



AMATHEON AGRI

COMMUNICATION ON PROGRESS 2020

United Nations Global Compact



WE SUPPORT

Growing value.

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STATEMENT FROM THE CEO

Dear Reader,

Almost out of nowhere, the COVID-19 pandemic has emerged as top agenda item for businesses across the globe. Without doubt, the year 2020 has had a profound impact on the world, our behavioural patterns, and our day to day life. Public awareness of natural resources, the environment and the importance of taking care of our own health has increased significantly. As an international company with its headquarter in Europe and farming operations in Sub-Sahara Africa, Amatheon Agri witnessed first hand the changes COVID-19 brought to local and international value chains and the need to adapt to new ways of working.

Despite the challenges of 2020, we continued our company's mission to be a better business by following a long-term sustainable approach. The introduction of the high value crop, quinoa, to the neighbouring communities of our Zambian farm the previous year, developed into a successful trading partnership between Amatheon and more than 1,000 smallholder farmers. Moreover, around 100 farmers were organically certified by the internationally known certification body ECOCERT. What started as a smallholder initiative in our adjacent areas, quickly received positive recognition in the communities of the region and has since steadily grown in awareness.



In other exciting news, this year Amatheon proudly launched its first consumer brand ZUVA Foods, which brings 100% natural, fair and sustainably grown food from Africa to its consumer. Starting with chia and quinoa, the products are grown in cooperation with the small-scale initiative, as well as on Amatheon Agri's own farms. ZUVA's vision is to produce products which offer small-scale farmers the opportunity to earn a reliable additional income while simultaneously meeting the global demand for a healthy diet. Other high value crops are steadily under assessment and upon a successful trial phase on our own farm, can be introduced to smallholder farmers in future.

In Uganda, the organic cultivation of the highly nutritious moringa tree continued and is currently under certification. Unfortunately, some of Amatheon's activities weren't spared from restrictions related to the COVID-19 pandemic. In Uganda, engagements with local communities had to be halted due to restricted social gatherings. The regular health outreach days that Amatheon organises in partnership with the Ugandan Anaka Hospital to provide health care to rural villages had to be put on hold until national restrictions end officially.

Amatheon Agri has been a signatory of the United Nations Global Compact since 2015. In this, our fifth Communication on Progress (COP) report, I value the opportunity to demonstrate the progress we've made to further integrate the UN Global Compact principles within our business culture and day-to-day operations. Amatheon Agri is dedicated to supporting the ten principles of the UN Global Compact as well as to reporting annually to its stakeholders on the progress made to implement these principles.

I hope you enjoy reading this report.

A handwritten signature in orange ink, which appears to read 'CH Bruhn', written in a cursive style.

Carl Heinrich Bruhn
CEO of Amatheon Agri Holding N.V.



Delivery of Outgrower product at Amatheon's facility

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 and has improved local infrastructure, commercial and development activities through its presence in the countries it operates in: Zambia, Uganda and Zimbabwe. Amatheon's long-term strategy is the vertical integration of crops such as small grains into the national and international food value chain, starting with primary production on Amatheon's own farms and transferring produce to both local markets in Africa as well as to end consumers in European markets. This approach integrates small-scale farmers into Amatheon's primary production of high value crops which leads to increased productivity and value addition for the agriculture sector in these countries.

With proven compliance mechanisms in place, such as the implementation of accredited management systems at farm level in Zambia and Uganda, as well as internationally recognised certifications at headquarter level that adhere to specific product safety and quality requirements, Amatheon Agri is lined-up to meet international standards for trading products from small-scale farmers and own grown crops.

Social Impact and Sustainability.

Sustainable development and strong community relations have been essential to Amatheon Agri's business strategy and values since inception. The company's approach is comprised of two components: large-scale farming operations, and trading partnerships with thousands of small-scale farmers, thus contributing towards poverty alleviation in the adjacent communities of the company's farms. As a triple-bottom-line company, Amatheon Agri acts as an anchor investor to significantly uplift its surrounding communities through economic empowerment, social improvement and environmental enhancement. The company understands that all activities have an impact on the communities, the environment and the unique social set-up in the areas of operation, and is committed to acting in a manner that is socially responsible and that reflects sound environmental management practices. Amatheon Agri conducts business fairly and ethically, by 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.

Outgrower Programme.

Amatheon has developed a comprehensive Outgrower Programme that equips small-scale farmers with the necessary knowledge and access to high-value inputs, credit, and a market to expand their businesses and risk mitigation strategies. Since 2019, Amatheon's re-shaped Outgrower Programme in Zambia provides free trainings in the cultivation, handling and harvesting of high-value crops. In providing these trainings, Amatheon has shown the small-scale farmers how to diversify their crops and secure an additional income for their families. Due to the rising global demand for organic products, an incremental number of Amatheon's Outgrowers are trained and officially certified as Organic Growers. Following a contract-farming approach, Amatheon guarantees the off-take of the harvested crops to ensure the sustainability of this Programme. At the same time, Amatheon uses its newly established certified processing and storage facilities to provide high-quality products ready for export.



Sunflower buffer zone of organic Outgrower field



ZUVA

ALL NATURAL AFRICAN GOODNESS



Amatheon is proud to announce it has successfully launched its first consumer brand on the German market:

ZUVA - All Natural African Goodness.

It's our passion to bring nature's most amazing foods from the heart of Africa to your plates and palates! Healthy foods, naturally packed with nutrients, vitamins and minerals. Fair and sustainably grown on fertile grounds under the nourishing African sun. And what's exactly what ZUVA means: 'sun' in a couple of African languages, such as the Shona language.

With ZUVA, you can be sure: there are no refined sugars. No artificial ingredients. No palm oil. No flavour enhancers. Nothing but natural goodness. All our products are 100% natural and sustainably grown in harmony with nature. We build respectful, long-lasting relationships with our partners. And we give back by supporting the local communities. Because we want our foods to do good. To the people who enjoy them. And to the people who farm them.

Find out more at:

www.zuva-foods.com

www.amatheon-agri.com



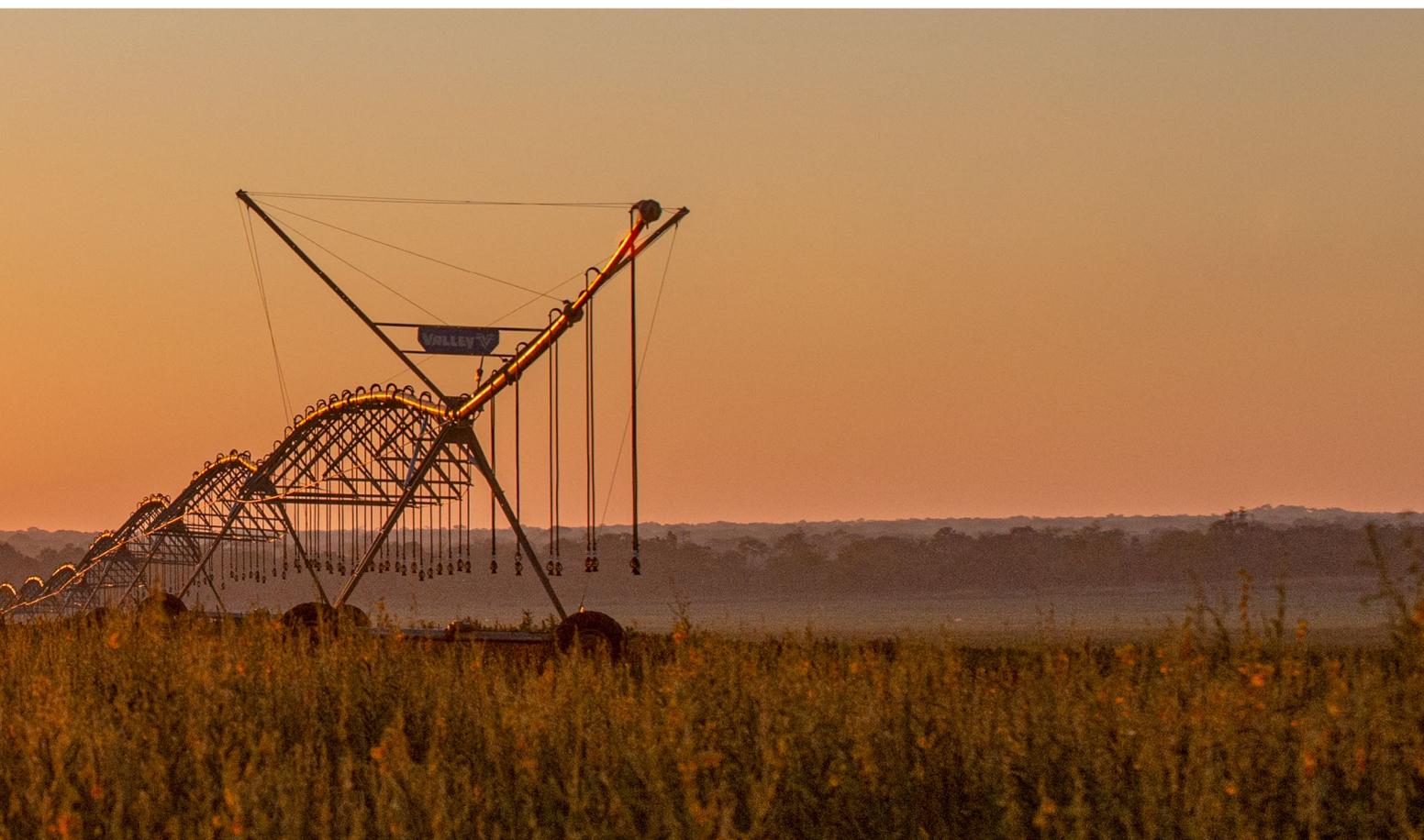
Delicious and healthy recipe ideas inspired by ZUVA

IMPLICATIONS OF COVID-19.



Generally, the agricultural sector continued its activities unrestricted in Zambia and Uganda. However, COVID-19 related restrictions had effects on labour availability. For example, the movement of labour from Ugandan border districts was banned. Seasonal workers coming from Amatheon's surrounding communities were deterred by virtue of the restrictions. Group labour, such as weeding groups, has been constrained due to rules on social distancing.

Amatheon Agri took several counter measures to protect its staff. Movements to and away from the farms were limited to only essential travel. Permanent workers were asked to stay on the farms and not to commute, and accommodation was provided. All workers were equipped among others with personal protective equipment (PPE) such as masks, hand sanitizers and non-contact infrared thermometers. More hand washing basins were put up around the farms to increase hand washing. In addition, Amatheon Zambia organized bi-weekly nurse visits from the adjacent clinic to increase health check and assessments for staff.



COVID-19 restrictions impeded engagement with local communities

As the governments in Uganda and in Zambia restricted social gatherings to no more than 5 people, engagements with local communities as well as the Environmental and Community Sustainability Committee (ECSC) had to be halted.

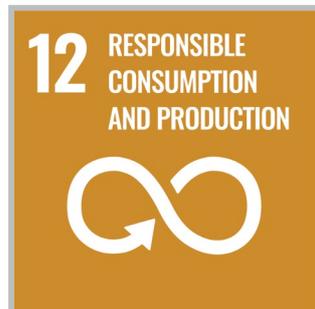
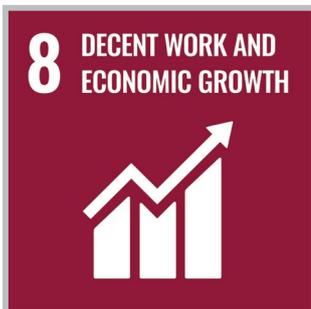
Travel restrictions and restrictions on social gatherings have created significant barriers to accessing health care services through Amatheon's routine health outreach days. The company and Anaka Hospital could not meet to facilitate

health care services to the communities since no more than 5 people were allowed to gather in one location. On the other hand, people often preferred to stay home as they feared contracting a virus.

Amatheon is constantly assessing governmental regulations in the countries within which it operates and aims to continue its support as soon as the safety of staff and partners is guaranteed and official statements allow it.

AMATHEON AGRI AND THE SUSTAINABLE DEVELOPMENT GOALS

Adopted in 2015 by the member states of the United Nations as a universal call to urgently solve the greatest environmental, social and economic challenges of our world by the year 2030, Amatheon Agri fully supports the implementation of the Sustainable Development Goals (SDGs). With its commercial farming activities, its dedication to the Outgrower Programme and various in-country community projects, Amatheon contributes to the following SDGs:









IMPLEMENTING THE UNGC PRINCIPLES IN AMATHEON'S VALUE CHAIN

By being a signatory of the United Nations Global Compact, Amatheon Agri proudly commits itself to the four pillars of the UN Global Compact, relating 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

Principle	Implementation
Recruitment and cultural diversity	<ul style="list-style-type: none"> • Amatheon Agri is a multi-cultural company made up of Ugandans, Zambians, Zimbabweans, Kenyans, South Africans, Swazi, Germans, Dutch, Russians, British, Irish and Australians. • We do 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 employment laws of not employing persons below the age of fifteen. • We received zero complaints on child labour in 2020. Any complaint 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 work. • We equip employees operating on site with personal protective equipment (PPE). <p><i>During the 2020 COVID-19 pandemic, we provided masks, hand sanitizers and non-contact infrared thermometers in Uganda and Zambia.</i></p> <ul style="list-style-type: none"> • We conduct hazard and risk assessments associated with work at the farms 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 inspection.



Principle	Implementation
Respect of 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 and Uganda, our employment contracts are attested by the Ministry of Labour and Social Security (Zambia) / Ministry of Gender Labour & Social Development (Uganda)
Sexual harassment policy	<ul style="list-style-type: none"> • During the onboarding of new employees, we share the social relationship policy together with all other necessary policies. • We received zero complaints on sexual harassment in 2020. Any report of such would be taken seriously.
Disciplinary policy	<ul style="list-style-type: none"> • 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 of sexual harassment among other topics. • 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 all 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 Amatheon's 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 a complaints email address accessible to all staff.

Principle	Implementation
<p>Social Development and Sustainability</p>	<ul style="list-style-type: none"> • We successfully mitigate communities' and Amatheon'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 Amatheon's immediate area of operations. The ECSC committee members meet regularly (every 3 months) to discuss with communities, authorities and Amatheon staff in Uganda and Zambia. <p><i>Due to the COVID-19 pandemic and local restrictions put in place, the engagement with the ECSC is on hold until social gatherings of all kind are officially allowed again.</i></p> <ul style="list-style-type: none"> • We have a partnership with the Anaka Hospital in Uganda, through which a team of nurses, doctors and laboratory technicians diagnose and treat basic illnesses in the community during regular health outreach days. Health care services are delivered to villages in hard-to-reach areas. <p><i>Due to the COVID-19 pandemic and local restrictions put in place, the engagement with the ECSC is on hold until social gatherings of all kind are officially allowed again.</i></p> <ul style="list-style-type: none"> • We are partnering with the German Arbeiter Samariter Bund (ASB) and other German companies through a healthcare partnership in Zambia, to improve health care services, facilities and delivery in Mumbwa District. Through this partnership, an ambulance has been donated to the Mumbwa District Health Office (DHO) as well as bicycles to facilitate rural health volunteers. • In the season 2019/2020, we trained 1,100+ farmers in the organic and conventional cultivation of a new crop, quinoa and established a trading partnership with them in Zambia. • Since inception of the Outgrower Programme, we trained 8,000+ farmers in topics like conservation agriculture, farming as a business, crop health and post-harvest management and livestock handling. • In the season 2019/2020, together with ECOCERT we organically certified 100+ farmers and steadily encourage more farmers to adopt organic farming practices. • 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



Principle	Implementation
Promoting equality and diversity	<ul style="list-style-type: none"> • We have pledged to continue increasing the number 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 place 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 personal security. • We have planned a safety management mechanism which encompasses working behaviours and safe work practices that are expected from all Amatheon employees. • We counsel people on alcohol abuse, domestic violence and HIV in Zambia • We provide 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 local and internationally recognized human rights’ policies on non-compliance with forced, compulsory or child labour. • We received no complaints on child labour in 2020. Any complaint received 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. • 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)
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.
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 Accomodations	<ul style="list-style-type: none"> • We provide housing facilities and technical equipment for permanent staff and their families. • For employees who cannot go home during their lunch (due to distance) we provide meals.





Delivery and quality check of Outgrower Quinoa at Amatheon's facility

PILLAR 3: ENVIRONMENT

Our three Prime Principles:

1. Promoting Organic Farming Techniques

The global demand for organic products is steadily increasing, together with a rising awareness among consumers about the health benefits from organically cultivated products as well as the positive impact it has on the environment. As part of Amatheon's commercial business strategy the company commits itself to the incremental adaption of organic farming techniques. Reducing the environmental footprint of its operations is integral to Amatheon's entire business and value chain. In Zambia and Uganda, large parts of Amatheon's operational land is successfully certified organic by international recognised certification bodies. Moreover, smallholder farmers that are part of Amatheon's Outgrower Programme are encouraged to apply environmentally friendly cultivation techniques. For this, free trainings in the topics of organic farming, including crop rotation, green manures and compost, biological pest control are delivered to farmers and communities. In 2020, more than 110 farmers were organically certified by ECOCERT and Amatheon is planning to increase this number further.

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. ESIA's 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.

Principle	Implementation
<p>Environmental Policy</p>	<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. In the season 2019/2020, 110+ farmers were successful organically certified. • We have trained 8,000+ farmers in conservation farming methods through partnerships with the Conservation Farming Unit, DEG, USAID, Musika and World Vision.



Principle	Implementation
Environmental Management Plan	<ul style="list-style-type: none"> • We routinely assess environmental hazards and risks posed by 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 we conduct onboarding sensitization for all our new employees. • In addition to our existing Environmental and Social Impact Assessments, we have conducted 3 new Environmental and Social Impact Assessments on our facilities in Zambia in 2019.
Zero Environmental Incidents	<ul style="list-style-type: none"> • We have formed a Environmental and Community Sustainability Committee that support environmental monitoring. The committee advises on matters impacting the environment and acts as a forum to communicate any community concerns or incidents. • The impact on communities and the environment are considered before any investment is made. • We are constantly studying 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 farming 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 a 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 partner with Conservation Farming Unit, World Vision, DEG, USAID, Musika and World Vision in Zambia to deliver high quality trainings at no cost.

Principle	Implementation
Water Management	<ul style="list-style-type: none"> • We protect water sources by monitoring water quality regularly. Testing of water quality is done by a certified and accredited laboratory in Uganda. • We protect water sources downstream by maintaining a 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 Management 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 contaminating streams.
Waste Management	<ul style="list-style-type: none"> • We partner with a 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 are cheaper and replace the use of cement and sand. This innovation is environmentally friendly and reduces the amount of waste thrown away 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

Principle	Implementation
Code of Conduct Anti-Bribery and Anti-Corruption Policy	<ul style="list-style-type: none">• Our Code of Conduct prohibits all forms of corruption.• We have a policy in place that defines bribery and corruption to sensitize our employees.• We encourage staff to take e-learning classes and share specific examples in our policy to establish a clear understanding of the subject.• We have harsh consequences in place should a staff member or contractor be found guilty of bribery or corruption.
Application of local codes of conduct	<ul style="list-style-type: none">• We generate a monthly-case register by the respective HR department which reports on work against corruption.
Induction requirements	<ul style="list-style-type: none">• We ensure our anti-corruption policy is acknowledged during the on-boarding phase for all new employees.
Anti/corruption component	<ul style="list-style-type: none">• We ensure there is an anti-corruption component in all local MOUs we sign with partners and contractors.



Organic certification training



AMATHEON AGRI

Growing value.



WE SUPPORT

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