

DAL FOOD

United Nations Global Compact
Communication on Progress
2019 - 2020



دار الفخائية
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 Better Lives". It aims to help people live better lives by providing affordable, basic staple food and drink products all over Sudan and in few neighboring countries.

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

DAL Food believes in driving local value, so whether it is the raw materials we use, the industries in which we invest, or the people we employ, we will use local alternatives wherever possible, to support and develop our country.

Leadership Statement of Continued Support for the United Nations Global Compact

DAL Food would like to reiterate its pledge and maintain its commitment to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Despite three consecutive years of financial upheavals caused by an economic crisis in 2018 which continues to take its toll, an inspiring revolution leading ultimately to the rebirth of Sudan in 2019, and an unforeseen pandemic in 2020, our commitment to integrating the UNGC principles into our policies, strategy, and culture remains firm.

We also remain optimistic about the economic outlook as Sudan returns to the fold of the international community to make greater contributions to the world and the good of humanity.

A handwritten signature in blue ink, appearing to read 'Ihab', with a large, sweeping flourish above it.

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.

Our support to human rights has always been at the top of what we do especially with the recent difficulties and challenges that our country went through from the economic downfall to the revolution and now the global pandemic. In our industry we stand by our word of providing “Good food for better lives” and we extend the good part to other dimensions by supporting it wherever we find it.

The Sudanese revolution was a critical period for most businesses, we stood by our policy that preserves the right for any person to express their own opinion and support it, as many of our employee were absent during that time to participate with the groups they belonged to, and no charges were taken against any of our employees.

Our policies are in line with the country’s labor law, but we are going beyond what is regarded as acceptable for the benefits of employment to offer jobs with benefits that help our employees live a decent life.

In compliance with the international standards and UNGC requirements we separated the business ethics policy from the company’s code of conduct.

The economic challenges that the country is facing impacted the way we review our benefit system as we now review the relevance of our offering relative to the overall economic situation of the country.

In the past two years, our community needed the support more than ever as many factors came into play from the collapsing economy to the side effects of the gradual subsidy lifting of wheat and fuel on one hand, and the revolution on another, and not too long after, the global pandemic and the lockdown and shortly after the floods season. Through these tough times we were committed to helping our community with all what we have in hand, from offering expertise to products and services and supporting local NGOs to help lessen the impacts and survive with the least possible losses.

We also have a deep-seated belief that people with disabilities should be equal participants in society. Living with a disability should not prevent anyone from being productive, changing their own economic status, or positively impacting the society at large.

Changes in workforce demographics

Year	Total No. Employees	No. resignations / Turnover Voluntary	Average workforce age	No. of promotions (No. women)	Nationalities in Food division	Employees gender distribution
Dec. 2018	5206	8.3%	39.0	36	26	Male - 93.2% - Female - 6.8%
Dec. 2019	5680	7.4%	38.8	20	27	Male - 92.7% - Female - 7.3%
Sep 2020	6304	3.8%	38.8	21	26	Male - 93.3% - Female - 6.7%

Benefits system:

AT DAL Food we have our own approach to medical coverage to cater for health care needs, we recently increased the ceiling to cope with the changes in the market and included parents under the coverage as well.

Housing was also affected by the economic downfall, our regular arrangement for housing is an allowance, which we include in our economic related reviews.

Our Farms community

One of the biggest ways in which our operations support surrounding communities is by providing water for both drinking and farming purposes. As well as supplying farmers with water from the farm's own system of pumps and canals, we have dug a number of wells to give communities direct access to sources of water. It is worth noting that we are taking minimal fees (one-tenth of the official water rate from the government) from farmers for the water they use for farming. This charge helps them understand the importance of using this resource responsibly.

There is always a connection between the land and its people, and for us the communities surrounding our farms provide us with over 400 employees, and the number keeps growing. We have many examples of individuals from local communities who now hold management positions at our farms; an area crop manager, work-shifts officer, and data entry officer, who started with us as casual labours.

As part of our support to the community we try to utilize-whenver possible-the local people's assets, whether these are cars, pickups, or heavy equipment. Renting assets from the local communities serves as a second source of income for them to support their families.

Training is essential in any industry. We offer training opportunities across our farming operations for people who want to develop their skills. Today, the majority of our staff members were once trainees in the company.

Floods Action

In September 2020, a heavy rainfall caused devastating floods that hit at least 16 states across Sudan with the Blue Nile reaching water levels not seen for nearly a century. Thousands of families lost their homes, and many businesses were directly impacted especially in the field of farming and agriculture. We offered support to all states solely and in partnership with local aid organizations.

The company purchased hundreds of hands spray pumps and fog pumps and ran tens of environmental campaigns in areas and states where floods damage was significant. Along with that, the company provided mosquito nets, and tents to those who lost their homes.

Rapid response team was created within DAL Food to support 59 families of employees effected by floods.

Covid-19 response

The corona virus pandemic had its toll on the healthcare systems in the most advanced countries, in contrast our healthcare systems are fragile in normal conditions-for numerous reasons-let alone with a global pandemic.

Our response in this pandemic started by applying the safety and precautionary measures in all operations internally and externally, also this extended to supporting employees financially to afford the essential protection gear from masks and sanitisers to their families.

We extended our support to the ministry of health by providing supplies for isolation centers and hospitals, the support also covered items like masks, gloves, surgical suits, sanitisers and sanitisation tunnels at the entrance of ministries and the council of ministers buildings. And similarly supported other smaller groups and organizations in their local communities.

The company also owned some sanitisation tools and equipment and responded well to any request we received to minimise the impact of COVID-19 on individuals working for the public sector.

A lot of people in Sudan rely on their day-to-day income and others groups are facing hunger and homelessness and that was affected greatly by the lockdown, so DAL Food then introduced the Food Basket initiative targeting above mentioned segments to cover their food supplies for 3 weeks, targeted beneficiaries were 10,000 families then we added 13,000 more making a total of 23,000 families in need for food support during COVID-19 pandemic.

During the lockdown the police forces were managing the curfew and ensuring the lockdown was perfectly implemented. DAL Food supported them by providing meals to those at checkpoints as well as providing them with Iftar meals during the holy month of Ramadan.

DAL Food also encouraged the employee initiative by covering more than 90% of the cost, the employee initiatives covered distribution of food supplies to vulnerable groups as well as patients in hospitals and kidney care centers.

It is worth mentioning that **\$1.5M** was the overall budget directed towards COVID-19 response.

Supporting people with disabilities:

The Bus stops project is one of DAL Food's most successful projects due to the impact it made on the lives of vulnerable groups with physical disabilities in a country where a decent work environment for them is hardly found. We've provided financial support to the Bus stops' Operators to help them during COVID-19 lock-down as for many of them-if not all-the project is their sole source of income.

A new initiative is currently being carried out, the initiative is named "Gadreen" which translates into "Able" and as the name suggests this initiative is focused on enabling the disabled to be able to work in different industries through a range of different jobs that would suit the nature of their disability.

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.

DAL Food will continue to proactively abide by any national and international laws.

Our policies are neutral when it comes to unions, meaning that we don't discriminate on its bases nor restrict employees from attaching themselves to any of it depending on their preferences as long as that association is not using the company's name.

We strictly follow the labor law, and in it, child labor and forced labor are illegalized and we support that not only by following it but trying our best to include parameters that help prevent that from happening in our recruitment process. Moreover we try to fight it through training programmes.

In pursuit of eliminating all forms of discrimination we-by policy-forbid any discrimination in our recruitment process to guarantee fair chances for all despite their gender, race, skin color, nationality or physical abilities or any other form.

Investing in our employees is an investment towards the company's future, especially in such challenging business environment, our development plans equip them with the required skill, knowledge and tools to face these challenges confidently.

Our updated DAL Food Principles reflects the behavior of the company and its employees in very simple terms that all employees can relate to easily.

Child labor

All suspected cases were looked into thoroughly and turned out to be within the age range.

Our benefits are structured to support our employees and their families so their families don't turn to forced labor or child labor.

Our vocational training programme serves as an opportunity to develop skills and generate decent income and then helps in getting a job within our company or elsewhere.

Our Bakery development center encourages women to start their careers in baking by training them for free in our specialized baking center, and through that training they have the skills necessary to kick-off their small business, or better utilize their limited resources to better support their families.

Employees support

As many employees need substantial amounts of money to cover expenses for (schooling, housing, etc.) and others who have emergencies or need loans, all of this and more is covered by our Staff fund programme.

We introduced 4 grants to employees to help them cope with the market fluctuations and increased the fuel and transportation allowance.

Due to the Covid-19 lockdown we reduced time at the offices and in a lot of cases transitioned to working from home especially for the endangered and vulnerable groups.

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 has and always will be committed to complying with the international and national standards with regards to health and safety practices, our policy contains the Provision of Senior Management Commitment towards legally complying with international and National Requirements of the Environmental Management system (ISO14001:2015) and Occupational Health & Safety Management system (ISO45001:2018)

We are committed to “Maintain the OSHE Management system that defines responsibilities and accountabilities at management, employees and contractor levels and provide them with the required resources”

Our commitment to including sustainable development aspects in our actions is stated in our policy as follows “Consider principles of Sustainable Development and sound environmental Practices in Planning and conducting business”

ISO 14001-2015 Environmental policy

We at DAL Food are committed to the prevention of pollution and protection of the environment. DAL Food is committed to carry out all our activities in conformance with Sudanese environmental legislation & other adopted legislations. We are committed to:

- Minimize waste generation and Promote Recycling.
- Reduce Energy & Water Consumption.
- Minimize Harmful Emissions.
- To work with suppliers who have sound environmental policies, where possible.

- Use recent manufacturing technologies and best practice in all processes not adversely affecting the environment.
- Continuously improve our employees' skills and knowledge through specialized training programs.
- Effective Implementation of environmental Management system according to the requirements of the International standard ISO 14001:2015, and Implementation of effective internal & external communication system with regards to environmental issues.
- This policy had been communicated to all employees and all those working on behalf of DAL Food, and available to the public upon request.

This policy is reviewed annually and when needed.

Other Activities

HSE Committee discussed the Potential Environmental Aspect and impact and the required control measures. At the Top Management Level, A Management Review Meeting is also being conducted two times per Year to discuss further the application of precautionary measures and other environmental related issues.

Our commitment to waste management is reflected on how we formed our waste management practice, as we are recycling almost all the materials that are considered to be waste, either ourselves or by selling it to third-party for recycling purposes.

A Sustainability oriented stakeholder engagement is being conducted to cover all the social, environmental and economic aspects, and identify the changes that took place in our matrix in the last two years in-depth.

Awareness sessions have been conducted about the paper consumption and its impact on the environment for all the Company's Internal Stakeholders.

As a part of the Environmental Management System Activities, environmental aspects are usually identified with their associated impact according to the processes and activities undertaken. Environmental Awareness is being carried out for our staff besides the required Environmental Drill. Moreover, the overall

internal Audit on the system is being carried out to detect the gaps following a Management Review Meeting so as to Close the gaps and further continually improve the System. HSE Training Matrix is in place and consists of the Required Environmental Training and awareness.

Waste management

Reducing paper waste through reducing paper usage and refocusing on emails and any other means of communication other than paper, which lead to reduction in paper purchases and therefor the reduction in its waste.

Our measure was the reduction of the total Paper Consumption per annum, so we devised technical Solutions as following: - Many Printers were converted to automatically print on one Paper with two sides instead of printing on Two Papers & Any deformed Printed paper shall be used for note taking.

All Environmental Aspects and its associated impacts have been considered in a log. One of the good practices adopted in our DAL FOOD Unit, is the change of the Paper Based plate to Metallic Plates which in turn reduced the generated waste from this activity. Also the Plastic Waste in PP Plant is been compacted and palletized then sold recyclers, or dealers in the recycling business.

Environmental assessments

Two Environmental Impact Assessment were carried out for Sayga Free Zone Area (Port Sudan) and PP plant (Garry Free Zone). Also, The Internal Environmental Impact assessment process started in a couple areas and will extend to the rest. An ISO14001:2015 has been awarded to the Plastic Plant, DFU, and Sayga Free Zone in Port-Sudan & ALWAHA Project.

ISO 4500:2018 (OSH) & ISO 14001:2015 (EMS) Certificates has been awarded, achieved and sustained.

Environmental Risk register now covers the following Business units:- Plastic plant , DAL FOOD UNIT , ALWAHA Farm , Port Sudan Sayga free Zone . In these units several Environmental Aspects impacts & HSE Hazards & Risks and have been considered and assessed.

Anti-Corruption Principles

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

The reputation that DAL has built over the years for high ethical standards is one of its greatest business assets. To share the responsibility to preserve and enhance this asset, the company has documented the Code of Business Conduct (COBC) for its employees.

We are committed to comply with all laws, rules and regulations governing anti-bribery and corruption law in Sudan and all the countries in which DAL GROUP or any of its subsidiary companies operate. Our commitment to ethics and integrity is reflected in our business policy with our zero-tolerance policy towards unethical behavior and corruption.

According to Transparency international: Sudan is at 16th out of 100 on the anti-corruption index which is 84 on the corruption index, and it ranks the 173 as per 2019 stats out of 180 countries in the corruption index”, However Despite this challenging business climate within which DAL operates, DAL GROUP, based on its mission and philosophy, has set a number of fundamental principles and values which we believe are the foundation of sound and fair business practice and as such are important to uphold. One such principle is a zero tolerance position in relation to corruption, wherever and in whatever form that may be encountered.

Ending and eradicating corruption is well fostered within our business and is well adopted through our Compliance Management System. Anticorruption practices is integral to lasting sustainable development and we are committed advocates in the fight against it.

The compliance policies apply to all DAL FOOD employees and it provides for the business ethics, standards and principles required to guide and encourage employees to adopt integrity, transparency and accountability and making fighting corruption the responsibility of each individual.

Compliance Program (Compliance Management System) has been enhanced by the top management of DAL Group, and the six elements forming the pillars for having strong culture against Corruption is well preserved.

The compliance program within our organization is based on the following elements:

- Board Oversight of Compliance and Risk Issues (Compliance officer is directly reporting to the Board of Directors).
- Risk Assessment / Ongoing Monitoring by all stakeholders.
- Compliance Function (this function is acting at the group level and is in charge of monitoring, reporting and implementing corrective and /or preventive measures towards any irregularities).
- Business Partner Due Diligence and Employee Screening.
- Compliance Policies and Procedures, Training and Communication, (ongoing process).
- Whistle-blower System, Investigation and Sanction Process (we have whistle-blower policy).

Compliance Policies reviewed on annual basis as well as on case to case basis whenever needed.