

COMMUNICATION ON PROGRESS 2019

United Nations Global Compact



Growing value.



AMATHEON AGRI





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1. STATEMENT OF THE CEO

Dear Reader,

As a company operating in Sub-Saharan Africa with links to domestic, regional and international markets, Amatheon Agri understands the responsibilities that come with doing business in a global village. Nowadays, consumers are much more conscious of their product choices and brand ethics, and companies are being held to account for their impact and commitments. With good reason, the call for global responsibility is getting louder.

Supporting the ten principles of the United Nations Global Compact and the Sustainable Development Goals (SDGs) is of fundamental importance for Amatheon Agri Holding N.V., and I am proud to present our fourth Communication on Progress (COP) report. Since we joined the Global Compact in 2015, Amatheon Agri has been a dedicated supporter of its principles, and will continue to do so in the years ahead.

As part of our company's mission to be a better business by following a long-term sustainable approach, we are continuously increasing our commitment to sustainable development. We allocate our resources accordingly to address social, environmental and economic challenges, whilst creating long-term business growth.

In 2019, we started the organic cultivation of crops on our commercial farm in Uganda. This improves soil fertility by maintaining and building a fertile living soil as well as it improves the water quality. In Zambia, we train and encourage the communities surrounding our farms in organic farming as we strive to actively set a good example. In addition, Amatheon Agri has started to cultivate highly nutritious crops such as the Moringa tree and is currently developing a community project which introduces new crops to smallholder farmers.

With this Communication on Progress Report, Amatheon Agri describes the company's integration of the UN Global Compact principles and its ongoing commitment to observing them as an important guide when working with stakeholders at all levels.

I hope you enjoy reading this report.



Carl Heinrich Bruhn
Chief Executive of Amatheon Agri Holding N.V.





2.

AMATHEON AGRI AT A GLANCE

Company Profile

Amatheon Agri is a European agribusiness and food company, headquartered in Berlin and operating in Sub-Saharan Africa. Focusing on farming, trading, and food processing, Amatheon integrates its activities along the agricultural value chain. As a triple-bottom-line company, it acts as an anchor investor in rural areas of developing countries to uplift neighbouring communities economically, socially, and environmentally.

Amatheon currently operates in Zambia, Uganda, and Zimbabwe, and through its presence has improved infrastructure, local commercial and development activities in its countries of operation. Its overall model is based on developing integrated value chains combining farming, trading, and food processing. This leads to increased productivity and value addition for the agriculture sector in each of these countries.

Social Impact and Sustainability.

Since inception, sustainable development and strong community relations have been essential to Amatheon Agri's business strategy and values. The company combines large-scale farming operations with successful engagement of smallholder farmers, thus contributing towards poverty alleviation in surrounding communities. As an anchor investor in rural areas and as a company aware of its unique social environment, Amatheon supports neighbouring communities by conducting business fairly and ethically, respecting human rights, complying with international standards and domestic laws, and by providing a mixture of direct and indirect benefits to the region. The local community is a key partner in Amatheon's activities and long-term vision.

Smallholder Initiative.

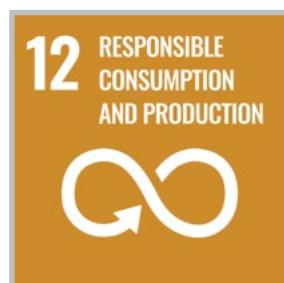
In 2019, Amatheon Agri started a new Smallholder Initiative which supports small-scale farmers with high-value seeds and connects them to national and international markets. The Initiative provides learning opportunities for these farmers to diversify their crop portfolio, increase productivity, reduce post-harvest losses and improve average annual household incomes. Input support in the form of seed, extension services and trainings ensure the sustainability of this Initiative.

You can find more information at:
www.amatheon-agri.com

3.

AMATHEON AGRI AND THE SUSTAINABLE DEVELOPMENT GOALS

Amatheon Agri fully supports the global Sustainable Development Goals (SDGs) approved by the United Nations in 2015. Through both our commercial farming activities as well as our various community projects in Zambia and Uganda we contribute to the following SDGs:





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4.

UNGC STANDARDS THROUGHOUT THE VALUE CHAIN

By signing the United Nations Global Compact,
Amatheon Agri fully commits itself to:

Support the protection of human rights	PILLAR 1
Guarantee international labour standards	PILLAR 2
Improve environmental protection	PILLAR 3
Fight corruption and bribery	PILLAR 4

Pillar 1 – Human Rights

- Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.
Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

Pillar 2 – Labour Standards

- Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.
Principle 5: Businesses should uphold the effective abolition of child labour.
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Pillar 3 – Environment

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

Pillar 4 – Anti-Corruption

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

The following tables show Amatheon's principles and the measures that are put in place in order to accomplish the UNGC Standards.



PILLAR 1.

HUMAN RIGHTS

Prime Principle

Amatheon's guiding principles are well reflected in our HR Policies and our Group-wide Code of Conduct, which is based on local and international guidelines. The Code of Conduct applies an internationally standardised concept of what constitutes responsible corporate behaviours, and binds every employee within the Amatheon Group by signature before commencing work. Our voluntary commitment to the standards of the International Labour Organization (ILO) Conventions and the UN Universal Declaration of Human Rights proof our commitment to respect human rights, environmental protection and the national and international law we operate in.

Amatheon's Principles	And their implementation
Recruitment & Cultural diversity	<ul style="list-style-type: none">• Amatheon Agri has a multi-cultural team made up of Ugandans, Zambians, Zimbabweans, Kenyans, South Africans, Swazi, Germans, Dutch, Russians, British, Irish and Australians and does not tolerate any discrimination based on color, religion, sex, nationality, age, disability or sexual orientation.• We believe in and follow the best practices concerning working hours throughout the Amatheon Group.• We ensure that wages are in accordance with the law and industry standards in the countries we operate in.• We never retain any workers' salaries, benefits or rights acquired or stipulated by law, in order to force them to work or as a disciplinary action.• We determine present and future requirements of the organization in line with its personnel planning and job analysis activities.
Zero Child Labour	<ul style="list-style-type: none">• We respect and uphold internationally recognized human rights policies of non-compliance with forced, compulsory or child labour.• We respect and uphold the employment law of not employing person below the age of fifteen• We received zero complaints on child labour in 2019. Any complaint we receive would be taken seriously.• We scrutinize National Identification Cards as a prerequisite for recruitment and oblige contractors to do the same prior to engaging any worker.
Occupational Health and Safety policy (OHS)	<ul style="list-style-type: none">• We are bound to the safety of employees at our workplace and ensure all site workers go through a safety induction program before they start off work.• Employees operating on site are equipped with Personal Protective Equipment (PPE).• We conduct a hazard and risk assessment associated with work at the farm for the continuous safety of all our visitors and employees.• We make certain that Safety Material Data Sheets are always up to date and available for consultation.

Respect Human Rights	<ul style="list-style-type: none"> • We do not encourage any type of forced labour, including working under the regime of imprisonment, in agreement with the International Labour Organization (ILO) Conventions 29 and 105 and national labour laws. • In Zambia, our employment contracts are attested by the Ministry of Labour and Social Security
Sexual harassment policy	<ul style="list-style-type: none"> • The sexual harassment policy together with all other policies are shared with employees during their onboarding. • We received zero complaints on sexual harassment in 2019. • We engage in active dialogue with our employees through periodic meetings. • We do not condone sexual harassment in any way. • We ensure that trained personnel are available to support employees, sensitizing for sexual harassment among other topics.
Disciplinary policy	<ul style="list-style-type: none"> • We have a Disciplinary Code of Conduct that highlights the rules and regulations of the company and what consequences the employee will face when they do not abide by them. • Our disciplinary policy and procedure aims for the equal and fair treatment of our employees
Grievance policy	<ul style="list-style-type: none"> • We have a grievance procedure in place which stipulates how grievances are to be raised, e.g. during disputes between employees. • Our Grievance policy is handled through Amattheon's internal Compliance Committee and Human Resource Office. • We provide grievance boxes at the various operating sites which are also available to surrounding community members. • We have an off-site anonymous complaints' hotline as well as complaints email address accessible to all staff.
Social Development and Sustainability	<ul style="list-style-type: none"> • We successfully mitigate communities' and Amattheon's concerns around operations, align community engagement strategies and jointly plan social development projects. • We have a vigorous Environmental and Community Sustainability Committee (ECSC) as a multi-stakeholder platform in Amattheon's immediate area of operations. The ECSC committee members meet regularly (every 3 months) to discuss between communities, authorities and Amattheon staff in Uganda and Zambia. • We have reached more than 1,000 people through delivery of health care services in Uganda. In partnership with Anaka Hospital a team of nurses, doctors and laboratory technicians diagnose and treat basic illnesses in the community through Health outreach days. Health care services are delivered to 14 villages in hard-to-reach areas. • We are partnering with the German Arbeiter Samariter Bund (ASB) and other German companies in a healthcare partnership in Zambia, to improve health care services and trainings as well as infrastructure. Through this partnership bicycles for community health volunteers and an ambulance have been donated to Mumbwa district. • We trained over 8,000 farmers in topics like Conservation Agriculture, Farming as a Business, Crop Health and Post-Harvest Management and Livestock handling. • We train and encourage farmers to adopt organic farming practices • We are discussing possible opportunities to support extension services and provide market access to refugees living in camps in northern Uganda. • We are discussing possible Public Private Partnership (PPP) with Nwoya District Local Government in Uganda to extend clean water to local community through construction of boreholes.

PILLAR 2. LABOUR STANDARDS

Prime Principle

The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work is Amatheon's guiding principle to respect and promote its main principles including freedom of association, elimination of discrimination, forced and compulsory labour, and abolition of child labour. Moreover, we ensure high standards of health and safety in all of our operations by strictly committing to internal health and safety standards.



Amatheon's Principles	And their implementation
Promoting equality & Diversity	<ul style="list-style-type: none"> • We have pledged to continue 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 and have a multicultural team in place.
Occupational Health and Safety policy (OHS)	<ul style="list-style-type: none"> • We arrange for all employees to undergo proper induction and train them in risk assessments to minimise risks of work accidents. • We carry out routine 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. • We have planned a Safety Management Mechanism which encompasses working behaviours and safe work practices that are expected from all Amatheon employees. • We counselled staff about alcohol abuse, domestic violence and HIV in Zambia. • We extend over both accident and medical insurance for temporary and permanent employees. • We have a vigorous accident reporting scheme in place.
Zero Child Labour	<ul style="list-style-type: none"> • We respect and uphold locally and internationally recognized human rights' policies of non-compliance with forced, compulsory or child labour. • We received no complaints on child labour in 2019. Any complaint we receive would be taken seriously. • We scrutinize National Identification Cards as a prerequisite for recruitment and oblige contractors to do the same.
Employee Representatives	<ul style="list-style-type: none"> • We support the establishment and functioning of local organisations and trade unions. • 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)
Social Security	<ul style="list-style-type: none"> • We provide social security benefits to employees through the National Pension Scheme, Workers' Compensation Fund, Housing, payment of utilities and medical treatment for workers and their families. • We guide responsible security conduct through internal trainings and close supervision.
Wages	<ul style="list-style-type: none"> • We pay above minimum wages to our staff, which was verified by the Zambian Ministry of Labour and Social Services in 2016.
Employee Accommodations	<ul style="list-style-type: none"> • We provide housing facilities and technical equipment for permanent staff and their families.

PILLAR 3. ENVIRONMENT

Three Prime Principles

1. Promoting Organic Farming Techniques

As part of Amatheon's commercial business strategy, the company started the incremental adaption of organic farming techniques on its farms. In Zambia and Uganda, parts of Amatheon's operational land were successfully certified organic by an international recognised certification body in 2019. Moreover, as part of Amatheon's Smallholder Initiative, the company delivers free training to smallholders on the principles of organic farming, including crop rotation, green manures and compost, biological pest control, and mechanical cultivation.

2. Environmental and Social Impact Assessment (ESIA)

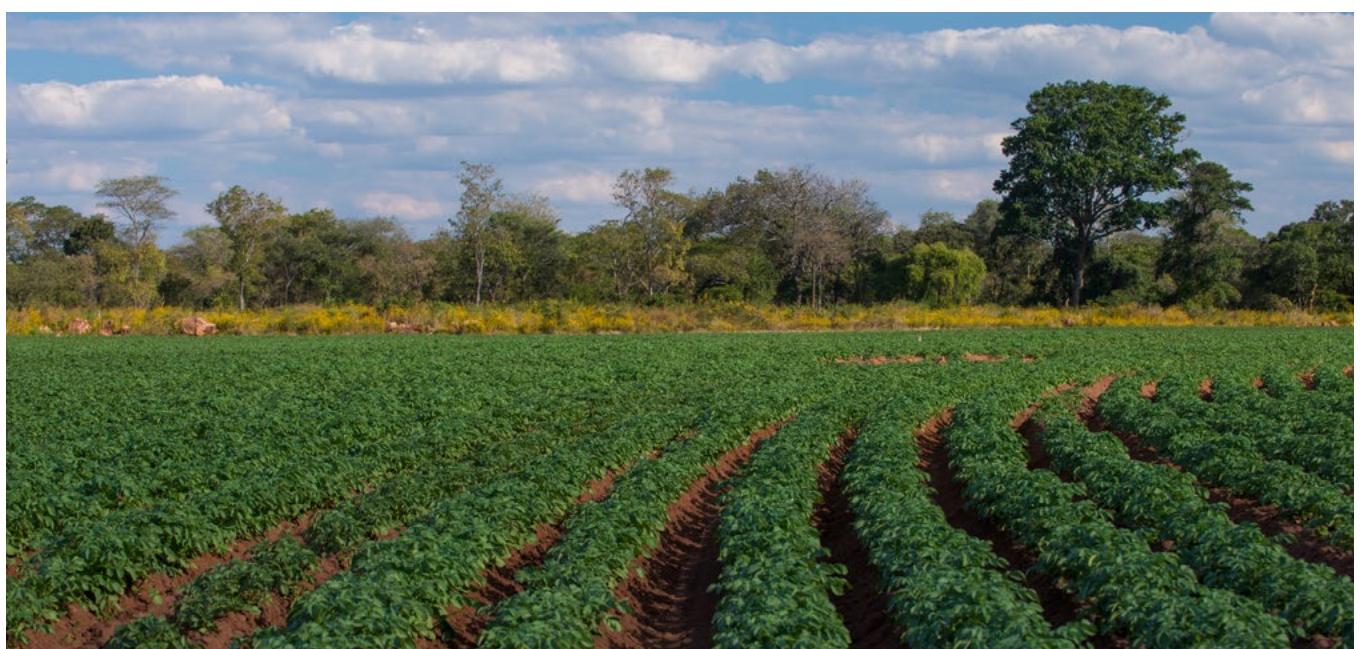
Prior to developing land, there are in-depth studies conducted by external consultants to identify the scope of environmental and social impacts – both positive and negative ones. The ESIA process is extensive, including a variety of stakeholder consultations, creation of a baseline study about the vegetation, 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. ESIsAs are conducted in line with respective policies, legislations and other institutional frameworks applicable.

3. 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.

Amatheon's Principles	And their implementation
Environmental Policy	<ul style="list-style-type: none"> • In Uganda and Zambia, we have an environmental policy in place which sets the foundation and operational procedures for the protection of soil, ground and surface water, air quality, and the ecosystem in general. • We train and encourage farmers to apply organic farming techniques to improve soil fertility and water quality. • We have trained more than 8,000 farmers in conservation farming methods through partnerships with the Conservation Farming Unit, DEG, USAID, Musika and World Vision
Environmental Management Plan	<ul style="list-style-type: none"> • We routinely assess environmental hazards and risks of our operations through environmental audits, and appropriate measures are introduced to reduce any identified risks. • We have in place functional environmental management plans, environmental policies and respective on boarding sensitization for employees. • In addition to our existing Environmental and Social Impact Assessments, we have conducted 3 new Environmental and Social Impact Assessments for our facilities in Zambia in 2019
Zero Environmental Incidents	<ul style="list-style-type: none"> • We have formed Environmental and Community Sustainability Committee who supports environmental monitoring. The committee advises on matters impacting the environment and acts as a forum to communicate community concerns or incidents • The impact on communities and the environment are considered before any investment. • We constantly study further on how to improve the company's environmental footprint and performance. • We protect water sources with warning posts, pillars and signs.
Sustainable soil management:	<ul style="list-style-type: none"> • We minimize soil compaction by use of low or no tillage, ploughing back crop residues to provide stable physical context for movement of water, air, heat as well as root growth. • We protect soil by providing sufficient surface cover from growing cover crops and maintaining crop residues. • We rely on optimized and safe use of agro-inputs. • We conduct regular soil testing to ensure that nutrients are not completely depleted from the soil. • We practice organic by practicing crop rotation, growing cover crops, use of organic fertilizers and minimum tillage. These practices encourage soil flora and fauna, improve soil structure and create more stable system. Such management practices also play key role in erosion control. • We train smallholder farmers on techniques on how to recuperate degraded soils and to improve ecosystem services. • We train smallholders in the cultivation of organically grown crops. • We partnered with Conservation Farming Unit, World Vision, DEG, USAID, Musika and World Vision in Zambia to deliver high quality trainings at no cost.

Water Management	<ul style="list-style-type: none"> • We protect water sources by monitoring water quality regularly. Testing of water quality is done by certified and accredited laboratory in Uganda. • We protect water sources downstream by maintaining buffer zone (30 meters) from the river to minimize export of soil particles and associated nutrients and contaminants into the water source. • As a member of Upper Nile Water Catchment Committee (Uganda), we attend workshops and exchange visits to learn good water management practices • We participate in training workshops for sustainable water management. • We build drainage systems which prevent run off water from the fields to contaminate streams.
Waste Management	<ul style="list-style-type: none"> • We partner with registered and certified company to pick and dispose of hazardous waste in an environmentally and acceptable manner. • We have good waste management practices through the use of three R's (Reuse, Reduce and Recycle). These cut down on the amount of waste we throw away. • We have introduced innovative technology which uses rice straw material in the production process to manufacture zero carbon panels, ceiling boards etc which is cheaper and replaces the use of cement and sand. This innovation is environmentally friendly and reduces the amount of waste thrown or burnt by fire during land preparation.
Sustainable Investment Practices	<ul style="list-style-type: none"> • We partner with certified companies to pick up and recycle used oil.



PILLAR 4. ANTI-CORRUPTION

Prime Principle

Amatheon's internal Anti-Bribery and Anti-Corruption Policy prohibits the company's employees from engaging in any acts of corruption, and from paying bribes or accepting bribes from public officials or private individuals.

Amatheon's Principles	And their implementation
Code of Conduct	<ul style="list-style-type: none">Our Code of Conduct prohibits all forms of corruption.
Anti-Bribery and Anti-Corruption Policy	<ul style="list-style-type: none">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 force rigorous consequences upon discovery of bribery or corruption cases to both staff and contractors.
Application of local codes of conduct	<ul style="list-style-type: none">We have formed Environmental and Community Sustainability Committee who supports environmental monitoring. The committee advises on matters impacting the environment and acts as a forum to communicate community concerns or incidentsThe impact on communities and the environment are considered before any investment.We constantly study further on how to improve the company's environmental footprint and performance.We protect water sources with warning posts, pillars and signs.
Induction requirements	<ul style="list-style-type: none">We make certain our anti-corruption policy is acknowledged during the on-boarding phase for new employees
Anti/corruption component	<ul style="list-style-type: none">We ensure there is an anti-corruption component in all MOUs we sign with our partners and contractors.



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