



Communication on Progress (COP) to the UN Global Compact by Ingemann

Period of reporting: 3rd February 2016 – 31st August 2017

Presented: 1st September 2017

Ingemann 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

We work with policies, code of ethics, procedures and regulations that support the commitment of the company to respect and help on the protection of Human Rights in the different dimensions and areas of our work.

Measurement of outcomes

Labour stability and low turnover increase year by year. This year we will be celebrating the 10th anniversary of INGEMANN in Nicaragua. It will be a special event where the management team will recognize the commitment of those members of the team that accompanies us from the beginning.

The internal recruitment has increased and we see many cases of personal development and professional improvement that motivate us to continue working in this same direction.

Recently the company has changed its focus on the "Worker of the month award" by opening it up in two new categories: "Integrity award" and "Excellence award". This with the intention of guiding even more the actions of the members of our team towards respect for others, loyalty, honesty and discipline.

Our company collaborates with a large number of honey and cocoa producers nationwide. We continue with our price policy above the minimum price, training programs, free technical assistance, financial support and certifications.

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 implemented 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 project beneficiaries are 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, which is the executing agency of the project. This is 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 which are all currently implemented:

- ✓ 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.
- ✓ Strengthening the resilience capacities of relevant stakeholders in these sectors;
- ✓ 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;
- ✓ Management of the knowledge acquired through the project.

Please refer to www.proyectoadapt.com for more details about the project and its implementation.

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

Assessment, policy and goals

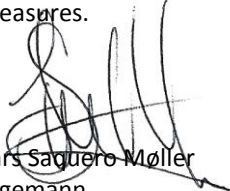
Corruption is recognized as a challenge and hindrance to the development of a sustainable honey/cocoa supply chain in Nicaragua. At company level all forms of corruption are condemned. Ingemann sets a good example in the country by abstaining from corruption payments or other favours in its business 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 four values: Loyalty, Respect, Communication and Quality (L.R.C.C. for its abbreviation in Spanish) 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.



Lars Saquero Moller
Ingemann