing their exit from the business.

## Staff Compensation and Benefits

We are committed to offering our employees with benefits that meet their needs and that of their families. Also, to support our employee experience, we seek to provide incentives that will enrich their lives and those of their loved ones, starting with health and wellbeing and extending to retirement planning and finances.

## Flexible Working Policy

We presently have a flexible working policy which affords our staff the opportunity to have flexible working arrangements to meet up with various life needs, while working

efficiently from identified locations. Staff intending to subscribe to the flexible working policy are expected to get the full consent of their line manager and take into consideration the demands of their role and the impact of the arrangement on the overall business.

Flexible working is driven by the:

- recognition that there are individual specific needs for Work Life Balance
- need to ensure those who may be disadvantaged in the workplace e.g., through disability, travel distance and family pressure should be able to enter into work arrangements which suit their special needs
- need for flexibility to meet emergencies, crisis or unpredictable demand
- needs of women returning from maternity leave
- perceived benefit by employees and employers through the encouragement of flexible working.

Different flexible working options are available for employees to choose their most suitable, such as working from home (one day a week) or shorter working hours per day.

Parental Leave

Guinness Nigeria employees enjoy some of the best parental leave benefits in the country, with the development of a new policy that offers female employees 26 weeks fully paid parental leave and male employees four weeks paternity leave at full rate of pay. This move is part of Guinness Nigeria's support to a fully inclusive and diverse workforce where barriers to career progression are removed and talent is retained and nurtured. The new policy also strengthens the support for parents as they return to work including the option of flexible, adaptable work arrangements and access to free independent counselling.

Other employee benefits include health insurance, access to loans for procurement of cars or household items and recreational club membership.

Temporary employees of Guinness Nigeria also enjoy benefits such as health care, disability and invalidity coverage and parental leave though these are usually provided per legislation by contractor. Nonetheless, all employees are entitled to parental leave. Other employee benefits include health insurance, access to loans for procurement of cars or household items and recreational club membership.

S/N	Description	Male	Female
1.	Total number of employees that took parental leave by gender	16	30
2.	Total number of employees that returned to work in the reporting period after parental leave ended, by gender	16	30
3.	Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender	16	30
4	The rate of employees that took leave who 'returned to work' and were 'retained', by gender	100%	100%



## Providing Healthy and Safe Workplaces:

Our commitment to employee health and safety is anchored on the knowledge that employees are at their best when their personal safety and wellbeing can be guaranteed at work. We have aligned our safety practises to the Diageo Global Risk Management Standard and Severe and Fatal Incident Prevention Protocols and thus introduced a range of safety processes targeted at advancing our commitment to zero harm in the workplace. These safety processes include mandatory safety induction for all new joiners including contractors, mandatory safety induction for visitors, contractors safety passport scheme, risk assessment for hazardous tasks and permit-to-work system, task-based risk assessment, safety capability enhancement for safety managers - National Examination Board in Occupational Safety and Health (NEBOSH) certification - and

safety driving test/training for field-based sales personnel. Also, we have joint management and worker health and safety committees that exist at the departmental and site levels tasked with handling all matters relating to the health and safety of their teams.

### Health and Safety Training

At Guinness Nigeria, health and safety training is a vital component of our strategy for prevention of accidents. We constantly strive to ensure that all our employees have the correct knowledge, skills, and experience to enable them to perform their jobs safely. For the reporting year, 100% of our Full-Time-Employees received human rights training relevant to our organisation's operations. Also, all our security personnel and some third-party organisations underwent formal training on health and safety, human rights policy and other similar trainings. Presently, all Guinness Nigeria operations' processes and relationships have been assessed

through relevant human rights impact audits and review bodies.

### Accident Reporting

Employees are expected to report accidents immediately. If there is a suitable reason for delay, then notification should come within the first six hours of occurrence. Accident reports are followed by a detailed accident investigation report which is done within a timeframe of 72 hours. The Guinness Nigeria market must notify the regional leadership of any incident/accident involving an employee, visitor, contractor or third party which results in a Medical Treatment Case (MTC), Lost Time Accident (LTA), or fatality. The process of reporting and resolution of an accident is managed by the market where the accident occurred.

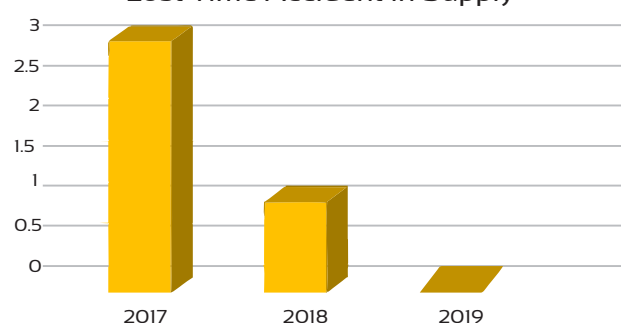
### Health and Safety Performance

The table below indicates our performance for the reporting year, against previous years.

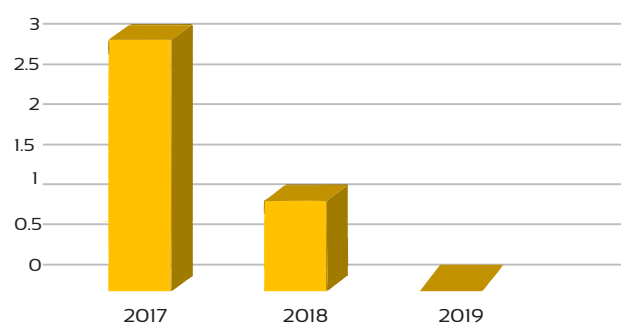
**Total F19 H&S KPI Performance**

KPI	F17	F18	F19
Type of incident	Number of incidents in F17	Number of incidents in F18	Number of incidents in F19
Occupational illness	Nil	Nil	Nil
First Aid	28	15	27
First aid injuries/MTC in Demand	9	10	1
Lost time accident in supply	3	1	0
Lost time accident in demand	0	0	1
Road traffic accident	26	30	9
Road party fatality	0	0	0
Employee fatality	0	0	0

**Lost Time Accident in Supply**



**Road Traffic Accident**



## Diversity and Inclusion

As a global company with local footprint in the Nigerian manufacturing sector, we understand that for us to thrive and achieve our goal as the best performing, most trusted and respected consumer products company in Nigeria, we must build a diverse and inclusive workforce that reflects the totality of our customer and consumer base. We believe we have a stronger company when the diversity of our employees reflects the customer, communities and people who are bonded by our product.

We are aware that teams consisting of persons with varying opinions and experiences generate more insights and ideas. By sharing candid, collaborative and productive conversations we can solve our toughest challenges. For Guinness Nigeria, diversity is viewed as an enabler for organisational growth and sustenance and we possess overarching values and purpose that accommodate and respect the contribution of each team member.

### Beyond Industry Standards

Diversity and inclusion is entrenched in our Global Human Rights Policy. Every employee and person we work with is entitled to expressing their

human right without discrimination. In all aspects of employment, we treat employees justly according to their abilities to meet the requirements of the role. We will not discriminate based on factors such as age, race, religion, colour, ethnicity, national origin, disability, gender or marital status.

However, our commitment goes beyond industry standards and policies. We are proud of the progress we have made to date to achieve greater diversity at the most senior level. In this financial year, women made up 33% of our Board and 38% of our GLT. Our ambition continues with the intent of having more female representation in our GLT by 2020.

Additional ways we are going above and beyond industry standards and policies are that we:

- Ensure participation and partnership with external female associations
- Have a Diversity Board, which is chaired by our MD/CEO, Baker Magunda, and other members of the GLT. The Board provides the overarching vision, governance and target setting for diversity and inclusion across the business
- Offer 26 weeks maternity leave for female employees and four weeks

paternity leave for male employees; all at full pay

- Have a well-embedded flexible working policy that takes into cognisance employees' circumstances for flexible and adaptable work arrangements.

### All-Female-Technical-Operations Team

As a way of promoting gender diversity, we established the first ever All-Female-Technical Operations Team also referred to as The Amazons of Benin. The technical operations team in Benin was once considered to be "unconventional" and a male-only terrain, but it has now given way for women to thrive.

The well-skilled female operators oversee running the labeller, blow mould and filler machines. Notably, the labeller machine is entirely manned by women across the three shifts on Line I2 in Benin. In addition, the blending technician on the team is remarkably the first female blender to work on the Spirits Line since the line's inception. The All-Female-Technical-Operations Team is another way Guinness Nigeria is demonstrating its commitment to gender parity and showcasing that women can push boundaries and break stereotypes.



L-R: Mercy Osuji (Labeller Operator), Precious Imafidon (Blending Technician), Cecilia Omobolade (Blow Mould Operator), Regina Bassey (Team Lead), Tolulope Ajuwon (Filler Operator)



All-female team with other Benin brewery staff



*celebrates*  
**our first all-female shift!**  
**Behold, our superwomen in the Benin Brewery.**  
**Truly, a landmark in our history.**



**International Women's Day**

We joined the rest of the world in commemorating the International Women's Day (IWD) on March 9, 2019. IWD is a day set aside by the United Nations to annually celebrate the social, economic and cultural contribution of women. Through our Spirited Women Network (SWN), we organised engaging and interactive discussions around the theme 'Balance for Better,' tearing down cultural biases for intentional inclusion of women.

We had women from different walks of life who are at the forefront of their careers mentor Guinness Nigeria women on wide ranging topics including tips for success for the modern career woman and health, beauty and wellness amongst others. Some of the mentors include: Laure Beaufils – Deputy British High Commissioner who was also the keynote speaker; Nkiru Olumide-Ojo

- Head, Marketing and Communications, Standard Bank Group Africa Region and Author of "The Pressure Cooker" and Mo Abudu – Media Mogul, Filmmaker and Owner of EbonyLife TV, amongst others.

The annual commemoration of International Women's Day is one of

the ways we celebrate women who have overcome daunting odds to make a significant mark in their careers, advocate and push for gender parity as well as mentor and empower women to actualise their full potential.



### May is for Mentoring

Guinness Nigeria's SWN hosted a mentoring session throughout the month of May 2019 tagged "May is for Mentoring," an activity aimed at championing women's empowerment and gender parity. Women in Guinness Nigeria were given the opportunity name their "dream mentors" and the reason for their choice. Following this, Guinness Nigeria engaged the dream mentors,

revered women with successful and respectable careers, to offer two hours of their time to share their wealth of wisdom and experience with our Guinness Nigeria women, the Spirited Women.

The 'May is for Mentoring' program featured over 10 sessions with notable leading career women including three of our Non-Executive Directors, Dr. Omobola Johnson, Mrs.

Yemisi Ayeni and Ms. Ngozi Edozien. Our external mentors included Mrs. Toyin Sanni (CEO, Emerging Africa Capital Group), Mrs. Soromidayo George (Director of Sustainable Business and Corporate Affairs, Unilever Nigeria and Ghana), Mrs. Adedolapo McGregor-Itegebe (West Africa Area Head of Trade, British American Tobacco) and Mrs. Nonye Barrow (Head of Human Resources, Midwestern Oil and Gas Company Limited), to name a few.

The May is for Mentoring session was a knowledge pipe between identified mentors and their matching mentees for career advancement and growth. These high-impact mentoring sessions provided assurance to our women that their aspirations are valid and that they could become great leaders, just like our mentors.



### Engaging, Empowering and Inspiring our Employees

We launched and continued several initiatives in the course of the reporting year to engage, empower and inspire our employees to improve our organisational practices and to also enable them actualise their inert potential. These initiatives were implemented not only for the benefit of our organisation, but also for their personal growth and advancement. Some of these activities and initiatives include:

#### Diageo Your Voice Survey

In demonstration of our commitment to improving employee relations, we conducted an employee survey tagged Your Voice in March-April 2019. Over 600 Full-Time Employees took part in this survey, amounting to a 76% participation rate, providing a clear view of employee perception about our organisation.

The outcome of the Your Voice survey provided us with powerful insights to help us shape our business and create a more inclusive and purposeful culture of continuous learning. Through a more advanced technology platform, employees were given additional questions designed to provide richer information for line managers and teams alike. The result of the survey which was released in June 2019, and shared with line managers and relevant teams, providing areas of focus for actioning as recommended by the employees.

#### Your Voice Survey Internal Communication

#YourVoice2019



**The new Your Voice  
survey opens on  
Monday 18 March 2019!**



### Opening Minds to Mental Health

In this financial year, Guinness Nigeria hosted a Mental Health Symposium titled 'Opening Minds to Mental Health' with Mrs. Betty Irabor, Founder and CEO of Genevieve Magazine and author of 'From Dust to Dew', as the Guest Speaker. The objective of this event was to share knowledge with our employees and raise awareness and reduce the stigma associated with mental health.

Guinness Nigeria is dedicated to promoting good mental health amongst its employees through the 'Leaving No One Behind' initiative. A kickstart for this discussion is the prevalent rate of suicide in our

country. However, in the not-too-distant past, suicide was an unfamiliar notion to Nigerians as we were deemed to be the happiest people in the world. A research done by World Health Organisation in 2018 ranked Nigeria as one of the top five suicide-prone countries. As a business, we choose not to avoid a precarious topic such as this, because we know people go through life changes (in their families, careers, communities etc.) Also, we understand that some of these life changes affect their minds negatively and may, therefore, lead to depression and other forms of mental illness.

Opening Minds to Mental Health gave Guinness Nigeria employees an opportunity to speak with Betty Irabor, who based on her experience with depression, highlighted methods that may be used to overcome mental health challenges. Employees also had the opportunity to engage a mental health professional, Dr. Kemi Akintoyese-Ijagbemi, who also gave a holistic discussion on the issue. Guinness Nigeria commits to promoting conversations around mental health in the hope to minimise the stigma surrounding it and ensuring that no one is truly left behind.



**Commemoration of Guinness Nigeria's 69th Anniversary**

On Monday 29 April 2019, we commemorated our 69th anniversary! Our employees, in celebration of Guinness Day, went out to have deeper engagements and interactions with our retail customers in markets and stores in proximity to our operations as well as sell some of our products.

In addition to trading and face-face interactions with our customers, we made a short film to capture some of our social investments and the impact this has generated over time. The film centred on how we have advanced some of our core sustainability focus areas such as

Building Thriving Societies, where we featured activities surrounding our Water of Life scheme in Benin City, Edo State. It also highlighted the impact of our educational support through a beneficiary of our scholarship program who is a staff at our Ogba Plant currently. Others captured in our film included a long-standing distributor and business partner as well as our hardworking employees.

The anniversary celebration also gave us an opportunity to unwind and bond, which we did as we trooped to the cinema to watch a movie. We also had the chance to watch our short film which served to further inspire us to constantly work

towards our goal to become the most trusted and respected consumer brand in Nigeria.

With many firsts under our belt, such as being the first country to produce the Guinness Stout outside of Ireland; the first Total Beverage Alcohol company in Nigeria; the first country to produce and launch Baileys Delight, a variant of the popular Baileys Cream liquor; and also the first country to produce Guinness Gold, a premium lager beer; the 69th anniversary was a time to take stock and celebrate our achievements as well as map out our ambitions for the future.



### Drink Positive Internal Activation

In the third quarter of the reporting year, we launched an exciting internal activation, reminding us of what DRINK POSITIVE means to us at Guinness, through a life-size Scrabble board. We used this activation to reinforce our commitment to responsible drinking, as employees were encouraged to use the Scrabble game to spell words that would denote the promotion of alcohol moderation.

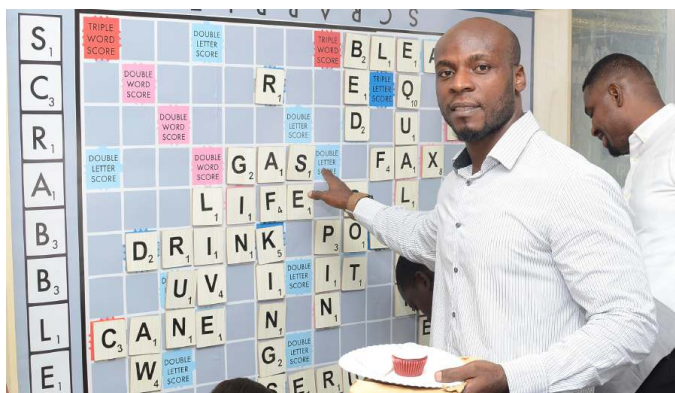
Employees were encouraged to contribute to the word game, placing tiles bearing letters to display their understanding of how each of us, through our roles, contribute to the narrative of helping ourselves,

colleagues and consumers DRINK POSITIVE. Additionally, we shared subtle reminders and small pieces of information (on wall posters, floor stickers and table stickers) on our journey of tackling misuse and how all employees can continue to promote the responsible consumption of alcohol.

All of us at Guinness Nigeria are part of the Drink Positive movement. As we make a difference as the only Total Beverage Alcohol company in Nigeria, we also remember and care about the role we play with regards to promoting knowledge of responsible alcohol consumption in our society. Since alcohol is a big part of how many of us celebrate life,

we must also advocate for drinking better, not more.

We hope to be able to develop and promote lasting engaging initiatives such as these to keep employees constantly informed of our commitment as an organisation to promote moderation and tackle misuse of alcohol.



# TASTE THE ORIJINAL HERBAL GIN

W



18+

DRINK RESPONSIBLY. [www.drinkiq.com](http://www.drinkiq.com).



**LIVE  
ORIJINAL**

# COMMUNITIES

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Our commitment to impacting the communities in which we live and work is structured along the lines of our sustainability pillars namely: leadership in alcohol in society, building thriving communities and reducing environmental impact.



Our commitment to impacting the communities in which we live and work is structured along the lines of our sustainability pillars namely: leadership in alcohol in society, building thriving communities and reducing environmental impact. Our activities and initiatives are thus designed to advance this strategy. These activities range from health, empowerment and educational support to provision of infrastructure and activities that promote environmental sustainability.

## Health Support

### **Guinness Partners with Sightsavers on Cataract Surgeries for Women in the North.**

In furtherance of our commitment to quality eye health care in Nigeria, Guinness Nigeria partnered with an international organisation named Sightsavers - a non-profit

organisation committed to tackling avoidable blindness on a project tagged CATCH (Coordinated Approach to Community Health). CATCH was implemented in communities in Kebbi and Sokoto states where women with cataract disease benefitted from eye surgeries conducted by Sightsavers. The project had far-reaching impact as about 230 women were surgically operated with some of them having cataract disease for well over seven years. Through this project, Guinness Nigeria hopes to continue tackling preventable blindness and providing access to eye care services.

### **Donations to Guinness Eye Centres**

Guinness Nigeria constructed, equipped and donated an eye centre to the Lagos University Teaching Hospital (LUTH), now called the Guinness Eye Centre, and has since continued to support the hospital by periodically procuring eye-care

equipment. In the year under review, Guinness Nigeria donated 10 million naira to the Centre at the Lagos University Teaching Hospital and to Guinness Eye Centre, Onitsha.

The LUTH Guinness Eye Centre has trained over 120 residents (specialist eye-care doctors) and many Ophthalmic (eye-care) nurses since its inception. The eye centre has also been the examination centre for the Faculty of Ophthalmology Fellowship Programme of the National Postgraduate Medical College of Nigeria and International Council of Ophthalmology. The eye centre renders services ranging from ophthalmic consultations, screening, expeditions, surgeries, training and research work.



## Maternal Health Donation

Guinness Nigeria partnered with an NGO, Zelua Foundation, to provide prepacked maternity essentials for 300 expectant women in Edo State. The safe-delivery kit is an all-in-one kit that contains all necessary items needed to provide clean and safe delivery for pregnant women as well

as after-birth care. These kits were distributed directly to the beneficiaries through designated hospitals and maternity centers in Edo State during their antenatal classes. The distribution of the birth kits is to serve as incentive for the encouragement of the attendance of pre-birth classes by expectant mothers. The women also benefitted

from several sessions of prenatal and postnatal health and nutrition talk by medical personnel at the participating health centers in Edo State. Guinness Nigeria leveraged on the opportunity to also talk to the women on the consequences of consuming alcohol during pregnancy.



## Education

### Award of Scholarship

Guinness Nigeria through our undergraduate scholarship scheme, awarded scholarships to 11 undergraduates in Nigeria. The scholarships were awarded in March 2019 after a competitive screening covers tuition and accommodation fees of the beneficiaries. Under this scheme, beneficiaries received the sum of one hundred thousand naira, only (N100,000) for each year of their undergraduate study.



## People Empowerment

### Plan W Microenterprise Scheme

In 2018/2019 reporting year, we commenced the the Plan W Microenterprise Scheme designed to provide women with small scale businesses through the Malta Guinness brand. The scheme which benefitted 120 women in Aba, Abia State, in June 2019, provided the women with Malta Guinness branded assets such a cooler, mobile cart, and two cases of Malta Guinness each. These women also benefitted from business and financial literacy training classes that were delivered during the capacity building sessions. This initiative is designed to not only empower women in rural areas but to also contribute to Guinness Nigeria's route to consumer strategy by putting Malta Guinness in the hands and hearts of new consumers.



### NAPTIN Partnership

In 2019, we partnered with the National Power Training Institute of Nigeria (NAPTIN) by sponsoring the training of 10 beneficiaries. The National Power Training Institute of Nigeria (NAPTIN) was established in 2009 as an agency of the Federal Government of Nigeria, operating under the aegis of the Federal Ministry of Power. NAPTIN is strategically positioned to provide capacity building, skills development training and coordinate training activities with emphasis on best practices for the growing Power Sector in Nigeria and Africa at large. It does this through its headquarters in Abuja and eight regional training centres.



## Infrastructure Support

### Guinness Nigeria, WaterAid Commission 'Water of Life' Project in Kebbi State

We extended the reach of our Water of Life scheme to Kebbi State by partnering with WaterAid to provide a solar powered water facility in the D'ka community of Wasagu Local Government Area of Kebbi State. In collaboration with Kebbi State Rural Water Supply and Sanitation Agency (RUWASSA), Guinness Nigeria and Water Aid were able to provide about 2,500 people with access to clean drinking water. In addition to those directly served in the D'ka community, the project also recorded additional water service provision to a Fulani settlement with 400 households located about 3km from D'ka. This project brings the total number of beneficiaries, provided with access to an improved source of

drinking water, to approximately 3,000 people.

Under the Diageo Africa Water of Life Scheme, we have established several programmes designed to provide access to clean drinking water and generally contribute to the socio-economic development of our host communities. Our commitment to providing clean drinking water for our host communities directly correlates with Goal 6 of the SDGs which focuses on clean water and sanitation for all. We will continue to channel our efforts towards actualising this goal, by ensuring that all our host communities - with focus on those at the bottom of the economic pyramid - have access to clean water.

We believe that water is a basic human right and our commitment remains unwavering in ensuring that people in underserved communities continue to have access to clean water.



# ENVIRONMENT

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From the fields in which our raw materials are grown, to the water and energy we use to make our brands, we depend on resources that we share with the communities around us – just as we also share the impacts that result from these resources becoming constrained.





We are a business which relies on the careful stewardship of natural resources for our long-term success. From the fields in which our raw materials are grown, to the water and energy we use to make our brands, we depend on resources that we share with the communities around us – just as we also share the impacts that result from these resources becoming constrained.

To fully comply with global requirements for the sustainable utilisation of natural resources, we have intensified our efforts towards eliminating waste and promoting responsible business practices. We do so through employing resource efficient technology in all our operations, promoting energy conservation and emission reduction measures among our employees and the wider public as well as ensuring our operations align with global best practice and local policies. Some of the strategies and plans we apply include the Nigeria Climate Change Policy Response and Strategy aimed at promoting low-carbon, high growth economic development and build a climate-resilient society.

**Climate**

Climate change is the most pressing issue confronting our planet with far-reaching consequences on us all and we believe businesses can play a critical role in a global transition to a climate-neutral economy and recognise that Guinness Nigeria has a responsibility to transition. We are aware that delivering quality-brewed beverages starts with the best ingredients sourced from a healthy, thriving natural environment and take our impact on the environment seriously.

We have demonstrated that climate change is significant to us through our commitment to efficient use of natural resources as clearly stated in our environmental policy. Our aim is to

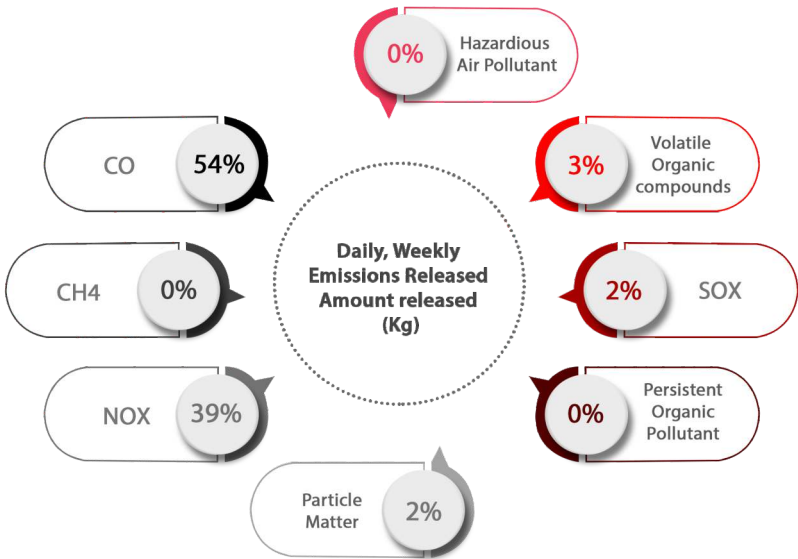
prevent and control potential risks to the environment as well as mitigate the impact of climate change as we continue production in our areas of operation. By investing in innovation to make our brewing more sustainable, we continue to ensure that our operations across all our offices, facilities, the communities where we operate, and our range of products, are focused on shrinking our environmental footprints by aligning our actions to the UN-SDGs.

**Energy Conservation and Emissions Reduction**

Greenhouse gas emissions are a major contributor to climate change. Pursuing green, low-carbon development and coping with climate change have become the global consensus. At Guinness Nigeria, we have sustained our efforts on improving energy conservation and emission reduction in all our processes. To achieve our goal of reducing emissions

significantly, we are partnering with relevant local organisations to learn how to properly reduce emissions associated with our product development, supply chain, transportation and fossil fuel consumption through our energy efficiency approach. In the 2018/2019 reporting year, we recorded substantial improvement in our emissions-reduction strategy.

We have made meaningful progress in reducing our energy demand in the locations where we operate. Our total energy consumption within the organisation in joules or multiples is 452,271,087.8 MJ; broken down as total fuel consumption: 35,348,952.6 MJ, electricity consumption: 34,321,876 KWH and heating consumption: 171,286,582 MJ. Total energy consumption within the organisation for 2018/2019 indicates improvement in energy reduction when compared with our 2017/2018 consumption.





## Sustainable Water Use

As a sustainable organisation in the brewing business, water will always be a priority resource. We have continued our efforts to drive water efficiencies in all our operations across all our facilities by promoting efficient water use, monitoring and ensuring strict controls of effluent discharges, advocating for water conversation, and encouraging the recycling and reuse of water, thereby reducing the consumption of water resources.

We have made noticeable improvement in water efficiency in the last 12 months. For us, this represents strong performance within our industry and takes constant effort from our people to maintain and improve further. For the reporting year, our surface water use is nil, ground water extract is 8,815,222 HL, community water is 16,120HL, recycled water is 647,640 HL and water used for production is 8,799,102 HL, using standard flow metering operations to track flow.

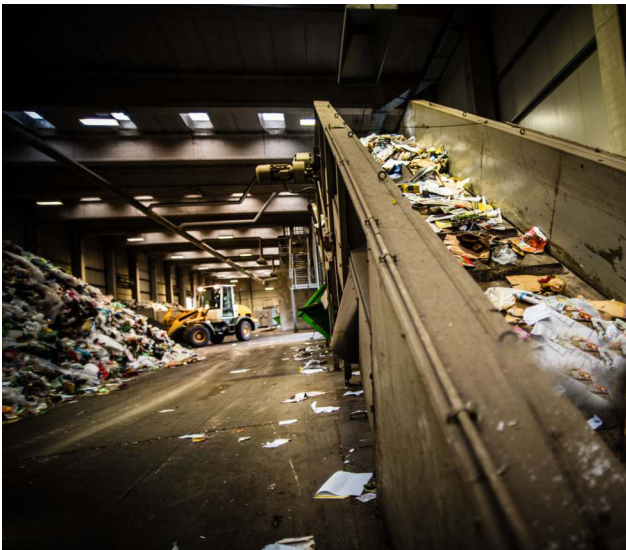
## Waste Management

Guinness Nigeria constantly explores and improves the standardised management of waste towards eliminating waste in our operations. In April 2018, Guinness Nigeria signed an Memorandum of Understanding (MoU) with Wecyclers, an organisation that offers recycling services, to help support the implementation of the organisation's 4R waste management strategy, covering Reduction, Reuse, Recovery and Recycle. In doing so, we address the increasing local and global concerns around the environmental issues of waste disposal. The MoU covers the collection of post-consumer recyclables especially plastic, aluminium and glass, which is in line with the Extended Producer.

Wecyclers-Guinness Collection Volumes: July 2018 to June 2019

Month	Pet (Kg)	Can (Kg)
July	1,660.6	223.6
August	1,140	289.2
September	1,387	275.6
October	1,269.2	286.4
November	1,319.7	270
December	813.2	324.2
January - 19	970.3	150.8
February	726.5	242.7
March	753.2	139.2
April	449.6	144
May	703.3	143.4
June	871.5	136.6
Subtotal	16630.6	3066.6
Total		

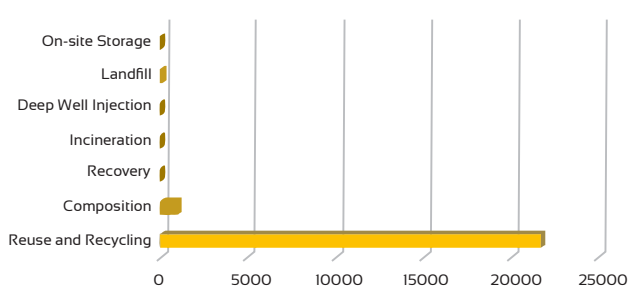
In conforming to Environmental Protection and Management Regulations of Nigeria and in line with our values to promote best practice, the Company classifies waste into hazardous waste and non-hazardous waste. Hazardous waste is processed by technological means or handed over to specialised agencies for treatment, while non-hazardous waste is reduced, reused, recovered and recycled directly by our environmental team or through a partnership model with Wecyclers. We drive change and act as environmental stewards by encouraging and supporting our stakeholders - employees, business partners and vendors, and communities to participate in environmentally-friendly recycling initiatives.



**Partnership with Food Beverage and Recycling Alliance**

As a first step to preventing improper disposal of plastic, which contribute to land and ocean pollution, we have partnered with other brands that are striving for a closed loop economy for plastics to form an alliance - The Food and Beverage Recycling Alliance (FBRA). The FBRA is aimed at accelerating recycling and using waste that would have ended in landfills for the benefit of the environment and society. By pioneering the recycling initiative, in partnership with other brands, in order to increase the percentage of recycled materials in our products and to make sure plastics from our products do not end up in landfills and oceans, we have further demonstrated our commitment to environmental sustainability.

Disposal Method for Non-Hazardous Waste in Tons



In the past year, 16.6 tons of plastic (PET) was collected for recycling, which translates to preventing 99.8 tons of CO2 from being released into the environment. By collecting 3.1 tons of cans within the same period, we saved 42,932.4 Kwh of energy. A total of 19.9 tons of recyclable waste has been collected, processed and diverted from the landfill into productive reuse. At Guinness Nigeria, we have reduced waste to landfill of PET, stretch wrap, shrink wrap, crown corks, cartons, sachets, nylons, culets and cans significantly.

# APPENDIX

## GRI Content Index

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## NSE Sustainability Disclosure Guidelines Performance Indicators

Theme	Description	Principles	Indicators/Metrics	Topic	Page
Economic					
Suppliers Relations Management and Ethics	Operating standards for purchasing and the selection of suppliers	3	Report on ethical procurement practices which address transparency, confidentiality, fairness, child labour, corruption, conflict of interest, support for SME and women-owned businesses, forced labour, social responsibility and health and safety	Managing our supply chain	56
Responsible Products and Services	Impact of products and services on stakeholders	3,4	Considers customer satisfaction and relationship, Transparency in product information and labelling, Health risk exposure/incidence due to product usage and consumer education programmes	Responsible marketing	49
Social					
Diversity in the Workplace	This refers to diversity across the workplace including at management level. These can be categorised along the dimensions of gender, age and physical abilities	5,6	<ul style="list-style-type: none"> <li>* Percentage of employee per employee category in each of the following diversity categories: <ul style="list-style-type: none"> <li>- Gender</li> <li>- Age group</li> <li>- Full time against contract</li> </ul> </li> <li>* Percentage and ratio of Full Time Employee and Contract Staff positions held by women.</li> <li>* Percentage of Board Seats filled by Independents and women</li> </ul>	Employee profile	60
				Diversity and inclusion	64
				Leadership and governance	21
Labour Practices	Engaging and inclusive work environment that span across ensuring employability, skills development and fair remuneration	5	<ul style="list-style-type: none"> <li>* Average hours of training per annum per employee by employee category</li> <li>* Employee benefits</li> <li>* Employee Turnover Rate i.e., the percentage of change for FTEs and contract staff</li> <li>* Availability and adherence to a non-discrimination policy</li> </ul>	Creating unique career opportunities	60-69
				Staff compensation and benefits Diversity and inclusion	60-69
Occupational Health and Safety	This focuses on safety, health and welfare of people engaged in work or employment	5	<ul style="list-style-type: none"> <li>* Total number of injuries and fatalities relative to workforce</li> <li>* Availability and adherence to policies on occupational and global health issues</li> </ul>	Providing healthy and safe workplace	63
Human Rights	The rights of individual as expressed in the International Bill for Human Rights (comprising the 1948 United Nations Universal Declaration of Human Rights –UNDHR and the two International Covenants on Human Rights of 1966)	7	<ul style="list-style-type: none"> <li>* Human rights issues or statement in company's Human Resources and Suppliers policies</li> <li>* Number of grievances about human rights impacts filed, addressed, or resolved</li> </ul>	Our people	59
				Managing our supply chain	56
				Transparent grievance mechanism process	31

Society	Company's impact on society and local communities	8	* Details and impact of Corporate Social Responsibility Community based programmes	Communities	73
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#### Governance

Anticorruption	Activities to combat corruption and bribery	1, 2	* Report on how the organisation adheres to the Bribery/Anti-Corruption Code (BAC) * Training of employees on the anti-corruption * Incidents, fine or exposure related to anticorruption	Ethics and Anti-corruption	30
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#### Environmental

Product and Services Responsibility	The environmental impact of products and services in the course of their lifecycle, (including product design, development, testing, etc)	3, 9	* Product innovation to reduce impacts (e.g., ecofriendly, less chemicals/toxic substances etc.) * Product stewardship (product's impact on the environment)	Environment	78
Waste Management	Waste includes hazardous and nonhazardous waste.	9	* Total weight or volume of hazardous waste / non-hazardous waste generated * Ratio of waste to production * Recycling initiatives	Waste management	80
Water	Consumption and efficient use of water resources	9	* Total volume of water used * Percentage of water recycled	Sustainable water use	80
Energy	Considers the efficient use and consumption of energy as well as energy generated from renewable sources	9	* Total energy consumption * Amount of reduction in energy consumption achieved as a result of conservation and efficiency initiatives * Alternative energy research (e.g., wind, biomass, solar, clean fuels) (investment amount and plans) * Use of renewable energy (MWh)	Energy conservation and emission reduction	78
Compliance	Adherence of activities to relevant environmental laws	9	* Total monetary value of fines for non-compliance to environmental laws and regulations	Compliance	29

## List of Abbreviations

AWA	Absent with Apology
BAT	British American Tobacco
BoD	Board of Directors
BOD	Biochemical Oxygen Demand
CARM	Controls Assurance and Risk Management
CATCH	Coordinated Approach to Eye Health
CBI	Convention on Business Integrity
CCE	Corporate Compliance and Ethics
CEO	Chief Executive Officer
COBC	Code of Business Conduct
CPC	Customer Protection Council
CRS	Corporate Responsibility and Sustainability
CSOs	Civil Society Organisations
CSR	Corporate Social Responsibility
DEVG	Direct Economic Value Generated
DMC	Diageo Marketing Code
DSC	Dealings in Securities Code
EACG	Emerging Africa Capital Group
EMPR	Environmental Protection and Management Regulation
EPR	Extended Producer Responsibility
ETI	Ethical Trades Institute
ETP	Effluent Treatment Plant
EVD	Economic Value Distributed
EVR	Economic Value Retained
FBRA	Food, Beverage and Recycling Alliance
FIPP	Fatal Incident Prevention Protocol
FMCG	Fast Moving Consumer Goods
FRC	Finance and Risk Committee
FRSC	Federal Road Safety Corps
FTE	Full Time Employees
GDP	Gross Domestic Product
GLT	Guinness Leadership Team
GN	Guinness Nigeria
GRC	Governance and Remuneration Committee
GRI	Global Reporting Initiative
GRMS	Global Risks Management Standard
H&S	Health and Safety
HR	Human Resources
HR	Human Rights
HRP	Human Rights Policy
IARD	International Alliance for Responsible Drinking

IIT	Institute for Industrial Technology
ISO	International Standards Organisation
IWD	International Women's Day
KPI	Key Performance Indicator
KYC	Know Your Customer
LASG	Lagos State Government
LBS	Lagos Business School
LSE	London Stock Exchange
LTC	Left the Committee
LUTH	Lagos University Teaching Hospital
MHS	Mental Health Symposium
MM	Materiality Matrix
MNEs	Multinational Enterprises
MSS	Mainstream Spirits
NAFDAC	National Agency for Food and Drug Administration and Control
NAPTIN	National Power Training Institute of Nigeria
NEBOSH	National Examination Board in Occupational Safety and Health
NESREA	National Environmental Standards and Regulations Enforcement Agency
NFTE	Non-Full Time Employees
NGO	Non-Governmental Organisation
Nox	Nitrogen Oxide
NYA	Not Yet Appointed
ODS	Ozone Depleting Substances
P4G	Partners for Growth
RRRR	Recovery, Reduce, Reuse, Recycle
RUWASSA	Rural Water Supply and Sanitation Agency
SAI	Sustainable Agriculture Initiative
SDG	Sustainable Development Goals
SEDEX	Supplier Ethical Data Exchange
SFIPP	Severe and Fatal Incident Prevention Protocols
SON	Standards Organisation of Nigeria
SOx	Sulphur Oxide
SP	Sustainable Packaging
SWN	Spirited Women Network
The NSE	The Nigerian Stock Exchange
UNGC	United Nations Global Compact
UNGHR	United Nations Guiding Principles on Business and Human Rights
WLB	Work Life Balance

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