



Corporate Sustainability Report 2013



Acronyms

FL: Fiduga Limited

UNGC: United Nations Global Compact

ISO: International Organisation for standardization

ILO: International Labour Organisation

ICT: Information Communication and Technology

CSR: Corporate Social Responsibility

OSH: Occupational Safety and Health

SOPs: Standard Operating Procedures

MPSQ: Milliem Programma Sierteelt- Socially Qualified

MPS-GAP: Milliem Programma Sierteelt-Good Agricultural Practices



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Introduction

Fiduga Limited is among the DNA Green Group production locations situated in Uganda. Founded in 1998, the company employs over 520 workers with its main focus on the production and exportation of exclusive and environmentally friendly cuttings that qualify for international markets.

Fiduga is ISO 9001:2008, MPS –GAP and MPS-SQ- Certified.

Our **corporate statements** are as follows:

Vision: Produce quality products through continuous improvement and enriching lives of our staff and community.

Our DNA:

Through life skill development we empower our staff to produce competitive products, institute best industry practices, touching lives of people in our community and build a sustainable business.

Core Values:

1. Respect and Equity: We esteem and treat everyone equally.
2. Passionate: We are committed to what we do.
3. Integrity: Truthfulness defines our DNA.
4. Compassion: We care for the world around us.
5. Creativity: There is always a better way.
6. Diversity: We are as diverse as our varieties.



Statement from the Managing Director

In 2013, Fiduga Ltd continued to be proactive in corporate sustainability and made excellent progress towards the achievement of our sustainability targets.

Both domestically and globally, Fiduga Ltd is quietly earning respect and recognition for the integrity and depth of its corporate sustainability programs, and through our close association with global organisations such as The Consumer Goods Forum and the United Nations Global Compact Network, we are at the fore front of debate and central to the positive change taking place in critical areas such as ethical sourcing.

Our parent company Fides (Netherlands) merged with Dummen (Germany) to form the DNA Green Group. Working collaboratively with the DNA Green Group, Fiduga Ltd is actively ensuring that our stakeholder's interests are represented and paving a way for other individuals and companies that have direct or indirect role in the FL operations to follow and adopt more sustainable working practices.

We had 19 hectares in full production, with strength of 520 staff; 56% of whom are women; annual production volumes of cuttings in excess of 540 million cuttings; 93% of which were exported. We are a diverse and complex organization touching lives of people in our community.

Overall, we invested USD1.9 Million in our strategic impact zones as follows: **Employee** (338,000, 18%), **Product** (386,000, 21%), **Process** (144,000, 8%) and **Community** (990,000, 53%). Through our continuous improvement process, we were able to make good progress in adhering to the UNGC principles, some of which have been showcased in this report.

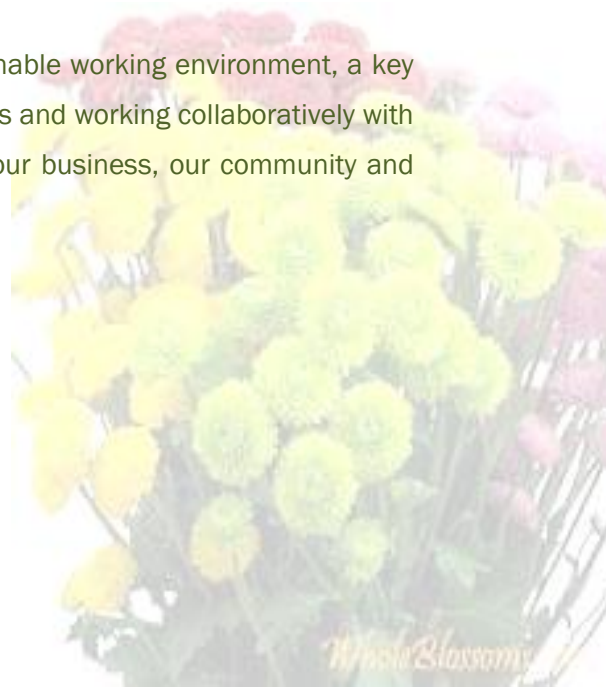
In light of our sustainable development obligations under the UNGC, we invested USD1.9million as follows: **Human rights** (100 000, 5%), **Labour standards** (96 000, 5%), **Environment** (276 000, 15%) and **Corporate integrity** (1.4million, 75%).

Therefore, we are moving fast towards creating a long term sustainable working environment, a key element for our future success. By listening closely to our customers and working collaboratively with our stakeholders, we will continue to drive a positive change for our business, our community and our society.

Kind regards,

Jacques Schrier

Managing Director



Social Reporting: Sustainable Development Priorities

Stakeholder Expectations

Understanding our stakeholders and what is important to them.

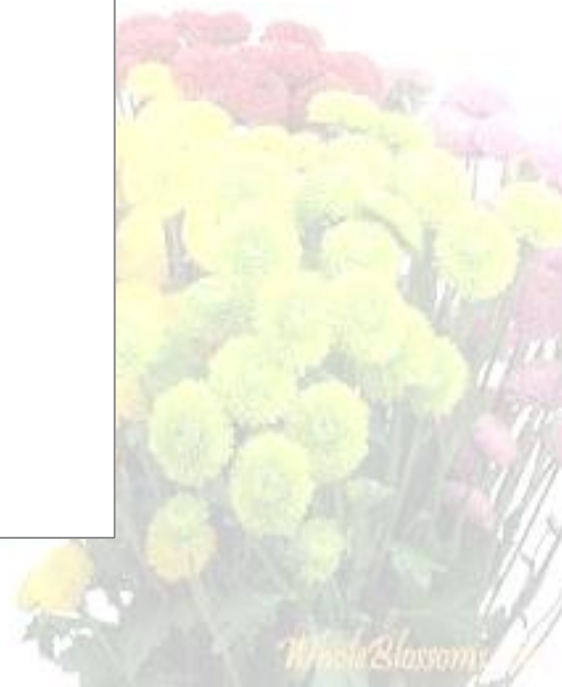
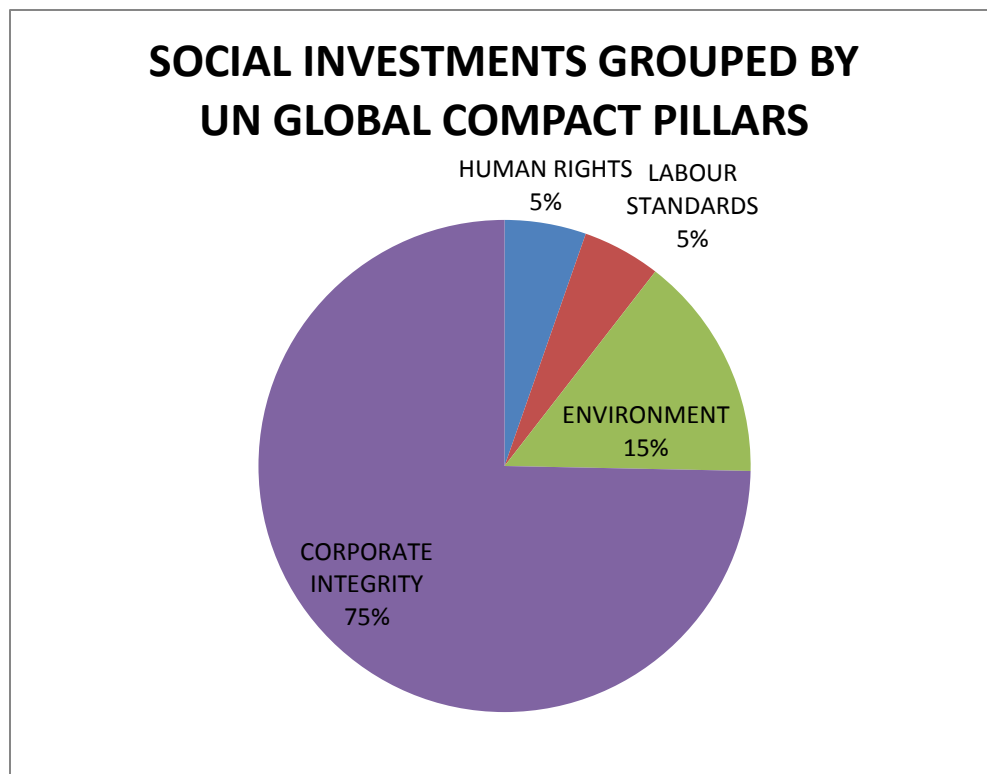
Stakeholder	Their Expectations	Fiduga's Expectations
Staff	Remuneration, Welfare	Performance, Creativity and Loyalty
Shareholders	ROI, Business stability and CSR	Resources and Continuity
Customer	Quality products, Competitive pricing and reliable supplies	Constructive feed back, Long term relationship and contractual fulfillment obligation
Supplier	Constructive feed back, Long term relationship and contractual fulfillment obligation	Quality products, Competitive pricing, reliable supplies and compliance to all applicable laws
Community	Assistance and compliance to local laws	Involvement and participation of community members is encouraged
Government	Compliance to applicable laws and provision of employment	Fair trade practices, Conducive political environment and Good infrastructure
Umbrella Organizations	Involvement and compliance	Fair and beneficial representation
Financial Institutions	Long term relationship and contractual fulfillment obligations	Quality products, Competitive pricing and reliable supplies
Union	Good governance	Good industrial relations

10 Principles of UN Global Compact:

Below is an index of our reporting against the UN Global Compact Principles with in the context of this 2013 sustainability report.

In light of our sustainable development obligations under the UNGC, we invested USD1.9million as follows: Human rights (100 000, 5%), Labour standards (96 000, 5%), Environment (276 000, 15%) and Corporate integrity (1.4million, 75%) as expressed in the table and chart below:

4 UNGC PILLARS	Investment (USD)	%
HUMAN RIGHTS:	99,524.11	5.4
LABOUR STANDARDS:	95,525.38	5.1
ENVIRONMENT	275,542.46	14.8
CORPORATE INTEGRITY	1,387,736.45	74.7
GRAND TOTAL:	1,858,328.40	100.0

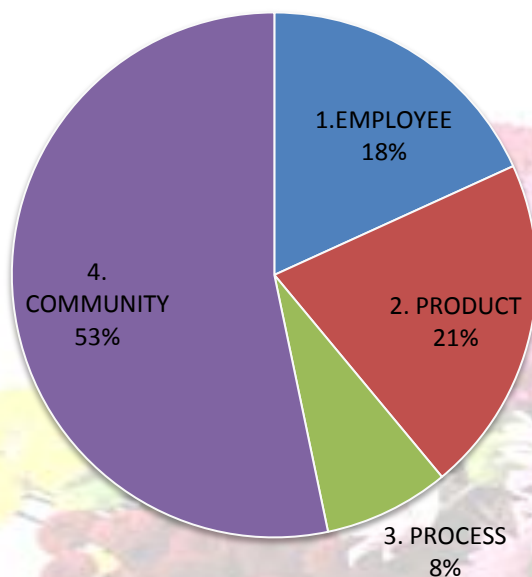


Corporate Issues in Fiduga Ltd Strategic Plan 2013-16

In 2013, we invested USD1.9Million in our impact zones as follows: **Employee** (338,000, 18%), **Product** (386,000, 21%), **Process** (144,000, 8%) and **Community** (990,000, 53%). These corporate issues are extracted from the company Strategic Plan 2013-2016. As Fiduga seeks to consolidate her market leadership position, she is investing in transforming systems into an analytical competitor in the region with social analytics as follows:

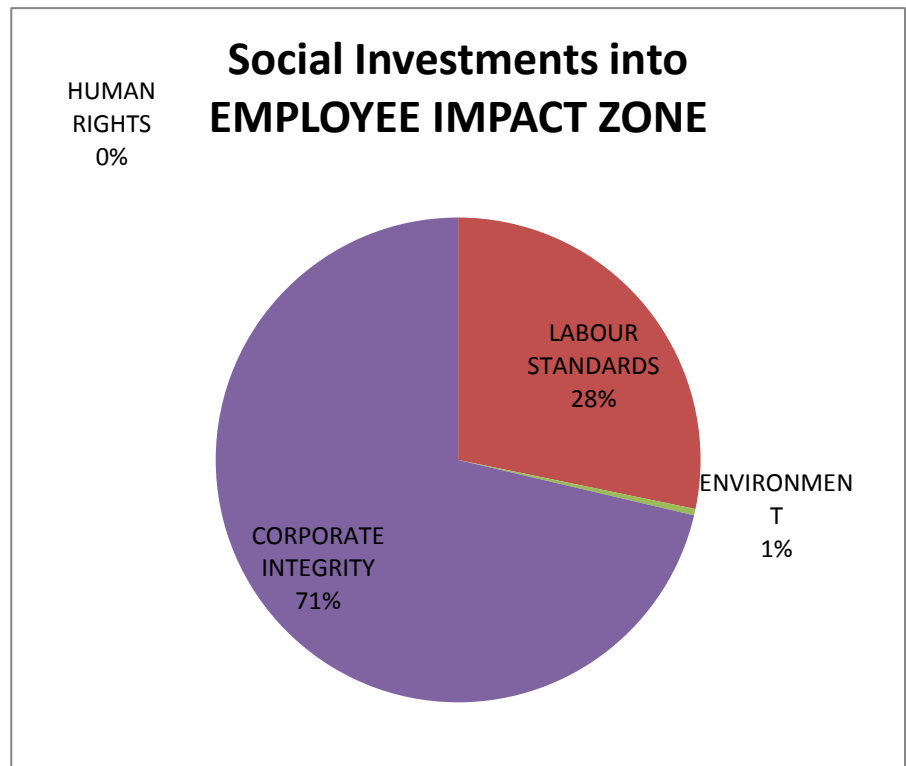
UNGC Pillars/ Issues	1.EMPLOYEE	2. PRODUCT	3. PROCESS	4. COMMUNITY
1. Human Rights	-	-	-	99,524
2. Labour Standards	95,525	-	-	-
3. Environment	1,440	148,030	125,913	-
4. Corporate Integrity	241,200	-	18,000	890,536
GRAND TOTAL:	338,165	148,030	143,913	990,061

Social Investments aggregated by FIDUGA CORPORATE ISSUES



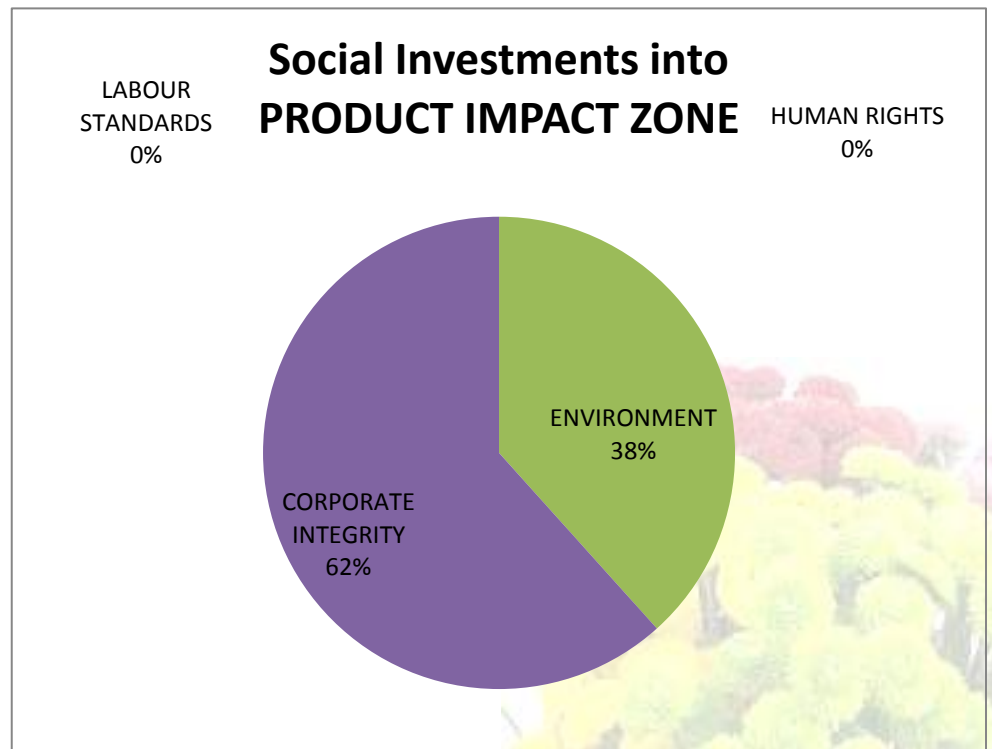
Employee

This corporate issue arose from the need to increase workplace productivity and employee satisfaction. We invested USD338,000 (18%). The employees are the competitive advantage that Fiduga has over its competitors.



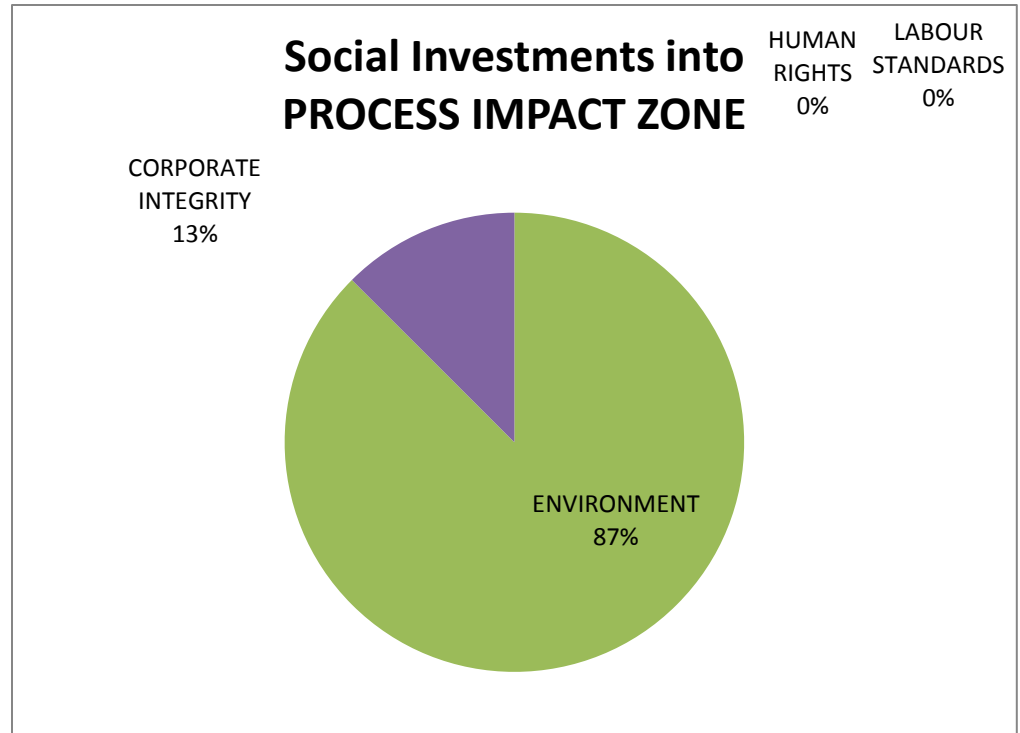
Product

As a farming business with very stringent quality needs from clients, Fiduga has sought to continuously improve the quality of its product. Herein, we invested USD386, 000 (21%).



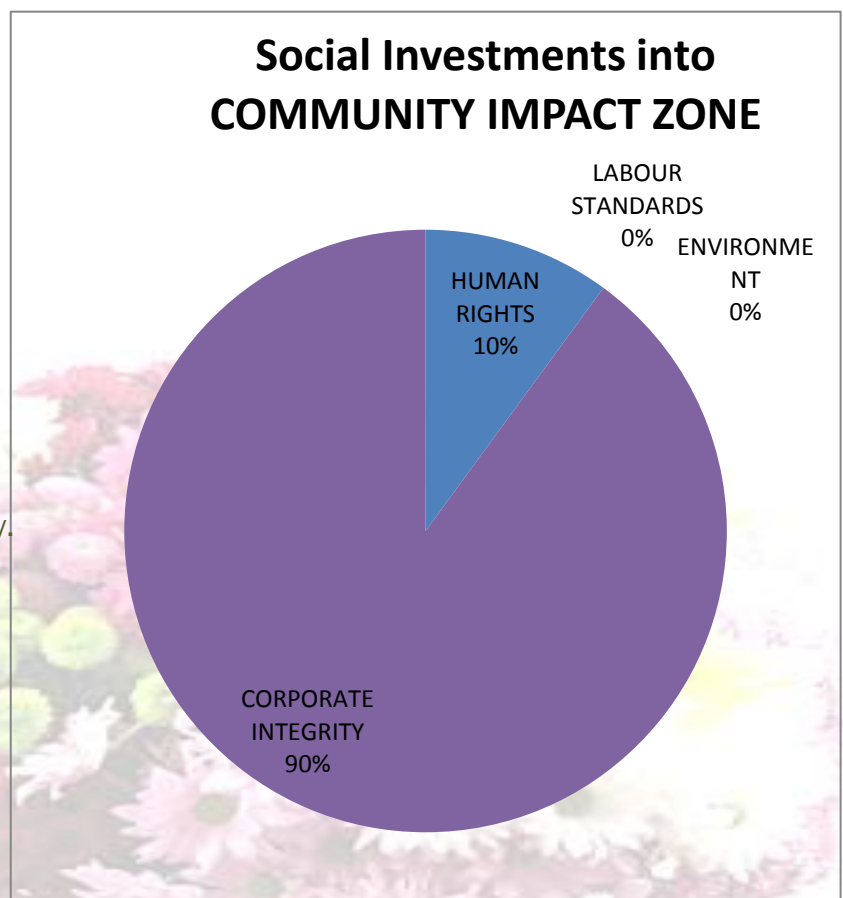
Process

Owing to the meticulous process of producing and handling the cuttings for export, Fiduga has invested USD144, 000 (8%) in process and systems as a way of guaranting our project sustainability.



Community

As a good corporate citizen, ensuring compliance to applicable national and international certifications is very key in securing a good corporate image. We have invested USD990, 000 (53%) in the community.



Strategic Linkages to Sustainability Priorities at Fiduga Ltd.

Below are strategic linkages between Fiduga Ltd corporate issues (Personnel, Product, Process and Community) and the United Nations Global Compact Sustainability Development Priorities Human Rights, Labour, Environment and Anti -Corruption on our road to becoming a Sustainability Leadership Company.

Corporate Issues	Sustainability Priorities for 2016 linked to UNGC Initiatives
1.PERSONNEL (Employee)	Staff Development Join the Child Labour Platform Promote Child Rights and Business Principles (CRBP) Supporting Social Entrepreneurship through the employee SACCO
2. PRODUCT	Maintain top quality leadership in the Chrysanthemum production Continuous improvement in product quality
3. PROCESS	Achieve 100% compliance with International Standards. Graduate into a Global Compact LEAD Company Participate and signup for CEO Water Mandate
4.PEOPLE (Community)	Promote Principles of Responsible Investment (PRI) Promote Principles of Social Investment (PSI) Promote Principles of Responsible Management Education (PRME). Participate in the Supply Chain Sustainability Initiative.



soil levels in the green houses, receiving and providing timely responses to our customer complaints and improved on packaging.

3. PROCESS:

Project Sustainability: We are certified by ISO 9001:2008 and MPS-GAP and this has enabled us to achieve a structured quality management system. Thus reviewed and consolidated different processes, Created a process of ownership, Developed Standard Operating Procedures (SOPs), Aligned all our internal processes towards business goals and proactively utilised the company data and information base and resolved to quantified all savings in monetary and non monetary.

4. PEOPLE (Community):

Right to Health (Under WHO): We promoted the right to Health by organising one community Health Fair reaching out to 456 clients in the surrounding communities with VCT (Voluntary, Counselling and Testing); family planning services (in partnership with PACE Uganda) and Cervical cancer screening; with blood donation (Uganda Blood Transfusion Service); Distributed 150 condoms; and provided a health product subsidy for mosquito nets.

Right to Education (Under UNESCO) : We have provided financial support in an effort to support the right to education in form of school fees sponsorships ,scholastic requirements , school building materials, salaries for 2 teachers who could not access government pay roll in one of the community schools we are supporting.

Right to Clean Water: We serviced 1 borehole and 12 shallow wells serving atleast 5000 people in 6 Villages of Sekiwunga ,Nakirebe-Kataba Zone, Kagaba-Nabwojjo ,Galatiya ,Nsujjimpolwe –Katoma and Kololo –Kyeyitabya Vilages surrounding the farm.



Social Investments into Human Rights aggregated by Corporate issues

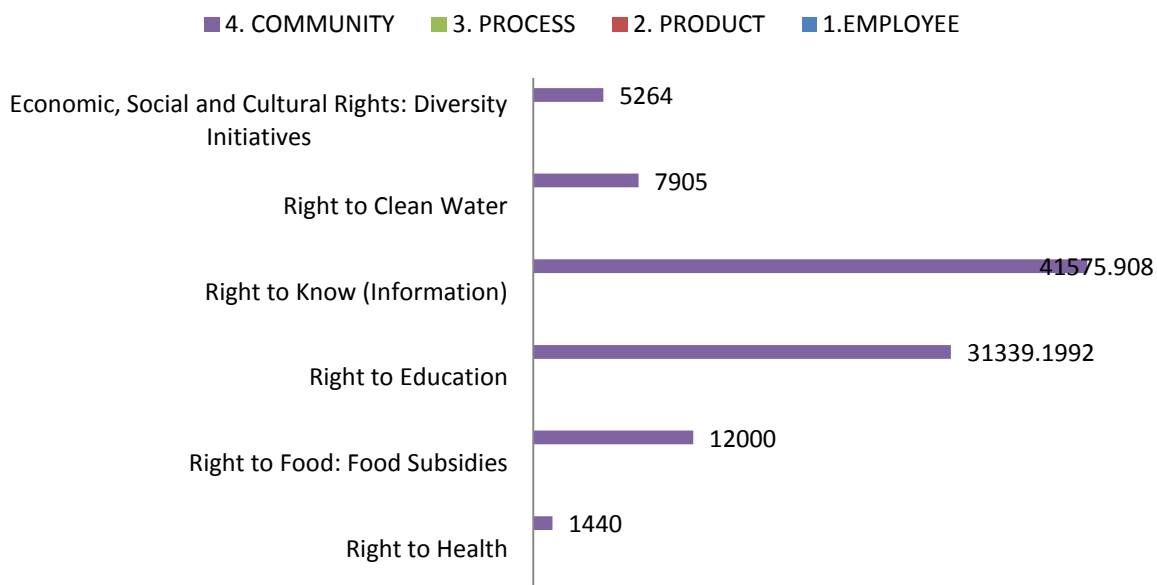


Photo Splash





2. LABOUR STANDARDS:

Principle 3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4. Business should support the elimination of all forms of forced and compulsory labour.

Principle 5. Business should support the effective abolition of child labour.

Principle 6. Business should support the elimination of discrimination in respect of employment and occupation.

A brief of our policy

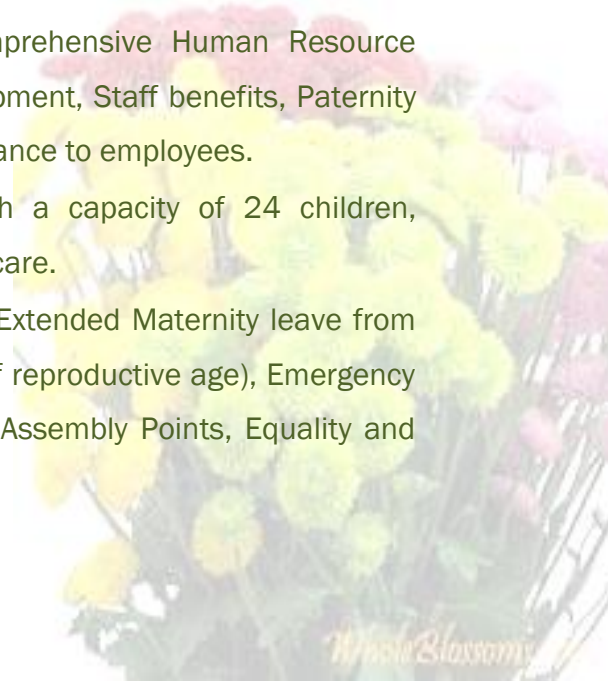
Fiduga Ltd promotes employee's freedom of association and collective bargaining. We respect employees' right to join, form or not to join a labour union without fear of reprisal, intimidation or harassment. The company also prohibits all forms of forced labour, including prison labour, indentured labour, bonded labour, military labour and any form of human trafficking. All our employees are on permanent basis and are free to be unionised.

We commit to discourage employment of children and young persons under 18 at night or under hazardous and unhealthy conditions. Prohibit workers to bring their children, or any other children, to the workplace to assist them or to do any other work.

Achievements:

1. PERSONNEL (Employee):

- We were certified by MPSQ (Socially Certified)
- We amalgamated the existing policies into a Comprehensive Human Resource Manual providing for Day Care facilities, Staff Development, Staff benefits, Paternity leave, Internships, Education training as well as assistance to employees.
- Maintained the on-site Day Care Center space with a capacity of 24 children, providing them with milk, food, clothings and medical care.
- Enacted enabling policies: Pregnant Mothers' Policy (Extended Maternity leave from 60 to 90 days since 99% of our female workers are of reproductive age), Emergency and Safety Policy 2013 and gazzetted 3 Emergency Assembly Points, Equality and



Diversity Policy 2013, Anti-Sexual Harrassment Policy 2013 and had the policies translated in 2 local languages (Luganda and Liswahili) and displayed on the 2 main company notice boards.

- Opened contracts all 520 employees (2910F, 229M) and had them sign addendums to their original contracts
- Company Clinic: Out sourced the International Hospital Kampala, with 2 staff and 1 Counsellor. 800 people accessed VCT; with 107 referrals made to other hospitals like St. Francis Hospital Nsambya, Mulago Hospital, Mengo Hospital, The Surgery among others.
- HIV/AIDS Care and Support programme: 45 people supported with nutritional, psychosocial support and ARVs.
- Conducted 9 trainings for 20 peer counsellors; produced 1 audio music album.
- Conducted Serum Cholinesterase tests on 40 staff working in the Crop Protection Department (In partnership with Ebenezer Limited clinical laboratory)
- Provided an insurance package to all our 520 employees.
- Conducted 2 capacity building work shops for Managers on key issues like, Leadership and Team Development, Continuous Improvement (In partnership with Coach Africa and Lean Kaizen Ltd –Kenya respectively), conducted a sensitization workshop on Child Labour for 520 employees in partnership with Federation of Uganda Employers (FUE).
- Women Empowerment Principles (UN Women): Supported 2 female manager to undergo FUE-FFP (Female Future Programme) for nine (9) months.
- A fuctional Union Uganda Horticultural, Industrial, Service Providers and Allied Workers' Unions (UHIPAWU): with 160 out of 520 employees.

2. PRODUCT:

- Adherence to company Standard Operating Procedures (SOPs).

3. PROCESS:

- OSH, Occupational Safety and Health (Under ILO): The OSH Committee conducted 2 trainings on Occupational Health and Safety,Conducted 2 Health, Environment and

Fire safety Training in collaboration with Tanems and First Aid training by Uganda Red Cross Society.

- Sensitization: Conducted 4 sensitization meetings conducted on SOPs (Standard Operating Procedures) for all process owners.
- Conducted 1 general health checkup for 520 employees.
- Conducted 2 Participatory Risk Assessment surveys by the Safety Health and Environment Committee.

4. PEOPLE (Community):

- Affirmative action on Diversity: Diversity programme covers culture, religion, difference in education, disability, ethnicity, nationalities; Atleast 5 nationalities; Interpreted 9 workplace policies in to 2 local languages: Luganda and Swahili.

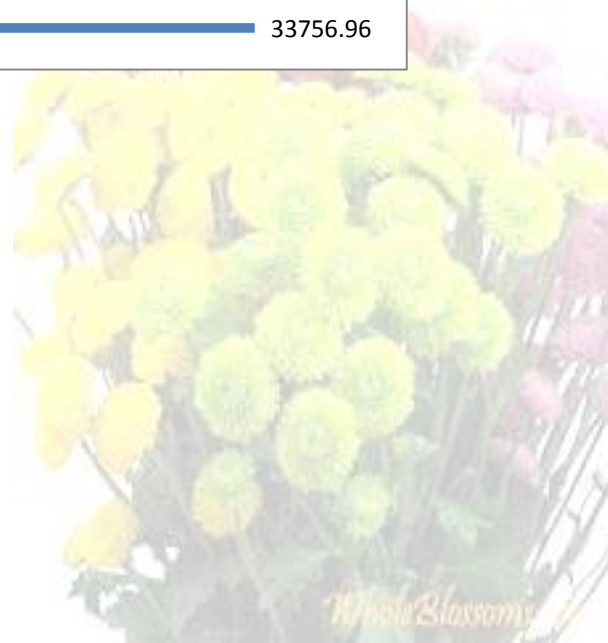
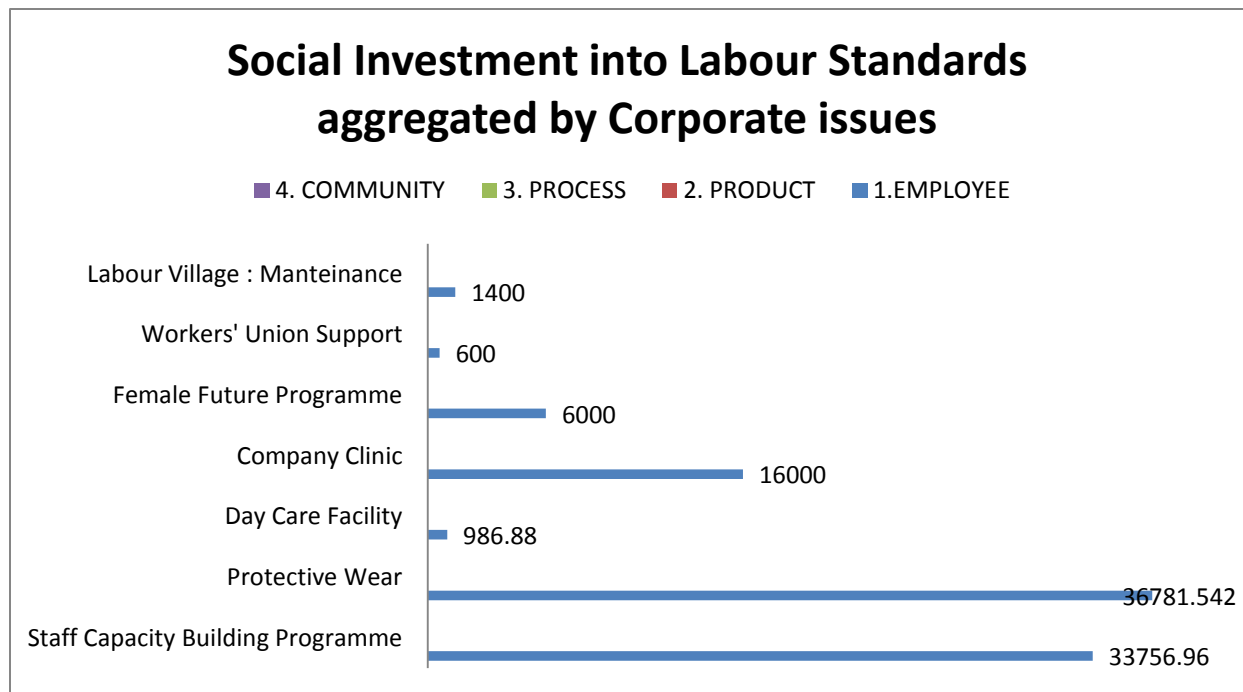


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3. ENVIRONMENT

Principle 7. Business should support a precautionary approach to environmental challenges.

Principle 8. Business should undertake initiatives to promote greater environmental responsibility.

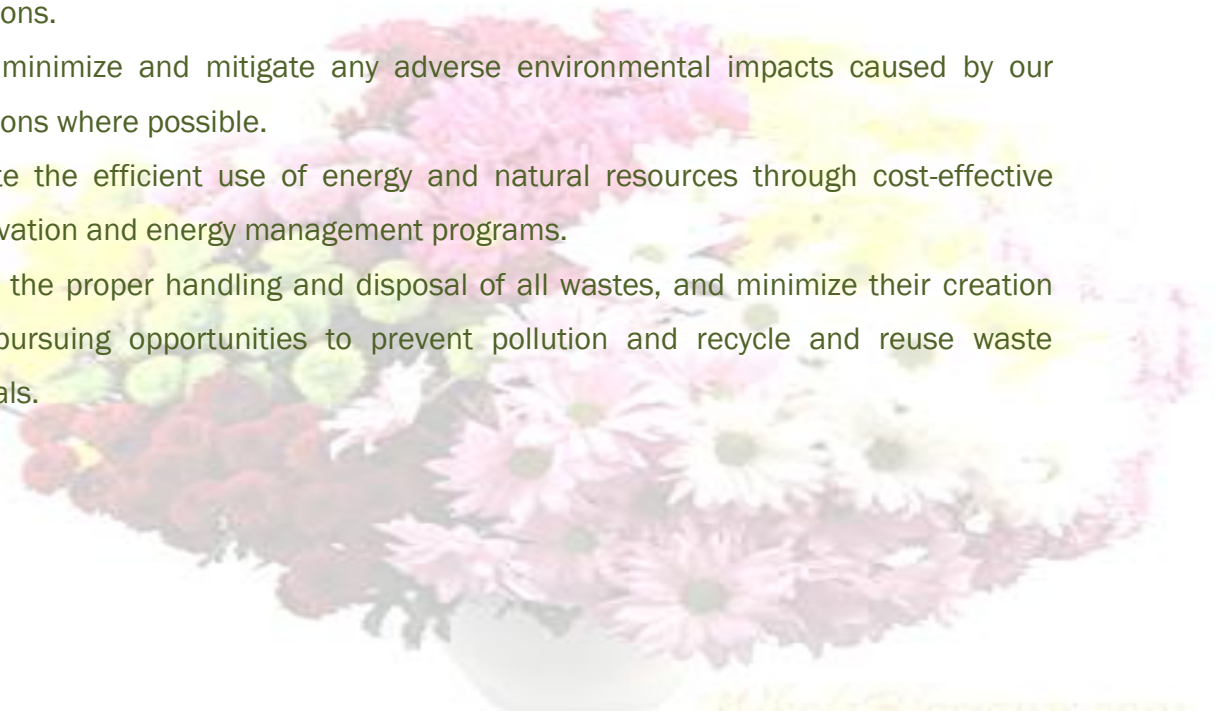
Principle 9. Business should encourage the development and diffusion of environmentally friendly technologies

A brief of our policy

Fiduga Ltd's precautionary approach to environmental challenges is supported by investment in capital in areas of energy efficiency, water efficiency and waste management. Environment is one of our primary concerns and its importance is promoted at every level within the company. 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.

Fiduga Ltd Commits to:

- a. Make environmental concerns an integral part of its planning and decision making process and commit sufficient resources to implement effective environmental and sustainability programs.
- b. Educate employees to be accountable for environmental stewardship and encourage them to seek innovative ways to improve the environmental aspects of our operations.
- c. Avoid, minimize and mitigate any adverse environmental impacts caused by our operations where possible.
- d. Promote the efficient use of energy and natural resources through cost-effective conservation and energy management programs.
- e. 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.



Achievements:

1. PERSONNEL (Employee):

- Trained 40 crop protection and 3 stores staff in safe use and handling of pesticides.
- Enriched energy policy and plan and interpreted it in 2 local languages .
- Sensitized 520 employees on our waste management plan and designed it 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.
- Operationalised our water efficiency plan with an aim of reducing water wastage during all company operations.
- Occupational Safety and Health Committee conducted 3 risk assessment surveys.
- Reduced wastage: Encouraged paper less meetings and communications; up loaded key document into the document cloud (General File).
- Gazetted three Emergence Assembly Points (EAP)

2. PRODUCT:

- Applied for a ground water abstraction permit under Water Act Cap.152 and the Water Resources Regulations 1998; this was granted.
- Energy Efficiency: We have invested in capital areas of energy efficiency and waste management.
- Water usage and efficiency: Developed a Water Management Plan with 5 water reservoirs each with capacity 5000m³, 6000m³, 6500m³, 7500m³ and 50000m³ of water respectively..

3. PROCESS:

- Evaluted by National Environment Management Authority (NEMA).
- Implemented a Crop Protection Plan; An independent Soil Risk Analysis report; and covered all 18 green houses with nets; maintained a high tech irrigation system.
- Used an ecosystem approach to Biodiversity; Pest management system, Organic waste disposal system, Wet land management system.



- Intergrated environmental concerns as an integral part of our 2013-2016 strategic plan and decision making process.
- Developed an inventory of all potential waste products
- Implemented the waste management policy,
- Conducted an environmental audit in partnership with Environment Consult Uganda.

1. PEOPLE (Community):

- Conducted 2 sensitization meetings on environmental safety and encouraged compliance with international environmental regulations.
- Maintained 3 lagoons to prevent contamination of water sources in the community.
- Sensitised 520 employees on efficient use of energy and natural resources through cost-effective conservation and energy management programs.
- Displayed the environmental policy on the company notice boards and had it interpreted in 2 local languages.

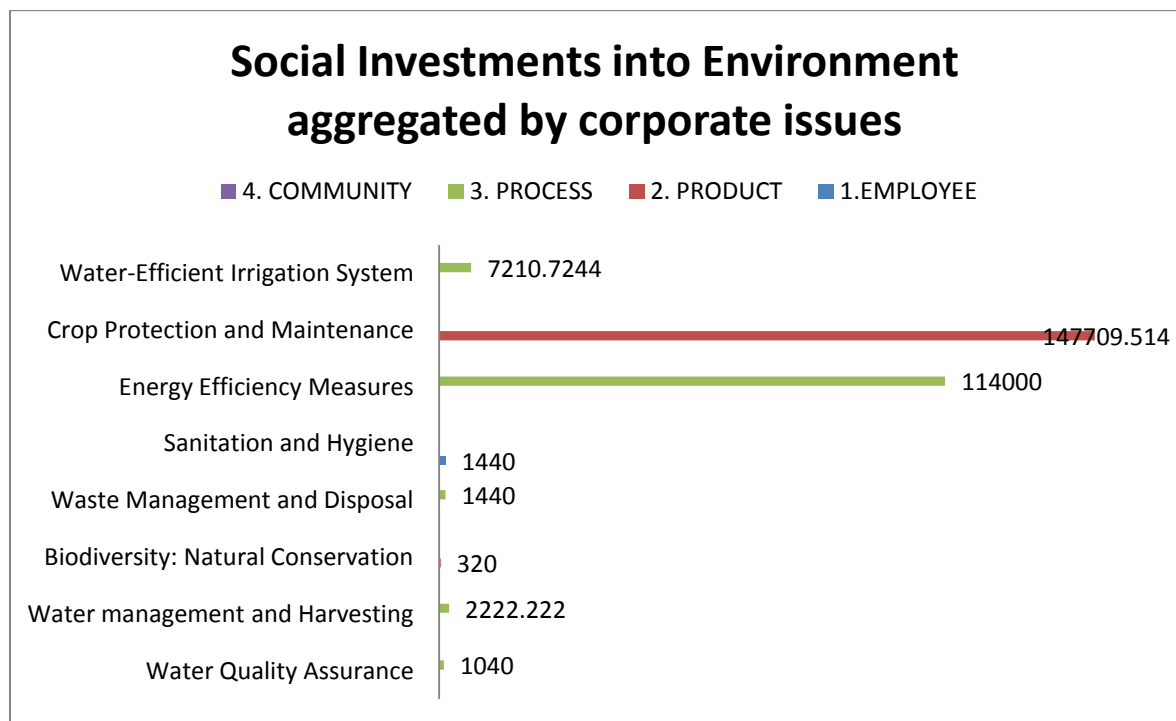


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2. PRODUCT:

- Instituted a quarterly Customer Satisfaction Index with monthly surveys.
- Carried out regular checks (at least 3 times a day) to ensure the standard of our products are meeting acceptable standards before final packing.
- Quality Control: Maintained a staff base of 19 staff in the quality department.

3. PROCESS:

- We invested in upgrading the Management Information System including 2 automated clocking machines and a Human Resource Module.
- Sustainable Procurement: Over \$176,000 was injected into the local economy in form of local sourcing; Fiduga supports an ecosystem of over 100 local suppliers /contractors eg, Security, construction works, Catering, Transportation of Staff, Capacity Building, and Healthcare.
- We invested \$15,697.60 in audits like MPS-GAP, MPS-ABC, MPSQ, Environmental Audit Fee and ISO Certification to ensure TQM (Total Quality Management);
- We calibrated and serviced 24 pieces of equipment (weighing scales and fire extinguishers under the Uganda National Bureau of Standards (UNBS).

4. PEOPLE (Community):

- Our ethos is to support our local communities. We prefer local and national suppliers, provided we guarantee the quality of their products or service (Local or ethical Sourcing \$880.400).
- Subscriptions to National and international umbrella bodies: FUE, Federation of Uganda; UFEA, Uganda Flower Exporters' Association; UMA, Uganda Manufacturers Association; UNGC, United Nations Global Compact; Corporate League for soccer and other games; HRMAU, Human Resource Managers' Association of Uganda.
- Hosted over 5200 visitors (about 100 visitors every week) to the Flower Farm including students on study tours / field studies, interns (from local universities like Mountains of the Moon;1 from Fides - Netherlands), 9 research students (from Manchester University).



- Creating Shared Value (CSV): We have created a business case for linking the QAM (Quality Assurance Manager) to anti-corruption to ensure that our core business processes, procedures and protocols create a shared value.

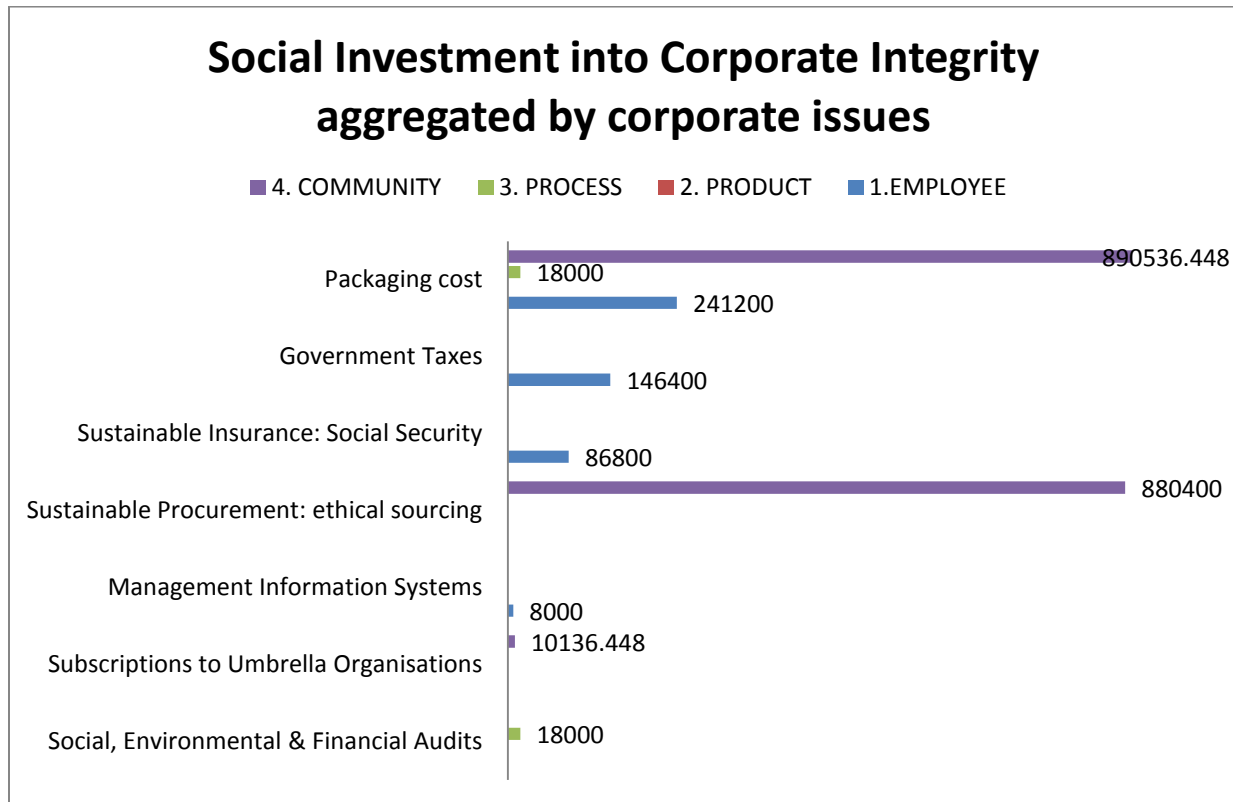


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How we intend to make this Communication on Progress available to our stakeholders in various ways.

This Communication on Progress will be interpreted in at least two local languages, explained to employees in departmental meetings, induction trainings, displayed on company notice boards and posted on the company's Local Area Network for all employees to read.

This Communication on Progress will also be available to our stakeholders through the UN Global Compact website. We shall also have this COP communicated to employees in the Annual Fiduga Facts Magazine which we share with umbrella Organizations.





Appendix

Quantification of Fiduga's Social Commitments.

	UGX	USD
1. HUMAN RIGHTS:		99,524
Right to Health	3,600,000	1,440.00
Right to Food: Food Subsidies	30,000,000	12,000.00
Right to Education	78,347,998	31,339.20
Right to Know (Information)	103,939,770	41,575.91
Right to Clean Water	19,762,500	7,905.00
Economic , Social and Cultural Rights: Diversity Initiatives	13,160,000	5,264.00

2.LABOUR STANDARDS:		95,525
Staff Capacity Building Programme	84,392,400	33,756.96
Protective Wear	91,953,855	36,781.54
Day Care Facility	2,467,200	986.88
Company Clinic	40,000,000	16,000.00
Female Future Programme	15,000,000	6,000.00
Workers' Union Support	1,500,000	600.00
Labour Village : Manteinance	3,500,000	1,400.00

3.ENVIRONMENT		275,542
Water Quality Assurance	2,600,000	1,040.00
Water management and Harvesting	5,555,555	2,222.22
Biodiversity: Natural Conservation	800,000	320.00
Waste Management and Disposal	3,600,000	1,440.00
Sanitation and Hygiene	4,000,000	1,600.00
Energy Efficiency Measures	285,000,000	114,000.00
Crop Protection and Maintenance	369,273,785	147,709.51
Water-Efficient Irrigation System	18,026,811	7,210.72

4.CORPORATE INTEGRITY		1,387,736
Social, Environmental & Financial Audits	45,000,000	18,000.00
Subscriptions to Umbrella Organisations	25,341,120	10,136.45
Management Information Systems	20,000,000	8,000.00
Sustainable Procurement: ethical sourcing	2,201,000,000	880,400.00
Sustainable Insurance: Social Security	217,000,000	86,800.00
Government Taxes	366,000,000	146,400.00
Packaging cost	595,000,000	238,000.00

GRAND TOTAL: Social Investments **4,645,820,994** **1,858,328.40**