

COMMUNICATION ON PROGRESS 2022

UNITED NATIONS GLOBAL COMPACT



AMATHEON AGRI



Growing value.





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STATEMENT
FROM THE CEO



Dear Reader,

It's no exaggeration to say that the past 12 months have been a challenging period for cross-border businesses such as Amatheon Agri. Despite a worldwide adaptation to the on-going effects of the COVID-19 pandemic on local and international value chains, the war in Ukraine imperiled the world's economic recovery. As an agri-business with its headquarters in Europe and large farming operations in sub-Saharan Africa, we feel the impact of such global disturbances first-hand, as well as observe the same in our surrounding local communities.

The diversification of Amatheon's crop portfolio to adjust to shifting market demand as well as volatile weather patterns looks to be a sound future strategy. The hot chili varieties and paprika grown on the company's farms in Uganda, Zambia and in partnership with surrounding smallholder farmers through the Outgrower Programme show promising yields. First containers of processed high-quality spices left the farm and were delivered to international clients. The spice factory, located on the company's farm in Mumbwa District in Zambia, is the first of its kind in the region, where products are cleaned, processed and packed for export on-site.

In April 2022, Amatheon Agri together with the U.S. Agency for International Development (USAID), The Nature Conservancy (TNC), Alliance partners, government officials and local leaders officially launched the Eastern Kafue Nature Alliance (EKNA). EKNA is a USAID Global Development Alliance (GDA), which brings together public and private actors, along with local communities, to address threats to the rich biodiversity in and around the Greater Kafue Ecosystem (GKE) of Zambia. Ecological erosion caused by high poaching rates, unsustainable deforestation and destructive bush fires threatens not only the entire ecosystem but also contributes to poverty in the communities of the area.

In this flagship project, Amatheon is the lead to promote sustainable agricultural activities in the farming communities around Amatheon's farm. Over the next 5 project years, Amatheon will equip its Outgrowers with information, technology and market-based incentives to adopt sustainable agricultural practices while at the same time facilitating market access as a guaranteed off-taker of the harvested crops. In its first project year, Amatheon bought more than 600 MT of harvest from the farmers of its Outgrower Programme, resulting in significant income for the community. Additionally, Amatheon again successfully certified as organic more than 200 farmers in 2022.

In Uganda, the company successfully expanded its organic cultivation of crops. What started in 2019 with the first certification of one crop in a small area has now increased to more than 500 hectares under organic land management. Next to the highly nutritious Moringa Tree, this year organically grown chia seeds and chili pods joined the organic portfolio and are exported to markets in Europe.

Amatheon Agri became a signatory to the UN Global Compact in 2015 because we believe that being a responsible company is essential, both for its worldwide employees and for society at large. As a signatory, we are committed to the Global Compact's Ten Principles in the areas of human rights, labour, environment and anti-corruption, and to advancing the Sustainable Development Goals of the United Nations.

Thank you for reading our 2022 report.



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

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. The company integrates its activities along national and international agricultural food value chains, starting with primary production on Amatheon's own farms and transferring produce to both domestic and regional markets in Africa as well as to end consumers in Europe. The company contributes to vital rural areas with a broad range of services such as continuous improvement of the local infrastructure and commercial and development activities in Zambia, Uganda and Zimbabwe.

The global demand for chilies and pursuit of a diversification strategy motivated Amatheon Agri Zambia and Amatheon Agri Uganda to cultivate various chili varieties since 2020, alongside their existing crop portfolio. Chili production is also integrated into the small-scale farm production of high-value crops and resulted in increased productivity and value addition in the agricultural sectors in these countries.

Amatheon Agri meets international standards of food trading by implementation of accredited management systems on farm level in Zambia and Uganda, as well as maintenance of internationally recognized certifications at the headquarter level in Germany, thereby adhering to specific product safety and quality requirements.

Besides a processing factory for chilies, spices and superfoods, the company's Zambian subsidiary also has a flake milling facility. With these resources Amatheon expects to benefit significantly from the ability to custom-process its own grown chilies prior to supplying the market.



SOCIAL IMPACT AND SUSTAINABILITY

As a company operating in sub-Saharan Africa, Amatheon recognizes that its operations have an impact on rural economies, the environment and surrounding communities. Amatheon Agri works to improve the environment and enhance the social life of its neighboring communities by providing advice and support in setting up climate- and environmentally friendly agricultural value chains. Furthermore, Amatheon takes tremendous pride in its commitment to maintaining a cordial relationship with the communities by adopting sound environmental management practices, adhering to fair and ethical business practices, respecting human rights, as well as complying with domestic and international laws.

The inhabitants of rural areas in sub-Saharan Africa traditionally farm for basic food needs with limited opportunities to sustainably earn an income. The company's Outgrower Programme and its own farm projects provide smallholder farmers with the opportunity to increase their incomes by growing cash crops such as quinoa, chia and chili. Amatheon Agri markets these cash crops in part through a consumer brand called ZUVA, which serves as a link between the company and the community. Additionally, given Amatheon's investment in a processing facility for chili, other spices and superfoods, as well as in farming operations in general, the company anticipates a significant increase in local incomes by providing rural communities with access to a high-income market, contributing to the alleviation of poverty in neighboring areas.

OUTGROWER PROGRAMME

Amatheon's long-term sustainability strategy is vertical integration of small-scale farmers into the primary production of both staple and high-value crops. Since inception, the company developed its Outgrower Programme, broadening its product portfolio and trading activities with small-scale farmers, as well as its impact in the rural communities. The Outgrower model enables inclusive growth, economic participation and improves rural livelihoods whilst creating rural-urban linkages and increasing Amatheon's trading volume.

Amatheon's Outgrower Programme offers participating farmers agricultural extension services with free trainings in organic farming and sustainable intensification, input support in the form of seed or seedling loans, post-harvest handling activities, market services and a guaranteed off-take of the harvested crops at pre-determined and contractually agreed prices. Trainings are held by Amatheon's area coordinators who are based in the communities and are specifically trained in the various crop requirements. Skills are transferred to fellow farmers in self-organised groups. In providing this access to knowledge and markets, Amatheon has shown small-scale farmers how to diversify their crops, secure an additional income for their household and adopt risk mitigation strategies, which make them less dependent on subsistence farming. At the same time, Amatheon uses state-of-the-art food safety certified processing and storage facilities to further process and provide high-quality products ready for export.

In 2022, Amatheon partnered with more than 2,000 farmers and purchased more than 600 MT of crops from the communities, including the high-value grains quinoa and chia, a variety of hot to medium-hot chilies, soya, maize and sunflower seeds. Out of these farmers, more than 200 were certified organically by ECOCERT SA, corresponding to more than 300 hectares of certified organic production in the communities.

In the second quarter of 2022, Amatheon Agri Zambia and other local and international partners joined the Eastern Kafue Nature Alliance - a USAID-funded flagship project, implemented by The Nature Conservancy (TNC). The project's goal is to pursue landscape-level results for biodiversity conservation, economic prosperity, human well-being, and improved governance in the Eastern area of the Greater Kafue Ecosystem.

Find out more at:

-  www.amatheon-agri.com
-  www.linkedin.com/company/amatheon-agri-holding-n-v/
-  www.twitter.com/amatheon_agri



THE EASTERN KAFUE NATURE ALLIANCE (EKNA)



On International Earth Day in April 2022, Amatheon Agri Zambia gathered with U.S. Agency for International Development (USAID) senior leadership, The Nature Conservancy (TNC), other Alliance partners, government officials and local leaders to officially launch the Eastern Kafue Nature Alliance (EKNA), which operates under USAID’s Health Ecosystems and Agriculture for Resilient Thriving Societies (HEARTH) Global Development Alliance (GDA).

The Eastern Kafue Nature Alliance brings together public, private and civil society actors, along with local communities, to address threats to the rich biodiversity in and around the Greater Kafue Landscape (GKL), which is bordering Amatheon’s farm in Zambia. The EKNA project is scaling up community-led conservation models to empower local people with skills and capacity to conserve and sustainably manage and protect the natural resources of the GKL.

The main threats to biodiversity in the GKL include habitat degradation (e.g., due to expansion of human settlements and unsustainable charcoal production) and poaching of wildlife for subsistence. The goal of the EKNA project is to address these causes of biodiversity loss which lead to poverty and food insecurity in the long-term and to provide local communities with sustainable alternatives.

A Cooperative Agreement signed by USAID and TNC initiates implementation of a five-year programme of US\$21.3m (\$10m funded by USAID and \$11.3m in leverage from the private sector), in which Amatheon plays the key role for sustainable agricultural production within the communities.

With the signing of the Memorandum of Understanding (MoU) during the festivity, the company commits to further develop inclusive agriculture and ecosystem-based markets to address economic constraints communities face in Mumbwa District. Amatheon will support crop diversification into high-value, climate-smart crops through the provision of market services, including input finance, extension and demonstration of sustainable farming practices. With its established state-of-the-art processing, cleaning and storage facilities, Amatheon’s Outgrower Programme already connects smallholder farmers to high-level value chains and can now expand its outreach under this five-year project.



ZUVA



ZUVA

Natürlich Gutes aus Afrika



ALL-NATURAL AFRICAN GOODNESS

In 2020, Amatheon was proud to announce a successful launch of its first consumer brand on the German market, ZUVA.

It's ZUVA's passion to bring nature's most amazing foods from the heart of Africa to your plates! Healthy foods, naturally packed with nutrients, vitamins and minerals. Fair and sustainably grown on fertile grounds under the African sun. ZUVA means: 'sun' in a couple of African languages, such as the Shona - and that's exactly what ZUVA products are: nourished by the African sun and naturally rich in key nutrients.

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.

ZUVA products are available online on its website and via Amazon, as well as being listed in select supermarkets in Germany.

Find out more at:

 www.amatheon-agri.com

 www.zuva-foods.com

 www.facebook.com/zuvafoods

 www.instagram.com/zuvafoods



SUSTAINABILITY
IMPLICATIONS OF
GEO-POLITICAL
CHALLENGES
& THE COVID-19
PANDEMIC



ECONOMIC AND SOCIAL DISRUPTION

The conflict between Russia and Ukraine has had a disruptive effect on some food supply chains and has exacerbated a number of regional food shortages. Russia and Ukraine are among the most important producers of agricultural commodities in the world. Both countries are net exporters of agricultural products and are leading suppliers of foodstuffs and fertilizers to global markets. Russia's invasion of Ukraine adversely affected already inflated food prices and led to a spike in the cost of farming.

Increasing costs of energy, agricultural commodities and fertilizer have put pressure on small-scale farmers as well as large agri-food companies. Amatheon Agri is assessing the situation closely but sees itself well positioned with a diversified portfolio of activities.



COVID-19 PANDEMIC

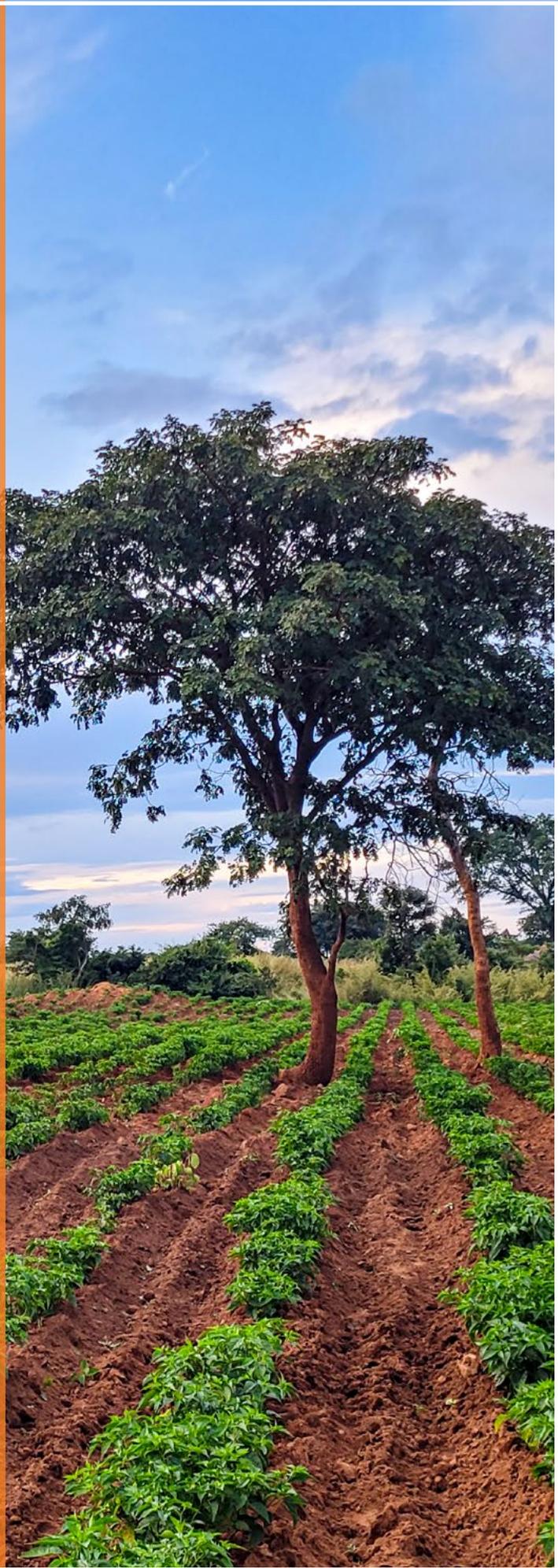
As most governments have lifted restrictions on social gatherings, Amatheon's engagements with local communities including the Environmental and Community Sustainability Committee (ECSC) in Uganda have resumed. Amatheon Agri Zambia and Amatheon Agri Uganda continue to undertake protective measures such as provision of masks, handwash and disinfection stations as well as organisation of large gatherings held outside.

The company holds a stock of COVID-19 rapid tests on its farms and confirmed COVID-19 cases are sent into strict isolation.

Amatheon Agri continues to assess governmental regulations in the countries where it operates and aims to continue supporting staff and partners.

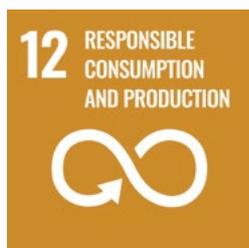
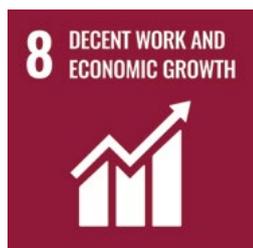


AMATHEON AGRI AND THE SUSTAINABLE DEVELOPMENT GOALS



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 the world by the year 2030, Amatheon Agri fully supports the implementation of the U.N. Sustainable Development Goals (SDGs). With its commercial farming activities, 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:

- | | |
|--|----------|
| 🌿 Promotion and protection of human rights | PILLAR 1 |
| 🌿 Uphold international labour standards | PILLAR 2 |
| 🌿 Improve environmental protection | PILLAR 3 |
| 🌿 Fight corruption and bribery | PILLAR 4 |

PILLAR 1 – HUMAN RIGHTS

Principle 1: Observance and protection of, all human rights and fundamental freedoms for all.

Principle 2: Businesses should make sure that they are non-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, Irish and Australians. Discrimination based on color, sex, nationality, age, disability, religious or sexual orientation is not condoned. We align with the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay. We endorse the right to just and favourable remuneration-equal pay for equal work without any discrimination, worthy of human dignity, enough to safeguard an existence of himself and his family, in accordance with the law and industry standards in the countries we operate in. we tackle the problem at its roots: by safeguarding farmer income and helping to lift farmers out of poverty.
Zero Child Labour	<ul style="list-style-type: none"> We respect and uphold internationally recognized human rights policies of non-compliance with forced or compulsory child labour and employment of persons under the age of fifteen by carefully inspecting national identification cards as a prerequisite for recruitment and oblige contractors to do the same prior to engaging any worker. Furthermore, we discourage farmers on our Outgrower Programme from making their children work on farms. As poverty is the main root cause of child labour, we aim at tackling the problem at its roots by safeguarding farmer income and helping to lift farmers out of poverty. We received zero complaints on child labour in 2021. Any complaint would be taken seriously. Through dialogue with the farmers and community member and direct training on the topic of child labour and sensitizing on the importance of education for their children.
Occupational Health and Safety Policy (OHS)	<ul style="list-style-type: none"> Due to the COVID-19 pandemic we had to adopt new safety measure for extra protection like providing masks, hand sanitizers, non-contact infrared thermometers and facilitate the availability of Vaccines for our Ugandan and Zambian employees as soon as vaccines were available. We uphold high hazard and risk standards as well as employee safety by conducting frequent safety induction programs for site workers before work at the farm to ensure continuous safety of all our visitors and employees. We maintain updated safety material data sheets and easily accessible for reference and inspection.
Respect of Human Rights	<ul style="list-style-type: none"> We champion for free choice of employment, the right to work, to just and favourable conditions of work and to protection against unemployment in accord 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"> We adopt a safe environment for all our employees free from discrimination on any ground and from harassment at work including sexual harassment. As well as provide a safe space for complaints of any kind of harassment or misconduct where no one will be victimized for making such a complaint. This complaint will be taken seriously and treated with respect and in confidence. We operate a zero-tolerance policy for any form of sexual harassment in the workplace and treat all incidents seriously and promptly. All allegations of sexual harassment brought forward are thoroughly investigated. Any person proven guilty will face disciplinary action, up to and including dismissal from employment. We received zero complaints on sexual harassment in 2022. Our team of trained personnel provides support, training, and sensitization to employees regarding workplace harassment, including sexual harassment.
Disciplinary Policy	<ul style="list-style-type: none"> Anyone found guilty of sexually harassment is liable to any of the following sanctions: <ul style="list-style-type: none"> - verbal or written warning - adverse performance evaluation - reduction in wages - transfer - demotion - suspension - dismissal We have a Disciplinary Code of Conduct that highlights the rules and regulations of the company and what consequences the employee will face when not abiding by them. Our disciplinary policy and procedure aim for the equal and fair treatment of all our employees

<p>Grievance Policy</p>	<ul style="list-style-type: none"> • 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. • All complaints will be taken seriously and dealt with without unreasonable delay. • No decisions will be taken until a reasonable investigation to establish the facts has been conducted. All employees have the right to raise a formal grievance should the informal process fail.
<p>Social Development and Sustainability</p>	<p>Amatheon Agri Uganda’s commitment to promoting sustainability:</p> <ul style="list-style-type: none"> • In January 2022, Uganda fully opened its economy for business and lifted the ban on social gathering due to COVID-19. We have currently resumed our engagement with the ECSC. The discussion taps around opportunities from community development projects implemented by the government, strategies to cope with challenges brought about by the tough economy and COVID-19 pandemic implications. • We had a partnership with the Anaka Hospital in Uganda, through which a team of nurses, doctors and laboratory technicians diagnosed and treated basic illnesses in the community during regular health outreach days. This partnership was also immensely affected by the ban of social gathering due to COVID-19. The Anaka health outreach program is currently still on hold. However, the health team from the hospital continues to deliver health care services to our farm clusters to treat the Amatheon staff and immediate neighboring communities. Amatheon Agri Uganda plans to resume the health outreach program in 2023. • Partnered with the Government and other Agricultural investors to rehabilitate 20km of community road. This was done as part of our CSR ongoing collaborative activities and commitment to promote socio-economic development in our area of operation. This community road connects the local communities to social services and markets. • Joined Nwoya Go Green Initiative (NWOGGI) to campaign against environmental degradation. The Nwoya Go Green Initiative has been created by Nwoya District Local Government to respond to the growing need to rejuvenate the Environment which has been grossly degraded in the district. In reponse to restore the environment, Amatheon Agri has planted 44 ha of fruit trees (cashew nuts and other tree species such as Grevillea robusta and Maesopsis eminii). In 2023, Amatheon intends to donate tree species to the surrounding communities to expand the forestation initiative. • We are piloting a chili out/in-grower program. The initiative was introduced in the first season of 2022. The program has been highly welcomed by the community and the goal is to expand by 2023. • We are discussing a possible partnership with Food for the Hungry (FH) for a collaborative development of a chili value chain in Northern Uganda. We would support selected smallholder farmers and farmer groups to adopt chili production, post-harvest handling and linking the farmers to markets to boost household income in the targeted communities. <p>Amatheon Agri Zambia’s commitment to promoting sustainability:</p> <ul style="list-style-type: none"> • 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. We aim to incrementally increase our Programme • In the season 2021/2022, together with ECOCERT we organically certified 200+ farmers and steadily encourage more farmers to adopt organic farming practices. • In the season 2021/2022, we trained 2,000+ farmers in the organic and conventional cultivation of a new crop, quinoa, Bird’s eye as well as cayenne chili and established a trading partnership with them in Zambia. • 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.

PILLAR 2: LABOUR STANDARDS

PRINCIPLE	IMPLEMENTATION
Promoting Equality and Diversity	<ul style="list-style-type: none"> We pledge to continue increasing the number of women and minorities at all levels of the company and encourage equal opportunities all. We Champion for diversity among Amatheon's employees by having a multicultural team in place and ensuring that decisions are made based on merit and aren't influenced by bias. We have adopted equality and diversity policies based on the biases like language use, individualized leave schedules, and free dress code allowances etc.
Occupational Health and Safety Policy (OHS)	<ul style="list-style-type: none"> We arrange for all employees to undergo proper induction, training on risk assessment of potential hazards and precautions required to minimize workplace 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 enforced a safety management mechanism which encompasses working behaviors and safe work practices that are expected from all Amatheon employees. We assess incident trends, review overall safety performances and ensure corrective action is taken whenever deficiencies are identified. We provide accident and medical insurance for temporary and permanent employees. Careless work and irresponsible behaviour like reporting to work under the influence of Alcohol or drugs, operating a machine without training are not tolerated as they directly affect the quality of health and safety in the workplace.
Zero Child Labour	<ul style="list-style-type: none"> As poverty is the main root cause of child labour, we focus on tackling the problem at its roots by safeguarding farmer income and helping to lift farmers out of poverty. We respect and uphold internationally recognized human rights policies of non-compliance with forced or compulsory child labour and employment of persons under the age of fifteen by carefully inspecting national identification cards as a prerequisite for recruitment and oblige contractors to do the same prior to engaging any worker. We discourage farmers in our Outgrower Programme from making their children work on fields. Dialogue with the farmers and community members, and direct training in Uganda and Zambia on the effects of child labour and sensitizing on the importance of education for their children.
Environmental Policy	<ul style="list-style-type: none"> We undertake continual improvement techniques to environmental performance, e.g., regular survey of our farm to monitor our energy and water efficiently and access the possibility to create measures towards increment or reduction where necessary. We adopted environmental policies which set the foundation and operational procedures for the protection of soil, ground and surface water, air quality, and the ecosystem in general as well as raise awareness, encourage participation of and train employees in Uganda and Zambia on environmental matters. We train and encourage farmers to apply organic and regenerative farming techniques that protect, enrich improve soil fertility, reduce pollution and waste. In the season 2021/2022, 200+ farmers were successful organically certified. Liaise with the local community by discouraging environmental depleting behavior like deforestation, train farmers in conservation farming methods through partnerships with the Conservation Farming Unit, DEG, USAID, Musika and World Vision.
Employee Representatives	<ul style="list-style-type: none"> We support the establishment and functioning of local organizations and trade unions. In Zambia, Amatheon's workers are part of a union and are organised with the Grain and Meat Workers Union of Zambia (GRAMUZ). We also 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 Accommodations	<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.



PILLAR 3: ENVIRONMENT

Our three Prime Principles:

1. PROMOTING ORGANIC FARMING TECHNIQUES

The global demand for organic products and the will to reduce the environmental footprint of agricultural operations 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 can have on the environment. As part of Amatheon's strategy, the company commits itself to the cumulative adaption of organic farming techniques, reducing the environmental impact of its operations by integrating renewable energy resources in its operations and value chain. In Uganda, large parts of Amatheon's operational land are successfully certified organic by the internationally recognized certification body CERES. In 2022, Amatheon Uganda has increased its certified land and in addition broadened its certified crop portfolio. Moreover, smallholder farmers that are part of our Outgrower Programme in Zambia 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 around Amatheon's farm. In 2022, more than 200 farmers were organically certified by ECOCERT SA and Amatheon is striving at increasing this number further.

2. ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT (ESIA)

A comprehensive evaluation of a Project's, prepared for greenfield developments or large expansions with specifically identified physical elements, aspects, and facilities that are likely to generate significant environmental or social impacts. The process of identification and the description of the environmental and social baseline are crucial for identifying potential impacts and defining mitigation or management measures actions as well as providing a complete synthetic overview of weaknesses and strengths of the project be it environmental, economic, or social perspectives. 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
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 2020.
Zero Environmental Incidents	<ul style="list-style-type: none">• We have formed an 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 constantly research on ways to improve the company's environmental footprint and performance.• We protect water sources with warning posts, pillars and signs.• We adopted an environment Incident Report Logbook system in Amatheon Uganda, where all the environmental incidents/accidents that occurred are recorded. This includes the specific incidents, date and time, as well as the location.• We undertake immediate safety measures to reduce the damage that may be caused to the environment.

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, minimize soil erosion and nutrient leaching and maintaining crop residues. • We rely on optimized and safe use of agro-inputs and conduct regular soil testing to ensure that nutrients are not completely depleted as well as craft means of improvement. • We observe appropriate land use and soil management to enhance soil organic matter and improved soil quality by increasing biomass production by increasing water availability for plants e.g., through irrigation with drippers or micro sprinklers; irrigation scheduling; monitoring of soil moisture or loss of water via evapotranspiration) that maximize water-use efficiency. • We train smallholder farmers on organic cultivation techniques on how to regenerate degraded soils and to improve ecosystem services. • We partner 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 a certified and accredited laboratory in Uganda. • We protect water sources downstream by maintaining a buffer zone (30 meters) from the small rivers and 100 meters from big rivers and lakes 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 advocate for a reduced use unnecessary plastic product and packaging on the farm and for the use of Eco-friendly design of packaging and products. • We practice effective waste management practices by observing the three R's (Reuse, reduce and recycle). These cut down on the amount of waste we dispose. • 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. • We have developed an innovative approach to breaking the curve that can support cost savings, efficiency gains and enable an exponential growth without increasing energy consumption, e.g., by using solar as a parallel source of energy.

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. • All Amatheon Business and financial records must be transparent, fair, and accurately reflect the development of the company and its assets. Secret, unrecorded, or unreported transactions are prohibited. • We encourage staff to take e-learning classes and share specific examples in our policy to establish a clear understanding of the subject. • Distributors, suppliers, agents, consultants and other third parties working for/ with us who are found in violation of our policy will be subject to termination of the business relationship as well as any other legal and remedial actions available to the Group under applicable law. • We have harsh consequences in place that ensure that any employee found in violation of this policy will be subject to disciplinary action.
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.





COMMUNICATION ON PROGRESS 2022

UNITED NATIONS
GLOBAL COMPACT



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Growing value.