

FIDUGA Ltd

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS

2012

UNITED NATIONS GLOBAL COMPACT PRINCIPLES	COMPANY POLICY, DESCRIPTION OF OUR SYSTEMS, ACTIONS IMPLEMENTED, MEASURABLE OUTCOMES AND HOW WE INTEND TO MAKE THIS COP AVAILABLE TO OUR STAKEHOLDERS.
MANAGEMENT STATEMENT SUPPORT OF	<p>Fiduga Ltd continues to be proactive in promoting the core values of the UN Global Compact. This report speaks to our commitment to the principles of the United Nations Global Compact, (UNGC); a commitment that we are proud of and a responsibility that we value as much as we value our employees, customers, partners and our business.</p> <p>Despite the challenging business environment in 2012 we are pleased that we were able to make good progress in adhering to the UNGC principles, some of which have been showcased in this report. We actively continue to fully endorse the ten principles by which we perform all of our activities.</p> <p>With this communication on progress, we unquestionably will continue to support and promote the highest standards in Human Rights, Labour Laws and Anti-Corruption throughout our business activities. We are committed to striving for completely environmentally friendly methodologies and consider the impact to the environment, during all our activities, must be reduced as a matter of the highest priority.</p> <p>As a company all our employees and contractors are obliged to carry out operations in consideration of others and conduct all aspects of our operations in the most environmentally friendly manner.</p> <p>We conduct our business safeguarding individuals rights at all times, while carrying out activities free from corruption, at all levels, and we are committed to challenging organizations where corruption may be present.</p>

	<p>Kind regard,</p> <p>Jacques Schrier</p> <p>Managing Director</p>
<p>PRINCIPLE 1</p> <p>BUSINESS SHOULD</p> <p>SUPPORT AND</p> <p>RESPECT THE</p> <p>PROTECTION OF</p> <p>INTERNATIONALLY</p> <p>PROCLAIMED</p> <p>HUMAN RIGHTS.</p>	<p>Our Policy</p> <p>Fiduga Ltd is committed to the respect and promotion of Human Rights towards employees, contractors and communities within the area of our influence.</p> <p>Our policy is based on:</p> <ul style="list-style-type: none"> • The National law • The Universal Declaration of Human Rights and the basic Conventions of the International Labor Organization • The UN Guiding Principles on Business and Human Rights and, • The UN Global Compact. <p>The company is aware of the State’s responsibility to respect, guarantee, and protect the human rights of all the people in Uganda; the company’s responsibility to respect and promote them, and believes that the fulfillment of these rights is possible by the joint action between society, companies, and institutions.</p> <p>We believe that the full respect of human rights and democracy are the best context to develop our operation, and that our commitment to human rights results from our Ethical principles more than from our legal obligations; we understand that implementing these principles adds value and competitiveness to the company.</p> <p>We therefore commit to:</p> <ul style="list-style-type: none"> • Respect the customs and traditions of the indigenous communities and to tend to the proper engagement with them; • Seek the coherence between Fiduga’s policies, plans, and departments and this policy; • Develop a respectful, transparent, and constructive dialogue with all interested

groups;

- Implement a management system for this policy that commits all the levels of the company, develops and applies indicators, allows follow-up, continuous improvement and public disclosure on its implementation;
- Respond, register, and investigate, in a transparent, efficient, and timely way, the complaints related to the impacts of our operation and through participatory dialogue look for the solution and implementation of proper compensations whenever it's required.

A brief description of our System

We support the Universal Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and this has been an important part of our commitment to our workplace rights policy since 2010. Our commitment entails that we work consistently to improve our Human Rights by embedding it as an integral part of the company's culture, strategy and day-to-day operations. We conduct assessments of our operations to ensure adherence to our Human Rights Policy and have a goal of achieving 98% compliance by 2015. Everybody whose work contribute to our success has access to the company's comprehensive complaints and redress procedures intended to capture, analyze and investigate compliance, beginning with informal discussions with supervisor to formal interviews and hearings with open access to the highest levels of management within the company including the Managing Director. Should the matter not be resolved to an individual's satisfaction, employees retain the right to request a redress of the matter at each stage. Our Human Right policy allows Employees to retain the right to lodge the matter with the Union representative dealing with employee arbitration and reconciliation. This policy enables our employees to take control of their lives and exercise their right to a life of dignity.

Activities implemented in the year 2012.

- Developed policies and procedures that are suitable and sufficient to meet the

needs of our employees.

- Conducted workshops on human rights and other ethical aspects of our business activities.
- Conducted assessments of our business activities to ensure adherence to our Human Rights Policy.
- Ensured that the Company's Human Rights Policy applies to all employees, holds a majority interest and has management responsibility.

Measurable Outcomes.

- Functional Human Resources Manual that provides for policies and procedures that are suitable and sufficient to meet the needs of our employees.
- 2 workshops conducted for Manager on Human Rights and other ethical aspects of our business activities.
- 90% adherence to Human Rights Policy.
- Made the Human rights policy a majority interest with Management responsibility.

Target for 2013.

- Plan to Conduct 2 workshops on Human Rights for our staff and a Sensitization campaign in our neighborhood.

PRINCIPLE 2
BUSINESSES SHOULD
MAKE SURE THEY
ARE NOT IN
COMPLICIT IN
HUMAN RIGHTS
ABUSES.

Our Policy

Fiduga Ltd is committed to upholding fundamental principles of International Human and Workplace Rights at all levels of our business activities.

We are committed to:

- Respecting work place rights and formalizing our Human Rights policy to ensure that we do not associate with private or public organization where actions in respect of Human Rights are questionable.

A brief description of our System

The company insists that all external contractors and suppliers act in accordance with a number of minimum requirements. The need for this compliance is due to the fact that a number of suppliers fail to comply with, key ILO conventions governing labour standards. We see it as our responsibility to constantly monitor our contractors to ensure they comply with International Human Rights in the performance of their activities. Where non-compliance is identified, no order is placed with that company and it is removed from our approved sub-contractors list, and an alternative compliant source found and commissioned.

Activities implemented in 2012

- Reviewed our Human Rights policy to ensure they are fit for purpose.
- Expanded our list compliant contractor database from 13 to 15.

Measurable Outcomes

- Communicated our Human Rights policy review in writing to all member companies on our approved list of sub-contractors.
- Identified 2 other compliant contractors to work with.

Target for 2013

- Carry out quarterly monitoring of our contractors to ensure comply with, key ILO conventions governing labour standards.

PRINCIPLE 3

**BUSINESS SHOULD
UPHOLD THE
FREEDOM OF
ASSOCIATION AND
THE EFFECTIVE
RECOGNITION OF
THE RIGHT TO
COLLECTIVE
BARGAINING.**

Our Policy

Fiduga Ltd continues to be entirely committed to promotion of employee's freedom of association and collective bargaining. We respect our employees' right to join, form or not to join a labor union without fear of reprisal, intimidation or harassment. Where employees are represented by a legally recognized union for the protection of individual and collective interests.

We are committed to:

- Establishing a constructive dialogue with the freely chosen workers representatives.
- Bargaining in good faith with Workers Representatives.

A brief description of our Systems

Our policy recognizes the workers' rights to unionize in accordance with the Uganda Constitution, ILO standards and the existing legislation.

We discourage such practices as;

- Interference with the rights of workers to enroll or continue as Union members;
- Discrimination, restraint or coercion against any worker because of race, creed,
- Gender, HIV/AIDS status, disability and or activity of trade unions;
- Victimization of any worker and abuse of authority in any form;
- Use of abusive or contemptuous language
- Sexual harassment and other bad practices

Activities implemented in 2012.

- Held 2 Collective Bargaining meetings with trade unions representatives.
- Trained employees on employment and labour relation.
- Sensitized employees on their right to form and join worker representative trade union of their own choice and freely associate.
- Organized elections for employee representatives to be elected by employees.
- Allowed trade unions to operate at "the entity" and to visit the workplace freely, and not interfere with the activities of the workers' associations.

Measurable Outcomes

- Signed a Collective Bargaining Agreement between Management and Union Representatives.
- Held 2 staff trainings on employment and labour related issues

**PRINCIPLE 4
BUSINESS SHOULD
SUPPORT THE
ELIMINATION OF ALL
FORMS OF FORCED
AND COMPULSORY
LABOUR.**

- Increment of staff salaries by 5%
- Trained 56 lower staff in labour related issues
- Facilitated election for union representatives
- An operational Union in place with an office

Targets for 2013

- Increasing support to trade union by providing more furniture and stationery to the Union Office.

Our Policy

Our policy of supporting the elimination of all forms of forced and compulsory labour is clearly spelt out in our Human Resources Manual. The policy prohibits the use of all forms of forced labor, including prison labor, indentured labor, bonded labour, military labour and any form of human trafficking. We do not work with any organization, individual or contractor that employs or condones forced labour.

A brief description of our System

All employees are contracted to work set hours at an agreed rate of pay and may terminate their Employment Contract if they so wish. They are remunerated for excess hours worked in respect of normal working days and in respect of gazzetted public holidays in absence of a written agreement. Therefore, Fiduga Ltd is fully committed to eliminating all forms of forced or compulsory labour.

Activities implemented in 2012.

- Renewed and signed new contracts with old and new employees respectively.
- Reviewed procedures as well as employment contracts and Job descriptions before issue, to ensure compliance with National Employment Law and other laws.
- Granted expectant mothers and nursing mothers their leave days during which they receive a hundred percent of their pay.
- Granted paternity leaves fathers.
- Reviewed salary review and awarded bonuses to all full – time employees

	<p>Measurable Outcomes</p> <ul style="list-style-type: none"> • 90% of contracts signed by employees were renewed. • 12 Expectant or Nursing Mother were granted maternity leave days. • 6 fathers were given paternity leave days . • Signed salary increment and end of year performance bonus letters for full time employees.
<p>PRINCIPLE 5 BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR.</p>	<p>Our Policy</p> <p>Our policy does not allow any child and under age to be employed at Fiduga Ltd. Generally the employment age is at least Eighteen years according to company policy.</p> <p>To eliminate child labour , we commit our selves to;</p> <ul style="list-style-type: none"> • The company policy minimum age of recruitment this is 18 years and also applicable to our contractors. • Checking Birth Certificates at the time of recruitment for age verification. • Filing the Employee “Workman Service Record” from which age can be verified. <p>A brief description of our Processes or Systems</p> <p>Due to the nature of our business, no individual under the age of 18 years is contracted by us in any capacity whatsoever. This ensures young workers are not abused. We do not support, encourage or endorse any form of child labor in any of our business activities or in our contractor and supplier network. We have incorporated rules against child labor into our contractor and supplier guiding principles and all business agreements with our contractors and suppliers require compliance with the international child labor laws. During interviews candidates are requested by the interview panel to present birth certificates and in case of doubt photo copies are filled for reference purposes.</p> <p>Activities implemented in 2012</p> <ul style="list-style-type: none"> • Monitored contractors to ensure they are compliant with current National and international Labour Laws relating to child labour.

- Reviewed our procedures relating to employment contracts prior to issue, to ensure they are compliant with the National and International Law.
- Ensured that all elements of child labor policy are managed as integral part of our business and planning. This has included ensuring that estimates of the costs of present and expected actions are included in the preparation of investment plans, risk reviews and annual accounts.
- Maintained a management system that aims to integrate child labour issues into its decision-making and risks review processes.
- Developed procedures and guidelines to facilitate policy implementation and empower management to ensure policy aims are met.
- Developed procedures for responding to cases in which the policy has not been followed or has been breached.

Measurable Outcomes

- A number of policies were reviewed relating to employment contracts prior to issue.
- 2 meetings held to discuss the child labour policy.
- Policy statements for implementation child labour policy were published and distributed to various departments heads and supervisors.
- **Target for 2013**
 - Conducting regular audits to evaluate compliance with and the effectiveness of the child labour policy.

PRINCIPLE 6

**BUSINESS SHOULD
SUPPORT THE
ELIMINATION OF
DISCRIMINATION IN
RESPECT OF
EMPLOYMENT AND
OCCUPATION.**

Our Policy

The company fully supports the elimination of discrimination in respect of employment and occupation, and has a zero tolerance policy.

We further commit to:

- Establishing a trusting, safe work environment free from discrimination and harassment.
- Protecting all employees from harassment and discrimination.
- Responding immediately to complaints.
- Disciplining those employees found guilty of violating this policy.

A brief description of our Systems

The company operates under National and International Law. We are dedicated to maintaining workplaces that are free from discrimination or physical or verbal harassment on the basis of race, sex, color, national or social origin, religion, age, disability, sexual orientation, political opinion or any other status protected by applicable law. The basis for recruitment, hiring, placement, training, compensation and advancement at the Company is qualifications, performance, skills and experience. More than one person has always been involved in the selection procedure.

Activities implemented in 2012

- Sensitized the staff about the relevance of this policy and the business implications of not adhering to it.
- Advertised simultaneously internally and externally to ensure that knowledge of existing vacancies reach the targeted groups of employees.
- Posted appropriate short statements on equal opportunity on company notice boards.
- Trained all supervisors and managers involved in the selection procedure in equal opportunities.

- Developed and implemented a grievance and disciplinary procedures to be applied to all equally.

Measurable Outcomes

- Supervisors and Team leaders sensitized on effects of discrimination at workplace and on productivity.
- 98% of employees adhering to the policy of non discrimination.
- 98% of employees taken on merit.
- 49% of women and 51%men on the payroll record.
- 100% of grievances handled without any for of discrimination.
- 9 Managers trained on selection procedures regarding equal opportunity employment.

Targets for 2013

- Plan to put in place new work place diversity initiatives in response to employee demands, as a measure to strengthen our workforce

**PRINCIPLE 7
BUSINESS SHOULD
SUPPORT A
PRECAUTIONARY
APPROACH TO
ENVIRONMENTAL
CHALLENGES**

Our Policy

The company is fully committed to supporting a precautionary approach to environmental challenges. In addition to we ensure that health, safety and the welfare of its employees, clients and those who are exposed to its activities.

In addition, we commit to:

- Make environmental concerns an integral part of our planning and decision making process and commit sufficient resources to implement effective environmental and sustainability programs.
- Educate employees to be accountable for environmental stewardship and encourage them to seek innovative ways to improve the environmental aspects of our operations.
- Avoid, minimize and mitigate any adverse environmental impacts caused by our operations where possible.
- Promote the efficient use of energy and natural resources through cost-effective conservation and energy management programs.
- Ensure the proper handling and disposal of all wastes, and minimize their creation while pursuing opportunities to prevent pollution and recycle and reuse waste materials.

A brief description of our Systems

Investment in capital areas of energy efficiency, water efficiency and waste management. Our water efficiency plan aims at reducing water wastage during all our operations. The waste management plan is designed in such a way that it takes consideration of time or type of wastage, mode of disposal, place of disposal and ways to minimize wastage. Health, safety and the well being of its employees is the cornerstone on which all procedures are designed and executed. We are absolutely committed to ensuring that there is sustainability of environmental and ecological

protection, in all our activities.

Activities Implemented 2012

- Trained staff in safe use and handling of pesticides has been provided to sprayers and stores employees.
- Trees have been planted.
- The company has hired environmental assessment consult Uganda to conduct an environmental audit and it is awaiting recommendations.
- Lagoons in place and well maintained to filter chemicals before penetration to the nearby swamp occurs.
- Established structures in place and maintained them to dispose off waste.
- Adherence to ISO 9001:2008 waste management procedures.

Measurable Outcomes

- 43 Crop protection and 3 Stores departmental staff trained in safe use and handling of pesticides.
- Planted 2000 trees around the farm
- 2 environmental audits conducted by Environment Consult Uganda.
- Established and maintained structures for disposing off of waste.
- Certification for ISO 9001:2008 and MPS- GAP by external auditor.

Target FOR 2013

- Continued adherence to ISO 9001:2008 waste management procedures.

<p>PRINCIPLE 8 BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY.</p>	<p>Our Policy</p> <p>Fiduga Ltd Environmental Policy regards the protection of the environmental of paramount importance, coming second only to safety. It is our company policy to conduct an Environmental Impact assessment for all activities and we do not conduct any activity where the risk is perceived to be significant in causing environmental damage.</p> <p>We always employ suitable mitigation measures to reduce any risk to the environment to an acceptable level, in all our activities.</p> <p>A brief description of our System</p> <p>Environmental Impact assessments are conducted for all activities. All risks are assessed and include (but are not limited to) the following common risks: Top soil damage, Vegetation damage – protected and non-protected species, Spills of materials, Dust and Flora or Fauna requiring avoidance, isolation or special handling.</p> <p>Activities implemented in 2012</p> <ul style="list-style-type: none"> • Fiduga Ltd has renewed its ISO 9001:2008 accreditation and continues to comply with all International Environmental requirements. • We have engaged employees, contractors and suppliers to reduce waste. • We have planted trees around the farm in response to the global call to reduce CO2 in the environment. • Initiating paperless meetings. <p>Outcomes</p> <ul style="list-style-type: none"> • Externally audited all our systems and procedures and awarded ISO 9001:2008 certificates. • Come up with a list of 15 compliant companies to cooperate with in reducing wastage of paper. • Planted 2000 trees around the farm • 75% reduction on paper use during meetings. <p>Target for 2013</p> <ul style="list-style-type: none"> • More 6000 trees to be planted at the farm in 2013 in response to the global call to reduce CO2 in the environment.
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**PRINCIPLE 9
BUSINESS SHOULD
ENCOURAGE THE
DEVELOPMENT AND
DIFFUSION OF
ENVIRONMENTALLY
FRIENDLY
TECHNOLOGIES**

Our Policy

Fiduga Ltd's environment policy supports a precautionary approach to environmental challenges. Besides, we are constantly working with other corporate bodies to ensure that we work with the latest technologies, utilizing the most environmentally friendly systems in the world. We are totally committed to friendly technologies and confirm our goal of achieving zero adverse environmental impact in all of our activities.

A brief description of our System

As a production site, we consider the protection of environment a responsibility of everyone engaged in, or associated with our activities. The environment is one of our primary concerns and its importance is promoted at every level within the company. Company briefings, training and reports are seen as the major tool by which we maintain the high levels of environmental awareness within Fiduga Ltd.

We ensure safe and proper management of hazardous materials and waste, including their handling, disposal, and storage as well as ensuring compliance with company and legal requirements pertaining to the management of hazardous waste.

Activities implemented in 2012.

- Conducting independent soil risk analysis every after three months
- Using mechanical treatment, cultivation techniques and pre-planting interval to counter soil erosion.
- Integrating the Integrated Pest Management IPM System (IPMS) in our production system.
- Implementing a cultivation plan and fertilizing program which satisfies the requirements of MPS GAP.
- Developing and following a water management plan.

Measurable Outcomes

- Quarterly soil analysis report.
- Controlled soil erosion.
- Met the Certification requirements for internal and external audits for the

MPS- Gap and ISO.

- Reduced water wastage by 99%.

Targets for 2013

Continued implementation of a cultivation plan and fertilizing program which satisfies the requirements of MPS GAP.

PRINCIPLE 10

**BUSINESS SHOULD
WORK AGAINST
CORRUPTION IN ALL
ITS FORMS,
INCLUDING
EXTORTION AND
BRIBERY**

Our Policy

The Company is committed to conducting its business with honesty and integrity and in compliance with the laws of all the country where we are located. This Policy applies, to and in accordance with any applicable local law or legal requirement, to all Managers Supervisors and all those who contribute to our company success.

Our Code of Business Conduct applies to all consultants and independent contractor acting on behalf of the Company.

- Company Personnel shall not permit any use of the funds or other assets of the Company for any unlawful or improper purpose.
- Company Personnel shall not make, or authorize anyone to make on behalf of the Company, any payments or gifts or offers or promises to pay money or give anything of value to or for the benefit of any person, including any “Public Official”, that is or may appear to be related to obtaining or retaining business with any person, directing business to any person, obtaining any other advantage in the conduct of business, or inducing or rewarding the “improper” performance by any person of any function or activity or consent to, or connive in, any of the above.

The books and records of the Company must reflect, accurately and fairly, the transactions of the Company and dispositions of its assets.

A brief description of our Systems.

Since 2010, our efforts to tackle corruption have helped the company to institute efficient and transparent mechanisms for handling company finances and control procurement fraud. Our procurement policy, aims at achieving a balance in terms of economic, ecological and social aspects, which include human rights.

Our employees are regularly informed about the issues of anti-corruption and fraud in work instructions and presentations.

Activities implemented in 2012.

- Conducted 1 workshop on Leadership and Anti-Bribery for Managers.
- Monitored the number of corruption incidents in the year.

**HOW WE INTEND TO
MAKE THIS COP
AVAILABLE TO OUR
STAKEHOLDERS.**

- Monitored all procurement systems.
- We have put in place an investigation and reporting procedure, which provides a clear definition of a financial crime.

Measurable Results

- 9 Managers were trained on Leadership and Anti-Bribery related issue
- 100% incidents free record of corruption in 2012
- All procurement procedures are recorded and filled.
- Internally and externally audited all our systems and procedures.
- 100% compliance policy encompassing, numerous reporting, monitoring and certification.

Target for 2013

- We shall conduct internal and external procurement audits for all our systems and procedures in the procurement department.

It is our cardinal aim to make this Communication on Progress available to all of our stakeholders through the UN Global Compact and our website. We urge our stakeholders to visit the sites and support Fiduga Ltd goals. Additionally the 10 principles guiding this Communication on Progress were included in our second edition of our Company News Letter for the year 2012.

All our employees have been provided with details of the Company's Communication on Progress (COP) in their departmental meetings and Company's induction briefings.