



Communication on Progress (COP) to the UN Global Compact by Ingemann Food Nicaragua S.A.

Period of reporting: 6th November 2014 – 3rd February 2016
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Ingemann Food Nicaragua: advance on the implementation of the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption within our sphere of influence in the honey and cocoa chains in Nicaragua.

Ingemann continues its expansion, working actively towards the standardization of operations at all levels. Our focus has been on achieving a more efficient and effective organization with a lower environmental impact, happier workers and an adequate return on investment for investors.

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
Principle 4: the elimination of all forms of forced and compulsory labour.
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

Assessment, policy and goals

As part of its general business management, Ingemann labour policy continues to support and protect the universally accepted human rights.

Implementation

What is new? This past year we decided to get ourselves measured under Naturland Social Responsibility Standards: The holistic claim of Naturland standards also includes the social treatment of the people who work in the company.

Measurement of outcomes

The company did very well complying with Naturland Social Responsibility Standards. ¹

The Naturland inspector included Ingemann staff on the evaluation, making individual interviews with workers, local authorities and the company representatives.

The main focus areas, beside the organic check list were:

- ✓ The basic rights of the people living and working on Naturland operations must be respected. As a Naturland certified company, we must comply at the minimum with the local legal requirements, respectively the human rights listed in the UN Conventions, the International Labour Organisation

¹ http://www.naturland.de/images/UK/Naturland/Naturland_Standards/Other_Standards/Naturland-Standards_Extract-Social-responsibility.pdf

Conventions and Recommendations (ILO)², the UN conventions on children's rights³, and the United Nations Declaration on the Rights of Indigenous Peoples⁴, should these be more comprehensive.

- ✓ Freedom to accept or reject employment
- ✓ Freedom of association, access to trade unions
- ✓ Equal treatment and opportunities
- ✓ Children's rights
- ✓ Health and safety
- ✓ Employment conditions
- ✓ Contracts
- ✓ Equal treatments
- ✓ Wages
- ✓ In kind payment
- ✓ Working hours
- ✓ Social benefits
- ✓ Further education



Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

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

Assessment, policy and goals

Agriculture feeds and clothes the world. Although the long-term effects of climate change are still largely unknown, we can already observe short-term effects of climate change on crops.

Nicaragua is the fourth country in the world most affected by climate change (Germanwatch 2014) and the second poorest in Latin America after Haiti (WB, 2013). 80 % of Nicaragua's population depends on agriculture, which remains the main sector of the national economy, contributing 20% of GDP (ECLAC 2013). Small farmers (less than 3.5 ha.) play a decisive role in the agricultural sector as they represent 75 % of all farmers (IFAD 2013).

Implementation

Ingemann plays a big role in the honey business and fine cocoa production in Nicaragua. This past period, Ingemann engaged together with PROADAPT NICARAGUA in a project to BUILDING CLIMATE RESILIENCE IN THE SECTORS OF FINE COCOA AND HONEY

Measurement of outcomes

The project's main objective is to protect the life of small and medium producers of fine cocoa and honey against the growing impact of climate change. The main measures of this project will be the access to relevant climate information and in an appropriate format; design, dissemination and implementation of both practical and technological solutions to those impacts; and access to credit for the purchase of such solutions.

The project beneficiaries will be 1,000 Nicaraguan small and medium producers of fine cocoa and honey with low-income located in the departments of Nueva Segovia, Matagalpa and Jinotega. 26% of these producers are women, belonging to households of an average of 5 members. 80% of beneficiaries are already working with Ingemann,

² <http://www.ilo.org/ilolex/english/docs/convdisp1.htm>

³ <http://www.ohchr.org/en/professionalinterest/pages/crc.aspx>

⁴ http://www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf

which is the executing agency of the project. This will be an excellent opportunity to demonstrate the positive impact of measures and resilient technologies in both economic and social terms.

The project pays a special attention to the resilience potential of fine cocoa cultivation. According to a study of the International Center for Tropical Agriculture (CIAT), it is estimated that in 2050 growing areas suitable for coffee in Nicaragua will be reduced between 30 and 50%. Fine cocoa cultivation has a high potential to replace coffee at the altitudes where it won't be suitable anymore. The project develops actions to promote greater diversification in these altitudes.

To achieve the main objective of the project -Building climate resilience in the fields of fine cocoa and honey in Nicaragua, the project has defined four work areas:

- i) Generation of climate information and definition of resilient business models. It includes vulnerability analysis, identification of solutions, and development of key elements of these business models. Resilient business model consist of the adoption by a production unit of a series of best practices and technologies that take into account the growing climate impact.
- ii) Strengthening the resilience capacities of relevant stakeholders in these sectors;
- iii) Work with financial institutions to better understand their exposure to climate risks with the final aim of encouraging the creation of credit for the purchase of resilient solutions from small and medium producers;
- iv) Management of the knowledge acquired through the project.

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

Assessment, policy and goals

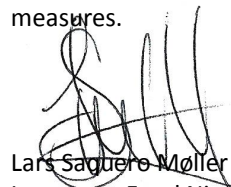
Corruption is recognized as a challenge and hindrance to the development of a sustainable honey/cocoa supply chain in Nicaragua. At company level all forms of corruption are condemned. Ingemann sets a good example in the country by abstaining from corruption payments or other favours in its business operations. Ingemann works with transparency in all areas.

Implementation

Internally, the staff joins the annual team building day. One important component of this day is to enhance Ingemann three values: Loyalty, Respect and Communication (L.R.C.) and to provide examples of how to achieve these goals. High focus is paid to the issue of preventing corruption and how each single person can make a difference. Furthermore, Ingemann initiative to be part of the UN Global Compact to reaffirm the company commitment with this 10 principles.

Measurement of outcomes

Fortunately cases of corruption have not been reported and thus we have not had to enter into corrective measures.



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