

# FRIGOKEN LIMITED

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**COMMUNICATION ON PROGRESS**

**UNITED NATIONS GLOBAL COMPACT**





Frigoken Limited (FKL) is committed to supporting the 10 principles of the UN Global compact as defined by the four tenets of human rights, labour rights, environmental protection and anti- corruption.

This annual COP reflects the company's commitment to supporting the UNGC. It highlights the actions that Frigoken undertakes to integrate the Global Compact and its principles as well as the Sustainability Development Goals (SDGs) into the business's strategy and operations. The company actively addresses 11 of the 17 SDGs.

Frigoken commits to sharing this information with its stakeholders.

This communication progress report covers the period of the year 2020.

During this unprecedented time, where global supply chains have been greatly impacted by the COVID-19 pandemic, FKL has persevered to maintain its engagement with thousands of small-scale rural farmers and has adapted to ensure business continuity

Mr. Karim Dostmohamed  
General Manager, Frigoken Limited

# STATEMENT OF SUPPORT



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## ABOUT THIS DOCUMENT

In January 2016, FKL committed to the UN Global Compact. This commitment supports the ten principles as well as providing annual communication on progress emphasising on the importance of public accountability and transparency.

### CONTACT INFORMATION

Company name: Frigoken Limited

Sector: Agribusiness

Number of employees: 3000

UNGC signatory since: 2016

Contact Person: Nushin Ghassmi; [nushin.ghassmi@ipskenya.com](mailto:nushin.ghassmi@ipskenya.com)

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# ABOUT US

Established in 1989, FKL is one of the largest vertically integrated export-oriented vegetable processing company in East Africa.

Frigoken aims to be a global leader of choice for the supply of premium horticultural produce, specialising in value-added and niche market products while forging a better future for local small scale farmers.

Frigoken is a part of the agro and food processing sector of [IPS](#), which is the industrial and infrastructure development arm of the Aga Khan Development Network (AKDN) - a group of private, international, non-denominational development organisations that works towards improving the welfare and prospects of people living in the developing world.



# SUSTAINABLE FARMING

## UNGC PRINCIPLES

### Human Rights:

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

### Environment:

Principle 7:

Businesses should support a precautionary approach to environment challenges;

Principle 8:

Business should undertake initiative to promote greater environmental responsibility;

Principle 9:

Business should encourage the development and discussion of environmentally friendly technologies



Frigoken engages **thousands of small-scale farmers** in its value chain. Frigoken's model (refer to the diagram below) is to source raw material from local farmers. As part of the model, farmers only farm a portion of their land for Frigoken produce and are encouraged to continue subsistence farming and other cash crops, promoting self-reliance and increased incomes. FKL works with farmers to employ good agricultural practices, promoting the efficient use and preservation of natural resources without negatively impacting the environment. During the pandemic, FKL ensured that farmer's livelihoods would not be disrupted and put in place various measures to protect farmers and their produce.



# SUSTAINABLE FARMING



The impact of climate change continues to affect small-scale farmers, who depend heavily on rain-fed agriculture. Infrequent rains and extreme weather conditions have resulted in reduced crop yields and in turn, household incomes.

The extension services provided to farmers promote the sustainable and efficient use of water. The company works hand-in-hand with the farmers and like-minded partners to tailor-make solutions, ranging from both community and individual irrigation interventions such as furrows, wells, communal pumps, and drip irrigation.

A trial drip kit being piloted with a farmer.

WATER

## IMPROVING WATER ACCESSIBILITY

FKL partnered with the Netherlands Development Organization (SNV) and the local farming communities in Ngekenyi, Kirinyaga County to improve and expand an existing piping project to support irrigation needs. The project construction was finalised at the end of 2019 and is currently managed by the local community, providing over **100 farmers access to water for farming**. The project has impacted the livelihoods of the community by not only increasing farming activity and therefore food security and income but also by reducing water stress and water-related conflicts as well.



A water pan with harvested rain water at a farmer's plot.

## WATER PANS

In collaboration with The Nature Conservancy, FKL implements a "Water Pan" project to promote water harvesting and storage. This project promotes use of an affordable and accessible solution for farmers in the form of UV-treated polythene lined pans. **To date, 12,061 water pans** have been distributed to over **8,973 farmers**.

# SUSTAINABLE FARMING

## AGRO-FORESTRY

Frigoken encourages its out growers to adopt agro-forestry techniques as an integral part of farm management. To date, 3.5m trees have been planted, improving soil fertility and providing fodder, food and fuel for rural communities.

In 2020, 10,000 Hass avocado seedlings were distributed to over 2044 farmers in the Muranga and Kirinyaga regions, resulting in a total of 27,500 avocado seedlings being distributed in the last two years. The high-value crop not only offers the benefits of agroforestry, but a source of income from the fruits.

FKL also partnered with Burn International and the Mount Kenya Trust to not only plant more trees, but also protect existing ones. Connecting Frigoken's community of outgrowers to Burn's subsidized Kuniokoa Jiko, a jiko that burns firewood more efficiently, therefore requiring less wood (saving 6 tonnes of wood in their lifetime), reduces cooking time and produces a lot less smoke, resulted in 3272 energy efficient jikos being sold. The jikos reduce CO2 emissions by 2.3 tonnes per stove per year, translating to 10 tonnes of CO2 in their lifetime.

For each jiko sold, Burn contributed \$2 towards Frigoken's tree planting efforts, partially funding the 10,114 seedlings planted in Meru with the Mount Kenya Trust, a not-for-profit focused on conserving and protecting the forest, water, people and wildlife in the Mount Kenya region.

## SOIL INTERVENTIONS

Land degradation and its impacts on crop yield and quality of produce is a growing concern for farmers. FKL's continues to implement initiatives that help farmers improve soil fertility by training farmers on composting and using manure. In 2020, FKL continued these efforts to support farmers and 24,448 units were planted using compost that was made using locally available materials. Farmers are also taught how to use biochar in their compost, which not only supplements soil with nutrients but also has physical properties that enable soil to retain them. The 90,450 kilograms of biochar distributed to 1,262 farmers was sourced from Allpack Industries Ltd., FKL's sister company. The biochar is a waste product from Allpack's biomass boiler. The impact of this does not only support farmers but reduces waste going to landfills.

## RESPONSE TO COVID19

As a food processor and essential service, operations did not stop for FKL as the country went in to lockdown. FKL's focus was to ensure farmers did not incur losses from the rapidly changing situation and had to act swiftly to ensure all precautionary measures were in place. At every collection center temperature checks were conducted and hand washing points set up for community use. Posters on how to set up tippy taps were shared so farmers could set up their own at their homes. Field staff and truck drivers were issued with their own sanitiser and all vehicles, collection centers and field offices were continuously sanitised. Satellite storage centres for produce were also set up to reduce fresh produce loss and masks provided for all field staff.



# OUR PEOPLE

## UNGC PRINCIPLES

Human Rights:

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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

Labour Rights:

Principle 4:

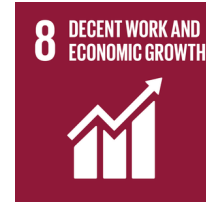
The elimination of all forms of forced labour and compulsory labour

Principle 5:

The effective abolition of child labour

Principle 6:

The elimination of discrimination in respect of employment and occupation.



Frigoken operates in both rural and urban environments, promoting employment for the local community. Frigoken adheres to the **Sedex Members Ethical Trade Audit (SMETA)** which is guided by the principles from the Ethical Trading Initiative Code (ETI). In 2020, FKL successfully underwent the SMETA 2 Pillar Audit, which focused on labour standards and health and safety. While facing the COVID19 pandemic, protecting and caring for staff was of utmost priority. At all workplaces, all precautionary measures were put in place.

Grading of produce at a collection centre with social distancing and wearing of masks.



# OUR PEOPLE

## PRINCIPLES

Employment is freely chosen

Freedom of Association and the Right to Collective Bargaining are respected

Working conditions are safe and hygienic

Child labour shall not be used

Living wages are paid

Working hours are not excessive

No discrimination is practiced

Regular employment is provided

No harsh or inhumane treatment is allowed

## CREATING EQUAL OPPORTUNITY

Over 80% of Frigoken's employees at the processing plant are women, most of whom reside in the surrounding community, providing a supplementary income for households. The company recognises the challenges working women face, child care being a major one. Thus, FKL established an onsite child care facility; a unique service in the region. Frigoken staff also have access to an onsite cafeteria, sickbay and clinic. Furthermore, approximately 50% of the farmers engaged in Frigoken's value chain are women. Frigoken has a strict no discrimination policy, promoting gender equality and employment for people with disabilities in the workplace and supply chain. In 2020, no cases of discrimination were reported.

## PROMOTING PROFESSIONAL DEVELOPMENT

FKL promotes professional development for employees through both internal and external skill-enhancing training across different departments. In 2020, in addition to department-specific skill training, sessions were held on health and safety, ethics and code of conduct, discrimination, sexual harassment, fair remuneration, working hours, effective water usage, first aid, waste management, emergency procedures and fire safety, grievance mechanisms & child labour. Frigoken also has an internship programme across various departments and a Technical Training Programme for promoting young, skilled technicians in the Engineering Department.

Over 500 people are directly employed in the rural communities that FKL sources its raw material from.



# OUR PEOPLE

## RESPONSE TO COVID19

FKL's first priority, amid the COVID19 pandemic, has been to its people and did this by putting in place clear communication channels and all precautionary measures, while adapting to ensure business continuity.

Continuous guidance was taken from the Ministry of Health and World Health Organizations on what was communicated and what precautionary measures were to be taken, which include:

- Policy and Compliance to ensure all staff comply with measures and the company complies with national COVID19 regulations
- Social Distancing; marking pathways to ensure 1.5m spacing, reducing the number of staff per shift, spacing out seating arrangement, increasing time lags between shifts, increased use of teleconferencing, all non-essential travel on hold, no visitors allowed.
- Hygiene and Sanitation: increased handwashing and sanitizer points across the facility, continuous emphasis on proper handwashing, frequent cleaning and sanitization of all surfaces and high touchpoints.
- Temperature testing at entrances and throughout the day



Hand wash and hand sanitizer stations were increased around the facility.

## 2020 ACTIVITIES & ACHIEVEMENTS

32 Internal Trainings held; trainings were a challenge to conduct due to social distance protocols but the company adapted and found innovative ways to conduct trainings.

Successfully met all requirements for SMETA. 3 non-conformances closed within 3 months.

No cases of child or forced labour reported.

55% of employee grievances closed.

Maintained effective relationship with Union, of which 100% of permanent employees are members of.

4 internships provided for students in the Production Department.

4 technicians finalised the Technical Training Programme and 4 new entrants admitted.

# HEALTH AND WELL-BEING

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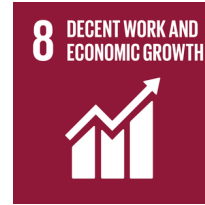
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## HEALTH & SAFETY

Creating a **healthy and safe workplace** is essential for the company. FKL, therefore, has a comprehensive Health and Safety Programme in place, guided by local and international standards. The programme is managed by the Health and Safety committee, consisting of various levels of management from different departments. The committee plans, actions, and evaluates health and safety. Key performance indicators are regularly monitored and staff are continuously trained on health and safety. Any visitors or contractors to the facility are also provided with a health and safety induction and relevant Personal Protective Equipment (PPE). Addressing the COVID 19 pandemic fell directly under the Health and Safety Programme, where continuous guidance was taken from local regulation, the Ministry of Health and the World Health Organization. This year OSHA Audit also included a section on assessing all measures put in place for COVID 19, which the company successfully met.

Modifications were made to  
all work stations and areas to  
enable social distancing.



# HEALTH AND WELL-BEING

## WORKPLACE WELLNESS

The Workplace Wellness Programme promotes the **health and wellbeing of employees** in three areas: physical health, psycho-social health & financial wellbeing. The programme is run by peer-educators, employees who are trained and **passionate about wellness**. Through the programme, wellness information sessions are conducted as well as onsite health camps for employees, by partnering with local health care providers. To date, **over 50 health outreaches** have been conducted for employees. The programme is informed by data from employee sick-offs and addresses the high occurring illnesses, with support from the onsite company nurse. Frigoken has been running an onsite counselling programme for three years, where employees have the option of one on one counselling or group sessions. The impact of COVID 19 was a source of stress and anxiety for many and for this reason, this programme continued during COVID, keeping in mind all measures, to support staff.

## RESPONSE TO COVID-19

In addition to all the **precautionary measures** taken to prevent the spread of the virus, from April 2020 the work place wellness programme was primarily geared towards continuous awareness not only on COVID-19 but information geared to overall health, especially in regard to boosting one's immunity. Through a Bulk SMS platform, continuous messaging and updates were sent to all staff. Given that those with pre-existing conditions are more prone to the virus, the programme will now have an even more focused approach to preventing lifestyle diseases.

Frigoken Ltd also supported the counties of Embu, Muranga, Kirinyaga, Nakuru, Nyandarua and Laikipia with PPE's for distribution to the local hospitals to support health workers who are in the frontline in support of the fight against the coronavirus and exposed to hazards that put them at risk of infection. **Click on the icon to see all the precautionary measures we put in place!**



## 2020 ACTIVITIES AND ACHIEVEMENTS

2 Health and Safety Audits conducted

8 Committee meetings held

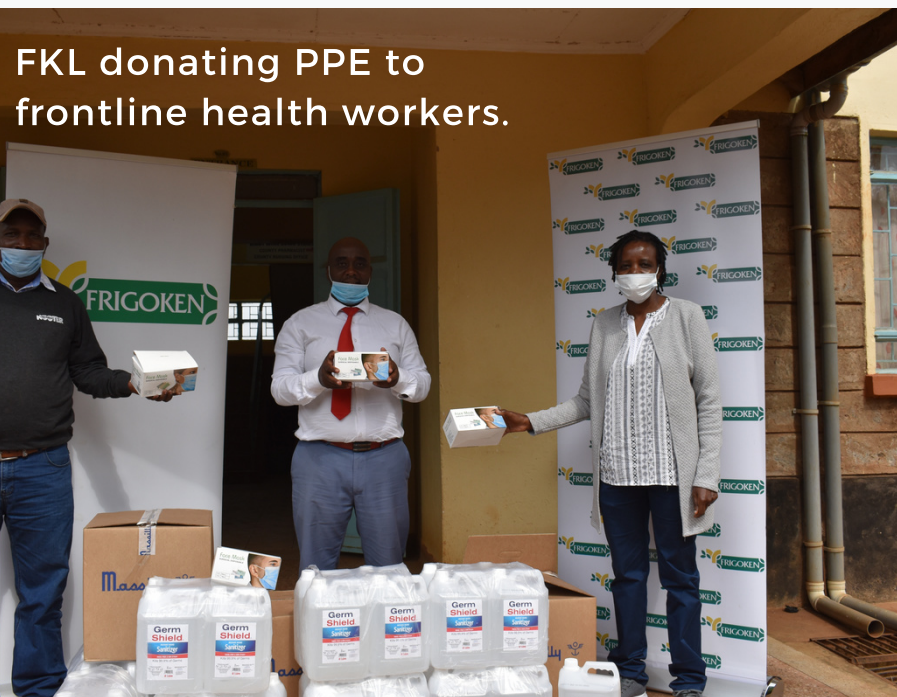
35.7% reduction in first aid cases

2 external trainings - First Aid and Fire Marshals

35 Internal Trainings

1 Onsite health camp (before COVID19) with 213 staff attending for cervical and prostate cancer screening, blood sugar testing and general health consultations

277 one-on-one counselling sessions conducted, a 22% increase compared to 2019



FKL donating PPE to frontline health workers.

# ENVIRONMENT

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Frigoken is **conscious of its operations and practices** and the impacts it could have on the environment and has in place an **Environmental Management System** that is guided by local regulations and **ISO 14001:2004**. The COVID 19 pandemic and global response brought to light many environmental issues and concerns caused by human activities, further committing FKL's dedication to green its operations.

Teleconferencing has increased,  
reducing travel and  
consequently our Green House  
Gas emissions.



# ENVIRONMENT



## WATER EFFICIENCY

FKL is committed to increasing resource efficiency in its operations, water being a primary concern. Through the **water management programme**, local regulations regarding water usage and water waste are strictly adhered to and water audits are undertaken to identify opportunities for improved efficiency. The company conducts monthly testing of effluents, ensuring that they are within the stipulated requirements. Additionally, the company's internal water reuse system uses waste water from processing for the washroom facilities, where **over 60% of water** used for vegetable washing is recycled. In 2020, water consumption reduced by **20%** as water used for cooling was recycled as well.

## ENERGY MANAGEMENT

FKL is committed to resource and energy efficiency and adheres to all regulations stipulating energy and resource usage. Since 2015, FKL has had **two comprehensive investment-grade energy audits** and has implemented several initiatives to reduce and optimize energy usage, implemented by and Energy Management Committee.

## WASTE MANAGEMENT

Through a **comprehensive Waste Management System** (WMS), FKL is committed to ensuring waste is disposed of properly, reducing negative impacts to the environment and surrounding community. The company complies with ISO14001:2004. The WMS ensures correct handling and separation of waste and as much as possible, reusing and recycling wastes to reduce the amount of solid waste going to landfills.

## GHG EMISSIONS

In 2020, FKL began the process of measuring its Green House Gas (GHG) Emissions. The team is currently working on finalizing Scope 1 and 2 emissions and will begin the process of understanding Scope 3 emissions gradually in 2021.

## RESPONSE TO COVID19

The COVID 19 pandemic has had both positive and negative impacts on the environment. While still ensuring that all precautionary measures are followed, the company opted to provide employees with reusable masks to reduce the pollution single-use masks were causing.

## 2020 ACTIVITIES & ACHIEVEMENTS

In 2020, FKL has maintained being able to divert 93% of its waste from landfills and is now striving to achieve Zero Waste to Landfill.

# GOVERNANCE

## UNGC PRINCIPLES

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Anti - Corruption

Principle 10:

Business should work against corruption in all its forms, including extortion and bribery



Operating in an **ethical and accountable manner** is a core value for Frigoken, hence subscribes to the principles of BSCI. Additionally, in 2017, FKL became a voluntary member of The Blue Company Project. This project is an initiative of volunteer corporations and institutions that have the public interest at heart with the objective of encouraging companies to fight corruption in all its forms. The company continues to maintain membership to this initiative. There were no cases of bribery or corruption reported in 2020.



# INVESTING IN TOMORROW'S LEADERS

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## Childcare at the workplace



The company has an onsite crèche facility for children aged 6 months to 3 years, that incorporates the principles of **Early Childhood Development (ECD)**, recognizing the gap of quality childcare and ECD services within the community. ECD trained carers at the crèche also conduct trainings and information sessions for parents on the principles of ECD and how to practice them at home, how to use locally available materials to create learning and play materials and nutrition and hygiene. To date, over 150 children have graduated from the programme.

## RESPONSE TO COVID19

The pandemic resulted in the closure of schools and following regulations, the onsite creche had to be closed and projects implemented in schools had to be halted (Young Farmers and Tree Growing). In an effort to continue education and awareness on Early Childhood Development and support parents with caring for their children at home, key messages were sent to parents using the bulk SMS platform frequently.

The local homes FKL regularly support now had more children to look after and the company continued to provide them with vegetable produce; 22,212-kilo grams to supplement their feeding programmes.

***"THERE ARE OPPORTUNITIES EVEN IN  
THE MOST DIFFICULT MOMENTS."***

**-WANGARI MAATHAI**

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