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# COMMUNICATION ON PROGRESS 2017

United Nations Global Compact



AMATHEON AGRI

Growing value.



WE SUPPORT

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# STATEMENT OF CONTINUED SUPPORT

Dear Readers,

Amatheon Agri Holding N.V. is a proud member of the United Nations Global Compact. As a triple-bottom-line company, we believe that caring for the environment and the community where we operate goes hand-in-hand with running a sustainable business.

Since our inception, responsible investment and corporate responsibility have been central to our business strategy and values. In practice, this means creating more value for investors, customers, communities, and the company with a reduced environmental footprint. By conducting business fairly and ethically, respecting human rights and complying with international standards and domestic laws, we have laid important foundations for our business to continue prospering in the years ahead.

I would like to take this opportunity to thank our partners and staff for their contributions to this year's achievements presented in our Communication on Progress (COP) 2017 Report. I hope that by sharing our experiences of implementing the ten principles of the UN Global Compact, other companies are inspired to join the Compact and contribute towards achieving the Sustainable Development Goals by 2030.



**Carl Heinrich Bruhn**  
Chief Executive Office  
Amatheon Agri Holding N.V.



# COUNTRIES OF OPERATIONS





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# AMATHEON AGRI AT A GLANCE

Amatheon Agri is a European agribusiness and food company, headquartered in Berlin and operating in Sub-Saharan Africa. Focused on farming, trading and food processing, Amatheon integrates its activities along the agricultural value chain. As a triple-bottom-line company, Amatheon acts as an anchor investor in rural areas to uplift neighboring communities economically, socially and environmentally. It is a combination of international expertise with localized African know-how, and a long-term vision with a sustainable approach, makes it set to become a leading player in the African agricultural sector.

Founded in 2011, Amatheon established its subsidiaries in Zambia in 2012, Uganda in 2013, and Zimbabwe in 2014. During this relatively short timeframe, Amatheon has proven its business model and demonstrated its ability to build large, replicable, scalable platforms – in both farming and food processing. With over US\$100 million invested in its operations to date, Amatheon believes that the key to unlocking Sub-Saharan Africa's vast agricultural potential is combining world-class farming techniques, partnerships with smallholder farmers, and vertical integration along the value chain.

## Sustainable Approach

Amatheon's core business relies on healthy ecosystems, strong rural communities and talented staff. Knowing that large-scale commercial activities impact the environments and communities where they take place, Amatheon's investments are built on participatory and transparent land acquisition and development. Prior to any developments taking place, Amatheon hires external environmental experts to conduct in-depth Environmental Impact Assessments (EIA) which include desk research, site visits, public consultations, scientific studies and are bound to the approval of the respective country's national environmental management authority. Furthermore, Amatheon is actively engaged in operationalizing the leading frameworks for responsible agri-investments, such as the Principles for Responsible Investment in Agriculture and Food Systems (CFS-RAI), Principles for Responsible Agricultural Investment (PRAI), FAO and OECD's Guidance for Responsible Agricultural Supply Chains and the Analytical Framework for Responsible Land Based Investments in African Agriculture.

# UNGC PRINCIPLES FOR A SUSTAINABLE BUSINESS

The table below highlights the four main pillars of the UN Global Compact, with a list of the ten Principles. In the following section, we explain and elaborate on how our activities align with these Principles.

PILLAR	PRINCIPLES
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2: Make sure that they are not complicit in human rights abuses
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4: The elimination of all forms of forced and compulsory labour;
	Principle 5: The effective abolition of child labour; and
	Principle 6: The elimination of discrimination in respect of employment and occupation
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;
	Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Anti-corruption

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



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# HUMAN RIGHTS

Amatheon supports international conventions on human rights - they are well reflected in our HR policies and Code of Conduct. This is also demonstrated through our commitments to the standards of the International Labour Organization (ILO) Conventions and the UN Universal Declaration of Human Rights. In conjunction with the relevant national legislations, these voluntary commitments underpin our activities. Furthermore, we carefully select executive personnel to ensure an equal understanding of the importance of human rights. The right leadership and company culture helps us to operationalize these commitments.

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## Guiding Principles

### 1. Code of Conduct

With a head office in Europe and subsidiaries in Uganda, Zambia and Zimbabwe, we developed a Group-wide Code of Conduct based on local and international guidelines. This Code of Conduct summarizes our principles and rules - applying an internationally standardised concept of what constitutes responsible corporate behaviour, and binds each employee within the Amatheon Group. Importantly, the Code of Conduct is based on the principles of the UN Global Compact and explicitly reiterates our commitment to respect for human rights, community, environmental protection and the law. Every potential employee is required to read and sign the Code of Conduct before final recruitment.

### 2. International Frameworks

Amatheon is committed to responsible land based investments and sustainable business development. Amatheon follows internationally recognised guidelines such as the Principles of Responsible Agricultural Investment (PRAI), OECD Guidelines for multinational enterprises, OECD-FAO Guidelines for Responsible Agricultural Supply Chains, UN Guiding Principles on Business and Human Rights and the International Finance Corporation (IFC) Performance Standards.



## MEASURES

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### Recruitment Policy

- We adhere to relevant standards concerning working hours throughout the Group
- We ensure that wages comply with the law and industry standards in the countries where we operate
- We never withhold any workers' salaries, benefits or rights acquired or stipulated by law, in order to force them to work
- We do not tolerate any discrimination based on colour, religion, sex, nationality, age, disability or sexual orientation

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### Occupational Health & Safety Policy (OHS)

- We are committed to the safety of employees at the work place
- We ensure all site personnel go through a safety induction program before they commence work
- We maintain a safe working environment for all employees

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### Human Resource Policy

- We respect and uphold internationally recognized human rights policies of non-compliance with forced, compulsory or child labour
- We do not promote any type of forced labour, including working under the regimen of imprisonment, in agreement with the International Labour Organization (ILO) Conventions 29 and 105 and national labour laws

## Sexual Harrassment Policy

- › We engage in dialogue with our workers through periodic meetings
  - › We do not tolerate sexual harassment in any way
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## Disciplinary Policy

- › We have a Disciplinary Code of Offences which states the rules and regulations of the company and what consequences the employee will face when they do not abide by them
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## Grievance Policy

- › We have a grievance procedure in place which stipulates how grievances are to be raised and handled through Amatheon's internal Compliance Committee and Human Resource Office
  - › We make available grievance boxes at the various operating sites which are also available to surrounding community members
  - › We have an independent and anonymous complaints hotline as well as complaints email address accessible to all staff
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## Anti-Child Labour Policy

- › We require every worker to be above 18 years old
- › We check National Registration Cards as a prerequisite for recruitment
- › We oblige contractors to do the same

## Environmental and Community Sustainability Committee (ECSC)

- We have established an ECSC to be a multi-stakeholder platform in Amatheon's immediate catchment area and to enable dialogue between communities, authorities and Amatheon staff

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## Social Development

- We support a local hospital to deploy mobile medical units to provide access to healthcare information and services, particularly Hepatitis B, HIV/AIDS, Sexually Transmitted Diseases and Malaria in Uganda
- We support local construction projects for social infrastructure in Zambia
- We facilitate access to knowledge for smallholder farmers
- We create access to markets for smallholder farmers
- We link smallholder farmers to financial institutions
- We rehabilitate roads which benefits both for the company and the community



## ACHIEVEMENTS

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### Cultural Diversity

- > We have a diverse team made up of Zambians, Zimbabweans, Ugandans, Kenyans, Germans, Dutch Russians, British and Australians
- > We employ people regardless of colour, religion, sex, nationality, age, disability or sexual orientation respect

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### Zero Child Labour

- > We received no complaints on child labour in 2017

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### Environmental and Community Sustainability Committee (ECSC)

- > We successfully mitigated communities' and Amatheon's concerns around operations, aligned community engagement strategies and jointly planned social development projects

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### Social Development

- > We trained over 3,000 people in topics like Conservation Agriculture, Farming as a Business, Crop Health and Post-Harvest Management in Zambia and Uganda
- > We established 15 depots for farmers to be able to purchase inputs, sell grain and thereby access markets
- > We reached more than 700 people through our health care partnership with a local hospital in Uganda, whereby basic medical services are provided to community members through Outreach Days
- > We provided material and construction oversight for the building of a classroom block at a secondary school in Zambia
- > We provided materials and construction support for a Police Post in Zambia







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# LABOUR

Amatheon strives to create a working environment where all employees are inspired, motivated and happily engaged in their work. Our labor force is the backbone of our business, so there is a strong focus on health and safety, fair working conditions, zero corruption, gender equality and non-discrimination. It is essential to create a strong, collaborative working environment where each employee's talents and skills can flourish. As 90% of our staff comes from communities surrounding our farms, we are committed to supporting a happy and healthy community.

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## Guiding Principles

### 1. International Frameworks

We support the International Labour Organization's Declaration on Fundamental Principles and Rights at Work by respecting and promoting its main principles such as freedom of association, elimination of discrimination, forced and compulsory labour, and abolition of child labour.

### 2. Internal Health and Safety Standards

We ensure high standards of health and safety in all of our operations through continuous and verifiable health and safety efforts, including trainings and the provision of correct and suitable equipment.

## MEASURES

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### Promoting Equality and Diversity

- We are committed to increasing the proportion of women at all levels of the company and encourage equal opportunities for disabled
- We are committed to diversity among Amatheon's employees

## Occupational Health & Safety Policy (OHS)

- We will ensure that all employees have been properly inducted and trained in risk assessments that apply to their work
- We conduct regular training sessions to raise employees' awareness and sensitize them on topics such as first aid, accidents, chemical handling, fire response, protective clothing, HIV/AIDS, sexual harassment and security

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## Anti-Child Labour Policy

- We require every worker to be above 18 years old
- We check National Registration Cards as a prerequisite for recruitment
- We oblige contractors to do the same

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## Employee Representatives

- We support the establishment and functioning of local organisations and trade unions
- We have representatives of the National Union of Plantation, Agriculture and Allied Workers (NUPAAW) present in Zambia
- In Zimbabwe we follow and comply with Category D (iv, v and viii) of the Code of Conduct and Grievance procedure for the Agricultural Industry (Statutory Instrument 116 of 2014)

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## Social Security

- We provide social security benefits to employees through the National Pension Scheme, Workers' Compensation Fund, Group Life Assurance, Group Personal accident insurance and Funeral benefits, in addition to housing, payment of utilities and medical treatment for farm workers and their families

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## Security Policy

- We guide responsible security conduct through internal trainings and close supervision

## ACHIEVEMENTS

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### Wages

- We pay above minimum wages to our staff, which was verified by the Zambian Ministry of Labour and Social Services last year

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### Minimised Health and Safety Risks

- We have designed a Safety Management Plan which encompasses working behaviours and safe work practices that are expected from Amatheon employees
- We counselled over 500 people about alcohol abuse, domestic violence and HIV in Zambia
- We cover medical insurance for temporary and permanent employees
- We minimised risks of accidents surrounding the working environment through safety trainings, guidelines on vehicle usage, warning signs and effective implementation of our Occupational Health and Safety Plan
- We have a specific security policy that outlines responsible conduct of security personnel
- We have a robust accident reporting scheme in place

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### Employee Accommodations

- We provide housing facilities and technical equipment for permanent staff and their families

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### Employment Creation

- We facilitate employment creation through providing access to market and finance for smallholder farmers to boost their businesses

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### Zero Child Labour

- We had zero cases of child labour reported in 2017



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# ENVIRONMENT

Amatheon is sensitive to the fact that farming activities have a local and global environmental impact. As a result, environmental management plays an essential role in our sustainable development strategy with a commitment to reduce environmental footprints. Our aim is to minimize impacts through responsible, sustainable use of natural resources, to continuously improve environmental protection and to develop a greater sense of responsibility among employees and suppliers.

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## Guiding Principles

### 1. Environmental and Social Impact Assessment (ESIA)

Prior to developing land, there are in-depth studies conducted by external consultants to identify the scope of environmental and social impacts – both positive and negative ones. The ESIA process is extensive, including a variety of stakeholder consultations, creation of a baseline study about the vegetation, soil, biodiversity and water quality, and field work to capture social data about communities in the catchment area. Based on the findings, Environmental Management Plans are developed to mitigate potentially adverse impacts from the start. ESIA's are conducted in line with respective policies, legislations and other institutional frameworks applicable.

### 2. Internal Environmental Management Plans (EMPs)

Environmental Management Plans stem from the ESIA and specifically address each item that is exposed to the project development. The EMP guides Amatheon on the implementation of a holistic management system, and looks at land and soil, air quality, noise, water management, biodiversity, traffic, health and safety as well as cultural heritage sites. Based on this plan, Amatheon carries out frequent monitoring to continuously improve its environmental performance and reduced footprint.



### 3. Promoting Conservation Agriculture (CA)

As part of Amatheon's Outgrower Programme, the company delivers free training to thousands of smallholder farmers in Zambia and Uganda, including modules on Conservation Farming and business education. Conservation Farming specifically addresses sustainable and environmentally sound agriculture, and three principles guide its implementation - minimal soil disturbance, permanent soil cover and crop rotations. Conservation Agriculture is a way combine profitable production with climate change resilience and has proved to work in a variety of agro-ecological zones and farming systems.

## MEASURES

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### Environmental Policy

- We have an environmental policy which sets the foundation and operational procedures for the protection of soil, ground and surface water, air quality, and the ecosystem in general

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### Environmental Management Plan

- We routinely assess environmental hazards and risks of our operations through environmental audits, and appropriate measures are introduced to reduce any identified risks

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### Environmentally Sound Processes

- We categorically avoid investments where impact on communities and the environment have not been properly considered and mitigated against in design
- We attend seminars, conferences and workshops focusing on environmental friendly agricultural practices to continuously learn and improve the company's performance
- We apply low-tillage cultivation methods in all countries where we operate
- We protect water sources with warning posts, pillars and signs

## Conservation Agriculture

- We train smallholder farmers on soil protective farming through Conservation Agriculture
- We partner with Conservation Farming Unit, World Vision, DEG, USAID, Musika and World Vision in Zambia to deliver high quality trainings at no cost

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## Water Utilization

- We contract with independent scientific bodies to verify water tables and ensure water is not contaminated

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## Sustainable Investment Practices

- We conduct in-depth environmental and social impact assessments prior to developing land
- We measure and mitigate the company's environmental impacts using indicators such as water, soil, air and noise levels



## ACHIEVEMENTS

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### Conservation Agriculture

- We have trained more than 3,000 farmers in conservation farming methods through partnerships with the Conservation Farming Unit, DEG, USAID, Musika and World Vision
- We practice low-tillage farming approaches in our areas of operation

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### Environmental Protection in Production

- We have in place functional environmental management plans, environmental policies and respective on boarding sensitization for employees
- We carry out audits to verify compliance and recommend further improvements
- We have conducted 16 Environmental and Social Impact Assessments approved by national authorities in country levels
- We collaborated with the Wildlife Crime Prevention Project in Zambia to sensitize staff about wildlife crimes and conservation

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### Used Oil being Recycled

- We partner with certified companies to pick up and recycle used oil

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### Waste Disposal

- We dispose of domestic and hazardous waste responsibly through certified companies

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# ANTI-CORRUPTION

At Amatheon, we value integrity and ethical behaviour in our dealings with business partners, authorities and employees. Amatheon complies with the relevant legislations and is categorically opposed to all forms of corruption, including extortion, bribery and any illegal or immoral behaviour in all of our activities and across countries.

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## Guiding Principles

### Anti-Bribery and Anti-Corruption Policy

The nature of our business requires us to interact with officials of various governments, district authorities and private third parties around the world. Amatheon prohibits its employees from engaging in acts of corruption, and from paying bribes or kickbacks to - or accepting bribes or kickbacks from - public officials and private individuals such as the personnel of companies with which Amatheon does business.



## MEASURES

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### Code of Conduct

- We do not accept or comply with unethical business practices

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### Anti-Bribery and Anti-Corruption Policy

- We have a policy in place that defines bribery and corruption to sensitize our employees
- We encourage to take e-learning classes and share specific examples in our policy to establish a clear understanding of the subject
- We impose rigorous consequences upon discovery of bribery or corruption cases – this applies to both, staff and contractors

## ACHIEVEMENTS

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### Application of Local Codes of Conduct

- We have a monthly-case register compiled by the HR department which reports on work against corruption
- We plan to introduce an anti-corruption training for all employees

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### Induction Requirements

- We ensure our anti-corruption policy is acknowledged during the on-boarding phase for new employees

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### Anti/Corruption Component

- We ensure there is an anti-corruption component in all MOUs we sign with our partners and contractors





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