

East Africa Growth Accelerator

Advancing Shared Value:
*Empowering Communities
and Enabling Growth*



Elanco™



Tapping the Potential of Livestock Production in East Africa



Nearly
**100M
PEOPLE**
who live on
less than \$2/day
depend on
livestock for
their livelihoods

**25% of Livestock
Currently Raised
is Lost Due
to Animal Illness**



Raising livestock is an important source of income for many smallholder farmers in Africa. In East Africa, nearly 100 million people living on less than \$2 a day keep livestock₁, which provide on average 11% of energy and 26% of protein in poor people's diets₂. But in that part of the world, 25% of farm animals are currently lost to disease₃, threatening food security and livelihoods of their communities.

At Elanco, we relentlessly pursue animal health innovations that improve the health of animals. This, in turn, helps food insecure regions, like Eastern Africa, to increase the quality of life for local communities.

Our **Elanco Healthy Purpose™** is a framework of commitments and actions that is focused on advancing the well-being of animals, people and the planet, enabling us to realize our vision of 'Food and companionship enriching life.'

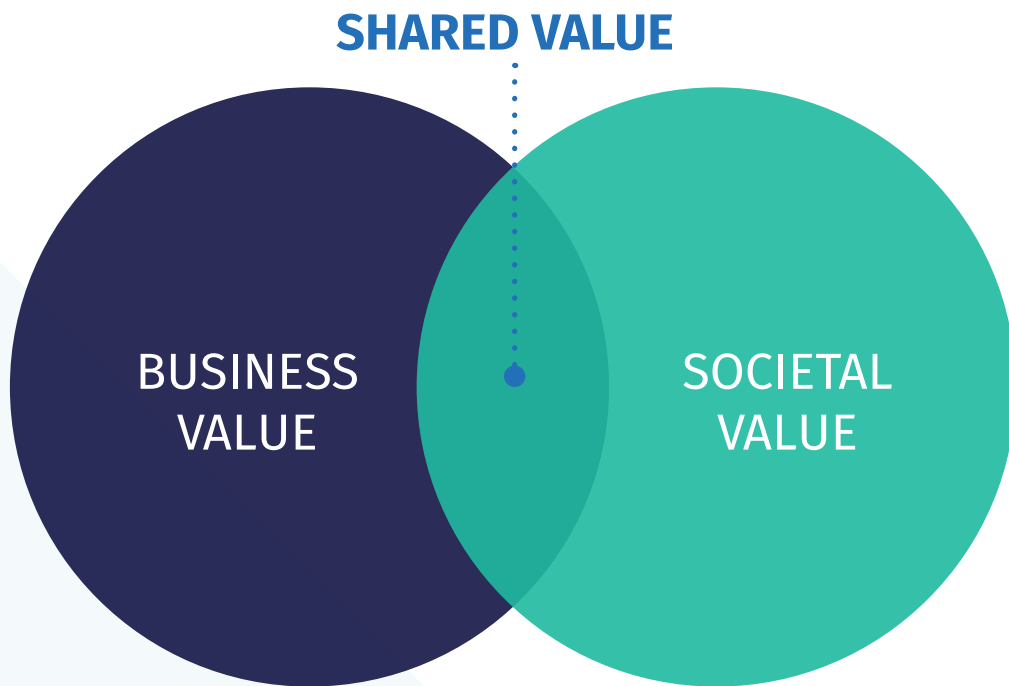
We know that how we run our business can have far more impact on society than our corporate philanthropic efforts alone. That's why, since 2017, we are investing in a shared value initiative tailored to smallholder farmers in East Africa, opening new markets for Elanco while helping farming families tap the potential of their livestock.

This effort contributes to [Elanco's Protein Pledge](#), our commitment to help create more resilient food systems and enable 57 million more people to have access to nutritious protein.

1. Staal, S., and others (2009). Strategic investment in livestock development as a vehicle for rural livelihoods. Bill and Melinda Gates Foundation – ILRI Knowledge Generation Project Report. Nairobi: International Livestock Research Institute.
2. FAOSTAT 2011. FAOSTAT database. FAO, Rome, Italy
3. African Union Inter African Bureau for Animal resources (AU-IBAR). Impact of livestock diseases in Africa. Published on 25 January 2013. <http://www.au-ibar.org/vacnada-livestock-diseases?showall=1&limitstart=>

Leveraging the intersection of business growth and social impact

We provide resources and innovation to find commercially viable solutions for social issues



Our East Africa Growth Accelerator (EAGA) is bringing together business success and social progress.

Through this shared value initiative, we provide livestock producers in Tanzania, Kenya and Uganda with access to high-quality veterinary products in adapted small pack sizes, along with access to feed additives and knowledge to prevent and combat livestock disease.

This empowers smallholder farmers to sustainably care for healthy, productive animals. The benefits are systemic, including enhanced animal health, eventually improving the livelihoods of families and the growth of local communities.

How EAGA has been MAKING A DIFFERENCE



We register and distribute **high-quality veterinary products** and **feed additives** in Tanzania, Kenya and Uganda.



Products are manufactured and/or repackaged in **small pack sizes** to make them useful to local farmers. In addition, we work with feed manufacturers to provide quality feeds.



We also provide **knowledge and training** to assist with improved animal health practices, including disease awareness, preventative care and proper administration of medications, when necessary.



Elanco establishes a **Shared Value blueprint** for the small-scale livestock farming sector, to be expanded to other geographies.

Quality Improvement Program for Regional Distributors



As part of the initiative, Elanco assisted local distributors with improving the quality and compliance with applicable regulatory requirements for distribution of pharmaceutical products. The consulting program, conducted by South African based quality consulting company Strategnos, brought tremendous progress in skills development, knowledge transfer and engagement with East African distributors.

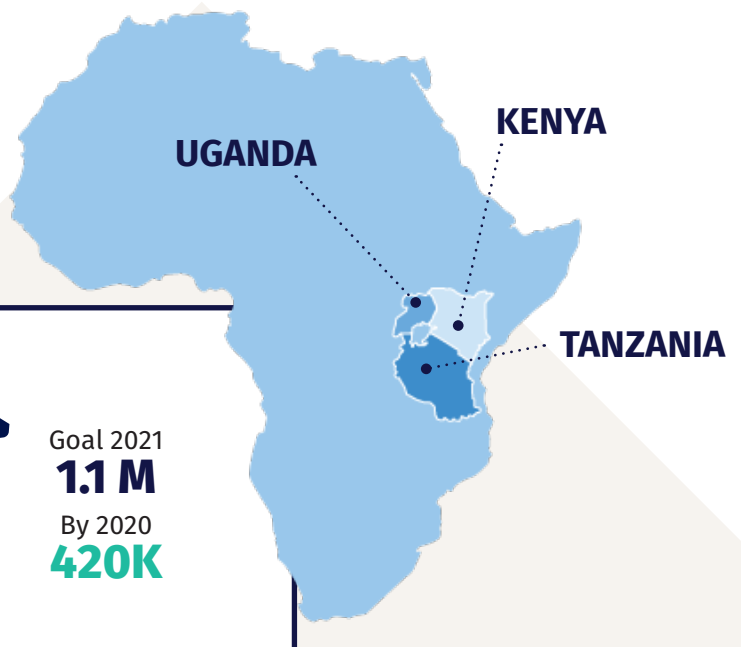


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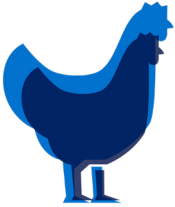
Our commitment to a world with healthy animals, healthy people and a healthy planet is woven into how we do business. Our Shared Value effort is an example of how a purposeful change in our business model can make a significant impact on poor farmers and their families around the world.”

Maria Zampaglione,
Senior Advisor Shared Value at Elanco

OUR IMPACT

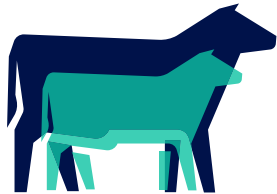


Chickens treated



Goal 2021
16 M
By 2020
20 M

Cows treated



Goal 2021
1.1 M
By 2020
420K

Local farmers trained



Goal 2021
12 K
By 2020
49 K

Farmers accessing affordable small-sized products



Goal 2021
240 K
By 2020
222 K

**2021 goals are cumulative since the initiation of the project in 2017.*

Between 2017 and 2020 EAGA has had significant impact on animal health, eventually improving farmers' livelihoods.

Until end of 2018, EAGA delivered **Social Return on Investment of up to 250%***

For every

\$1.00



\$2.48

of socio economic value was created for society in East Africa

Invested by Elanco between June 2017 and December 2018, including its sponsor and partners in the EAGA Project

This value has been created primarily for dairy and poultry smallholder farmers and their families, and also for agrovet shops*, distributors and wholesalers.

**Agrovet shops are end-to-end supply stores for farmers, dealing with seed, fertilizers, animal feed and veterinary supplies.*

While the EAGA initiative was originally scheduled to terminate in 2020, Elanco obtained a one-year no-cost grant extension to sustain the market access of products and ensure the last mile distribution to the farmers. This is particularly important to mitigate the impact of the COVID-19 pandemic on planned activities. The Social Return on Investment will be reassessed by the end of 2021.

Questions?

Contact us at elancocause@elancoah.com

Elanco