

DAL FOOD

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Communication on Progress
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دار الفدائية
DAL FOOD

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About Us

DAL Food is a visionary integration of agriculture with industry. As Sudan's premier food business, DAL Food is an industry leader passionate about providing good food for everyone. It aims to help people live better lives by providing affordable, basic staple food and drink products all over Sudan and in select neighbouring countries.

Formerly the DAL Food Division, DAL Food incorporates DAL Agricultural Services Company, Sayga Investment Company, DAL Dairy Factory, and DAL Food Industries, bringing together a range of agro-food products under one organisation. The DAL Food portfolio boasts a range of flours and pastas, bakery products, pulses, dairy, extruded products, animal feed, soft drinks, water, juices, and agricultural crops produced for both domestic use and export.

Our strategy is anchored in our purpose of providing good food for everyone, our passion for Tradition, Innovation, Education, and Sourcing locally (TIES), and our principles that seek to foster an empowered and engaged corporate culture. Our approach to corporate responsibility utilizes these areas as tools to embed sustainability into our daily operations and implement our values and bring our strategy to life.

As the transition continues, DAL Food will continue to maintain its high standards and dedication to sustainability and responsible governance. We are committed to providing affordable and accessible high quality food products and engaging in responsible business strategies that balance economic, social, and environmental considerations to enhance the livelihoods of everyone throughout our value chain.

Leadership Statement of Continued Support for the United Nations Global Compact

DAL Food's dedication to the long-term growth of Sudan and the betterment of its communities is reflected in our strategy, organizational culture, and commitment to the 10 Principles of the United Nations Global Compact. Serving and building trust in a country wrought with economic sanctions and a challenging operating environment is no easy task. Though at times forced to modify our approach to adapt to the current economic and political climate, the importance of a long-term business outlook has never been more needed.

The UNGC's 10 Principles not only provide a guide to becoming a responsible sustainable business, they also served as an inspiration for our own Sustainability Standards, the basis for a framework for the way we aspire to do business. We recognize that making a meaningful positive difference on a host of sustainability issues is essential for the continued growth of our company.

Our Standards focus on four main areas: our business, our people, our community, and our environment. Maintaining a high standard of corporate governance and doing business with integrity and transparency is essential to the well-being of our business and our stakeholders. Our employees are our greatest asset - protecting their rights, developing their skills, and empowering them embeds a sense of ownership and ensures their commitment to the organization and its success. Engaging with our community gives us feedback on our performance and allows us to refine our approach in living up to our responsibilities towards them; whether new markets to serve, innovating new products to fill a need, or managing any negative impacts from our operations. Our commitment to the environment is realized through responsible resource management and educational initiatives.

We will continue to take strategic steps to integrate sustainability, and in turn, the UNGC principles, into our organizational culture and daily operations. For 2016, this includes educational campaigns introducing concepts and raising awareness, establishing indicators in sustainability related areas into our management system, and encouraging the transformation of our organizational culture to embody our principles and values.

DAL Food's continued commitment and alignment of the 10 principles is critical to achieving our purpose of providing good food for everyone. As Sudan's largest food company, we recognize and embrace the role we play in contributing to the development of the country and its people, continuing a long tradition of embracing a purpose beyond profit.



Ihab Daoud Abdellatif
Managing Director
DAL Food

Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

DAL Group has a long tradition of strong commitment to ethics and integrity in all aspects of the business. DAL Food echoes that duty and aims to reflect it in daily operations. In addition to making sure we are doing no harm by mitigating negative impacts and complying with all local laws and regulations, we also strive to create a lasting positive impact by supporting and advancing human rights in our sphere of influence.

Within our business, we are committed to respecting and supporting human rights through our management practices and corporate policies. We have a responsibility towards our employees to provide a safe and inclusive working environment, free from harassment and discrimination, by promoting diversity and installing effective occupational health and safety measures.

As a food company, we believe we have a responsibility to advance food security by providing safe, affordable, fit for purpose basic food products that are easily accessible. We also strive on innovating new products and penetrating new markets to impact more people. We also serve the community by investing in initiatives that promote the long-term social and economic well being of our stakeholders. Our School Milk Program provides a daily serving of milk to under-privileged primary school students, enhancing their cognitive abilities and academic performance, promoting milk consumption and better nutritional habits, and alleviating malnutrition in children. Our Baking Development Center provides free classes to baking industry professionals and the general public. Both projects have had an enormous long term impact: enhancing the lives of over 24,000 students, and building the capacity of over 180,000 individuals.

2015 has been focused on transforming four large individual companies into one company and creating an organizational culture that embodies our values. This includes merging and aligning policies and fostering an environment of empowerment, unity, and transparency. For 2016, we aim to continue implementing our strategy and living it more effectively. This includes trainings and awareness campaigns on new and improved policies and procedures supporting human rights, engaging with stakeholders more comprehensively to better understand risks and responsibilities, and conducting frequent assessments on human rights to understand gaps and improve integration into business operations.

Labour Principles

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.

Poor labour conditions not only violate human rights, but also decrease productivity, commitment, and morale. Producing an engaged, committed, and motivated workforce is dependent on championing the rights of employees. Our employees are the heart of DAL Food. Investing in their development, well-being, and engagement contributes to company success, provides a better quality of life for their families, and contributes to the economic growth of a developing country.

In addition to complying with local labour laws, our policies promote fair wages, transparent and fair recruitment process, and cultivating a safe and inclusive working environment. This year, to ease the transition into one company, and

promote an inclusive and transparent culture, our Human Resources team is undertaking initiatives to increase employee engagement by partnering human resources team members with different departments. This increases communication and cooperation within the organization, and facilitates the distribution of information critical to employees.

Our dedicated Health, Safety, and Environment unit regularly performs trainings on health and safety issues in the workplace in the spirit of cultivating a safe working environment. This year, an initiative to observe the occupational health of mill workers was instituted, providing annual audiometric and chest examinations to monitor the effects of noise and dust emissions in their work. Targeted trainings this year included welding safety, first aid certification, fire fighting, traffic safety, and emergency response training. Our Walk the Talk initiative demonstrates leadership commitment to a safe working environment, as management walks around the different companies to demonstrate safe occupational practices and assess existing measures. We have also continued the tradition of HSE Morning Tea gatherings, aimed at changing behaviour and educating about safe occupational practices.

Environmental Principles

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.

DAL Food's environmental policy demonstrates our commitment to proactively protect our planet and our people. We have communicated the policy to all staff and educate them through formal and informal awareness sessions, publications, and initiatives.

Our HSE team routinely conducts internal and external audits to ensure compliance and mitigate environmental risks. An environmental impact

assessment done earlier this year, using international SSMO and OSHA standards, revealed that our green house gas emissions, dust impacts, and relative humidity levels in our mills were within legal limits. The EIA also revealed we need to take action to increase ventilation in our production areas and make sure workers are utilizing ear plugs in areas with high noise levels.

As the area around our operations has become increasingly residential, our engagement with the local community has increased to mitigate any negative impacts our operations could have on the surrounding residents. This year, we installed silencers on our high pressure fans on the roof of our mills to reduce noise emissions in the areas affecting our neighbours. Installing three silencers effectively reduced the noise levels by 32.7%, complying with local legal limits, and resolving a challenging issue for our stakeholders. We will continue dialoguing with our stakeholders and developing solutions for a safer neighbourhood.

One of our passions at DAL Food is sourcing locally. This not only supports the local economy by strategically partnering with local farmers, but also reduces our environmental footprint by supporting sustainable production methods and reducing transportation. We have also taken steps to reduce our food waste by partnering with local organizations and civil society to donate any surplus in food from our canteens.

As we continue to integrate sustainability in our daily operations in 2016, we will continue assessing our environmental impact and install targeted measures prevent and detect risks across the organization and encourage environmental stewardship within our organization.

Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Building trust with our stakeholders is at the heart of our strategy. Earning and protecting the trust of our employees, consumers, partners, and communities, is essential to our organization's long-term success. As such, we recognize the

detrimental effects of corruption and the damage it does to bottom line, economic growth, and our relationships with our stakeholders. Our code of conduct espouses a zero-tolerance policy on corruption in all its forms. Despite our challenging business environment, we recognize lasting economic, social, and environmental development is dependent on good governance and we are committed to doing business with honour and integrity.

We are finalizing a fraud control policy that increases control measures and provides a framework and guidelines that aids with the assessment allegations of fraud and misconduct effectively and with transparency. Next year, we are planning to further implement our policies by conducting trainings to increase awareness among our workforce and further contribute to an organizational culture of integrity, transparency, and accountability.