



Corporate Sustainability Report 2014



Statement from the Managing Director

In 2014, Fiduga Ltd continued to be proactive in corporate sustainability and made excellent progress towards the achievement of the company's 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 organizations such as 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.

Recently, our parent company the DNA Green Group consolidated its holdings to form **Dümmen Orange**. As such, we are 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 Fiduga operations to follow and adopt more sustainable working practices.

We had 19 hectares in full production, with strength of 563 employees; 56% of whom are female and 44 male; annual production volume of 492,732,349 million cuttings; 100% of which were exported.

Overall, we invested about USD880 000 in our strategic impact zones as follows: **Employee** (264 718, 30%), **Product** (164 892, 19%), **Process** (176 100, 20%) and **Community** (275 599, 31%). Through Kaizen, we've progressed 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 USD880 000 as follows: **Human rights** (193,885.34, 22%), **Labour standards** (99,680.62, 11%), **Environment** (326,414.57, 37%) and **Corporate Integrity** (261,328.85, 30%).

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 positive change for our business, our community and our society.

Kind regards,

Jos Meulenberg,

Managing Director – Fiduga Ltd



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Acronyms

CSR: Corporate Social Responsibility

FL: - Fiduga Limited

ICT: Information Communication and Technology

ILO: International Labour Organisation

ISO: International Organization for Standardization

MPS-GAP: Milieu Programma Sierteelt-Good Agricultural Practices

MPSQ: Milieu Programma Sierteelt- Socially Qualified

OSH: Occupational Safety and Health

ROI: Return on Investment

SOPs: Standard Operation Procedures

UNGC: United Nations Global Compact

VCT: Voluntary Counseling and Testing for HIV



Background

Fiduga Limited's corporate sustainability report 2014 informs stakeholders about the course of the financial year 2014 and summarizes the way the company handles corporate responsibility and sustainability. Following the past one year of success of sustainability reporting, the company has further intensified its dialogue with relevant stakeholder groups in preparation for this latest report.

Our commitment to integrity has remained steadfast. Commitment to integrity is about creating a climate for continued success. It is about creating an environment where people can make good decisions. It is about doing the right thing in every business situation. By using good judgment and respecting others, Fiduga's commitment to integrity will endure.

The objective of this publication is to identify and promote good practices relating to the use of human rights obligations and commitments to inform, support and strengthen environmental policy making, especially in the areas of environmental protection and management.

Fiduga Ltd.'s Corporate Statements:

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.



Social Reporting: Sustainable Development Priorities

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 feedback, Long-term relationship and contractual fulfillment obligation
Supplier	Constructive feedback, 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 content of this 2014 sustainability report.

4 UNGC PILLARS	Investment (USD)	%
HUMAN RIGHTS:	193,885.34	22%
LABOUR STANDARDS:	99,680.62	11%
ENVIRONMENT	326,414.57	37%
CORPORATE INTEGRITY	261,328.85	30%
GRAND TOTAL:		100.0

The UNGC 10 principles are:

1. Business should support and respect the protection of internationally proclaimed human rights.
2. Businesses should make sure they are not in complicit in human rights abuses.
3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Business should support the elimination of all forms of forced and compulsory labour.
5. Business should support the effective abolition of child labour.
6. Business should support the elimination of discrimination in respect of employment and occupation.
7. Business should support a precautionary approach to environmental challenges.
8. Business should undertake initiatives to promote greater environmental responsibility.
9. Business should encourage the development and diffusion of environmentally friendly technologies
10. Business should work against corruption in all its forms, including extortion and bribery.

Corporate Issues in Fiduga Ltd Strategic Plan 2013-16

In 2014, we invested USD880, 000 in our impact zones as follows: **Employee** (264 718, 30%), **Product** (164 892, 19%), **Process** (176 100, 20%) and **Community** (275 599, 31%). These corporate issues are extracted from the company Strategic Plan 2013-2016. As Fiduga seeks to consolidate her market leadership position, we are investing in transforming systems into an analytical competitor in the region with social analytics as follows:

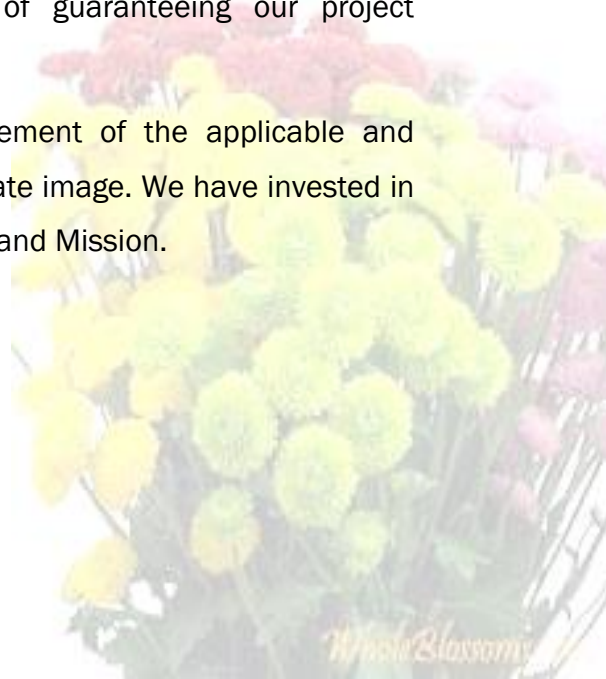
UNGC Pillars/ Issues	1.EMPLOYEE	2. PRODUCT	3. PROCESS	4. COMMUNITY
1. Human Rights				193,885
2. Labour Standards	99,681			
3. Environment	3750	164,892	157,772	
4. Corporate Integrity	161,287		18,328	81,713
GRAND TOTAL:	264,718	164,892	176.100	275,599

Employee: This corporate issue arose from the need to increase workplace productivity and employee satisfaction. 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.

Process: Owing to the meticulous process of producing and handling the cuttings for export, we have invested in process and systems as a way of guaranteeing our project sustainability.

Community: As a good corporate citizen, ensuring achievement of the applicable and required certifications is very key in securing our good corporate image. We have invested in the form of contribution to society as embedded in our Vision and Mission.



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 2013-2016 linked to UNGC Initiatives
1.PERSONNEL (Employee)	<p>Staff/ Human capital development.</p> <p>Join the Child Labour Platform.</p> <p>Promote Child Rights and Business Principles (CRBP).</p> <p>Supporting Social Entrepreneurship through the Employee SACCO.</p>
2. PRODUCT	<p>Fully functional Breeding Centre in Uganda.</p> <p>Maintain top quality leadership in the Chrysanthemum production.</p> <p>Continuous improvement in product quality.</p>
3. PROCESS	<p>Achieve 100% ICT Compliance with International Standards.</p> <p>Compliance with all acceptable SOPs, Standard Operating Procedures.</p> <p>Graduate into a Global Compact LEAD Company in the Floriculture Sector.</p> <p>Participate in and signup for CEO Water Mandate.</p>
4.PEOPLE (Community)	<p>Promote Principles of Responsible Investment (PRI).</p> <p>Promote Principles of Social Investment (PSI).</p> <p>Promote Principles of Responsible Management Education (PRME).</p> <p>Participate in the Supply Chain Sustainability Initiative.</p>

1. HUMAN RIGHTS

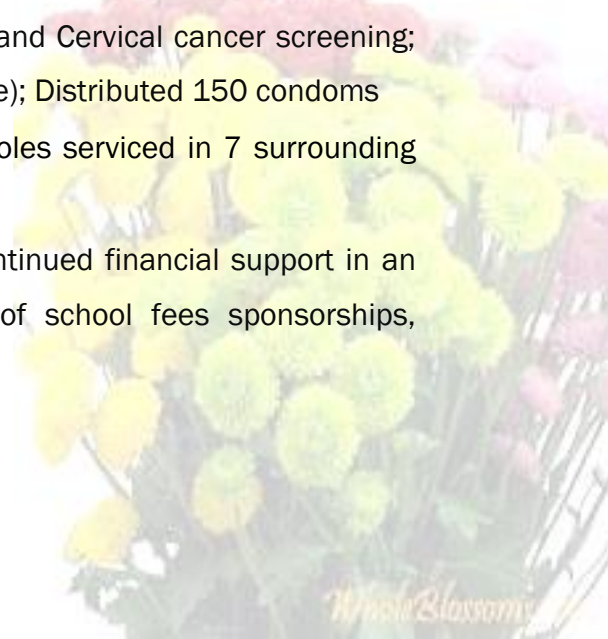
Our Human Rights Policy; Fiduga recognizes that everyone deserves to be treated fairly and with dignity. This is a basic human right; everyone has a role to play in preserving this right. While promoting Diversity and Inclusion. We also invest in the right to health through our fully sponsored annual Community Voluntary Counseling and Testing for HIV.



*Dancers at the Annual Community Health VCT
for HIV.*

Achievements:

- Trained 563 employees about potentially significant human rights risks.
- Conducted 2 training sessions for staff on Financial Literacy.
- 3 Diversity and Inclusion trainings conducted for all Managers and Supervisors.
- Renewed membership in advocacy groups like FUE, UFEA, UMA, and Corporate League.
- \$5,666 invested into Sports Leagues: Internal (\$ 2,400), Corporate League
- **Right to Health:** \$1200 invested in Community VCT campaign; 560 clients in the surrounding communities with VCT (Voluntary, Counseling and Testing); family planning services (in partnership with PACE Uganda) and Cervical cancer screening; with blood donation (Uganda Blood Transfusion Service); Distributed 150 condoms
- **Promoted the right to clean water:** 27 existing boreholes serviced in 7 surrounding villages serving at least 40,000 people.
- **Right to Education (Under UNESCO):** We provided continued financial support in an effort to promote the right to education in form of school fees sponsorships, scholastic requirements, school building materials.





2. LABOUR STANDARDS:

At FL we value the wide range of backgrounds of our employees and our diversity is our strength .We strive to create a work environment that accepts and tolerates differences while promoting productivity and teamwork.

Achievements:

- 563 staff given on leave: Maternity (37), Paternity (30), Sick Leave Hours (11,286).
- 18 induction trainings conducted for new employees on Labour laws.
- 3 safety trainings covering fire drills, fire-fighting and first aid.
- August 2014: Conducted a 1 -Day Child Labour Training in collaboration with Federation of Uganda Employers; 33 participants (27 Fiduga Staff and 6 Community Leaders).
- Conducted 2 trainings for Fiduga Occupational Safety and Health Committee.
- Zero tolerance for child labour: no children hired.
- 17 children aged (3-24 months) cared for in the daycare service.
- 30 staff Meetings held by Managing Director's ,September, 2014
- \$100,000 capitalization of Employee SACCO (Saving and Credit Cooperative).
- \$1200 in support of the Employee Union including office space;
- 15% of the 563 employees are unionized.
- 2 health talk session held for pregnant and breastfeeding mothers on hygiene standards and child care.
- \$24,000 invested in maintain on-site Company Clinic.
- 24 children aged 3 months to 2 years supported at the in-house Daycare Centre.
- 16 PLHIVs (Persons living with HIV) supported with food supplements, school fees and scholastics for their children.
- 34 referrals made to major hospitals for specialist care.
- 5 study trips organized for managers to Germany, Ethiopia, Kenya, Tanzania, and Netherlands.
- 8 paid interns hosted from local educational institutions; 3Female, 5Male.
- 2 Participatory Risk Assessment surveys conducted Occupational Safety Health and Environment Committee.



Photo Splash



Child Labour workshop for Staff and Community Leaders (August 2014)



FUE Members on a child labour site visit in Mbale, Eastern Uganda-(June, 2014)

Below - Fiduga Staff Union Sensitization Meeting and Fiduga Sports Team at a Corporate League event, October 2014.



3. ENVIRONMENT.

Fiduga believes that her success as a farm is inextricably linked to helping meet her social and environmental challenges. We act on this in our community service, our asset management, our credits and product development as well as in all our operations.

In spite of our position as a market leader in floriculture in Uganda, our commitment to sustainable development is still based on the conviction that sustainability makes business sense. This is manifested in our strategic plan and environmental policy.

Fiduga Ltd commits to environment stewardship in areas like water efficiency, waste management, and biosecurity.

Achievements:

- Participated in the UN Global Compact Water Efficiency roundtable discussion.
- Conducted quarterly maintenance checks on farm equipment.
- \$43,371 Invested into water efficiency management; computerized irrigation system, Installed new water efficient fixtures, equipment and technology.
- \$7,143 Invested waste management: safe disposal of waste
- \$95,000 Invested into efficient energy use.
- 103 improved cooking stoves distributed to employees as part of the solution to reducing Green House Gas (GHG) emissions, and in mitigating climatic change.
- 71 employees trained in safe use and handling of pesticides has been provided to sprayers and stores employees; 69 Sprayer trained and 2 stores staff.



Newly installed computerized irrigation system





The new sprinkler system.



The overhead sprinkler system.



Fiduga Lake



4. CORPORATE INTEGRITY (ANTI-CORRUPTION)

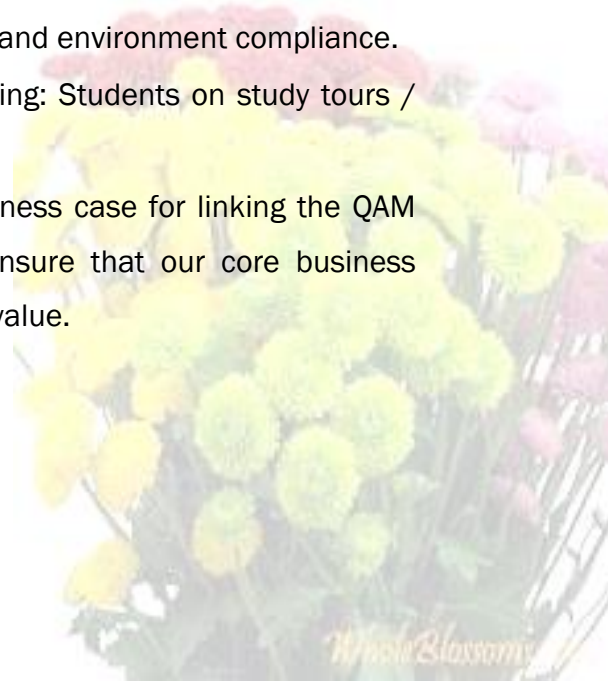
Fiduga recognizes that corruption has an adverse effect on communities and individuals since it threatens the law, democratic development, the human rights and freedoms. The tenth principle in the UN Global Compact commits all participants not only to avoid bribery, extortion and other forms of corruption, but also to develop frameworks and concrete programs to address corruption. Fiduga Ltd promotes transparency and accountability in business relations and communicates in a way that enables stakeholders to understand the Company work.

Our commitment to integrity remains steadfast and takes an active stand point against all forms of corruption in all areas of it operation. As part of our commitment to integrity, we do not accepted or offer any form of bribery, we follow the laws in place or custom and this means that we never offer, attempt to offer, authorize or promise any bribe to a government official, business representative or any other individual for the purpose of obtaining or retaining business or securing an unfair or improper advantage for the company.

FL's core values form the foundation of our ethics and compliance program and show us how to better perform with integrity. Performing with integrity is every one's responsibility regardless of position or level of seniority.

Achievements:

- 3 Kaizen trainings conducted for managers, team leaders and supervisors.
- 2 Management Trainings conducted on Leadership and Team Building.
- 3 audits conducted; Internal (1), External (2) on social and environment compliance.
- Hosted over 5,711 visitors to the Flower Farm including: Students on study tours / field studies, interns and other business partners.
- Created 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.



Communication to Stake Holders:

We intend to make this Communication on Progress available to our stakeholders in various ways; by interpreting it 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: Outward-Facing CSR		
	Right to Health	6,058,500	2,019.50
	Right to Food: Food Subsidies	360,000,000	120,000.00
	Right to Education	64,867,600	21,622.53
	Right to Know (Information)	117,807,432	39,269.14
	Right to Clean Water	19,762,500	6,587.50
	Economic, Social and Cultural Rights: Diversity Initiatives	13,160,000	4,386.67
2	LABOUR STANDARDS: Inwards-Facing CSR		
	Staff Capacity Building Programme	76,977,800	25,659.27
	Protective Wear	138,000,000	46,000.00
	Day Care Facility	2,264,056	754.69
	Company Clinic	60,000,000	20,000.00
	Female Future Programme	15,000,000	5,000.00
	Workers' Union Support	3,300,000	1,100.00
	Labour Village : Maintenance	3,500,000	1,166.67
3	ENVIRONMENT		
	Water Quality Assurance	2,600,000	866.67
	Water management and Harvesting	52,000,800	17,333.60
	Biodiversity: Natural Conservation	800,000	266.67
	Waste Management and Disposal	3,600,000	1,200.00
	Sanitation and Hygiene	11,250,000	3,750.00
	Energy Efficiency Measures	285,000,000	95,000.00
	Crop Protection and Maintenance	493,877,235	164,625.75
	Water-Efficient Irrigation System	130,115,671	43,371.89
4	CORPORATE INTEGRITY		
	Social, Environmental & Financial Audits	54,984,345	18,328.12
	Subscriptions to Umbrella Organisations	25,040,320	8,346.77
	Management Information Systems	20,000,000	6,666.67
	Sustainable Procurement: Ethical sourcing	220,100,000	73,366.67
	Sustainable Insurance: Social Security	29,995,070	9,998.36
	Government Taxes	433,866,815	144,622.27
	GRAND TOTAL: Social Investments	2,643,928,144	881,309.38



Fiduga Staff attending to fire drill session, July 2014



Fiduga staff attending a Financial Literacy Training, April 2014

