

An aerial photograph showing a large-scale agricultural operation. In the foreground, there are several rectangular plots of land, some with rows of young green seedlings and others with rows of brown, possibly harvested or processed, material. A small building with a corrugated metal roof is situated near one of the plots. In the background, there are more rows of seedlings, a small pond, and a cluster of buildings. The surrounding landscape is lush and green, with rolling hills and dense vegetation under a clear sky.

**The largest export-oriented  
vegetable processor in East Africa.**

**2021 SUSTAINABILITY REPORT**



## TABLE OF CONTENTS



Who We Are.....1



Our Commitment.....2



UNGC Principles.....3



Energy.....4



Water.....6



Waste.....7



Emissions.....9



Sustainable Farming.....10



Tree Growing.....12



Our People.....14



Health & Wellbeing.....16



Education.....18





## Who We Are

Established in 1989, Frigoken Limited (FKL) is East Africa's largest vertically integrated export-oriented vegetable processing company. FKL aims to be a global leader of choice for the supply of premium processed horticultural produce, specialising in value-added and niche market products while forging a better future for local smallholder farmers.

FKL is a project company of the Industrial Promotion Services (IPS) group of companies, which is an affiliate of the Aga Khan Fund for Economic Development (AKFED) – an international development agency dedicated to promoting entrepreneurship and building economically sound enterprises in sub-Saharan Africa as well as Central and Southern Asia.

AKFED is an affiliate of Aga Khan Development Network (AKDN), which consists of private, international, non-denominational agencies working to improve living conditions and opportunities for people in specific regions of the developing world. All AKDN agencies conduct their programs without regard to faith, origin, or gender.





## Our Commitment



Sustainability is at the core of all our operations, and in line with this, we have adopted **innovative initiatives** to ensure that we serve our stakeholders sustainably. This sustainability report highlights the actions that FKL has undertaken to integrate the United Nations Global Compact Principles as well as the Sustainable Development Goals (SDGs) into the business's strategy and operations.

During this period, when the global supply chains have been greatly impacted by the COVID-19 pandemic, FKL has continued with its **engagement with thousands of smallholder rural farmers** and has adapted to the changing times to ensure business continuity.

FKL commits to sharing this information with its stakeholders, this sustainability report covers an overview of the year 2021.

**Mr. Karim Dostmohamed**

General Manager, Frigoken Limited





# United Nations Global Compact (UNGC) Principles

As a member of UNGC, we have transformed our operations innovatively to meet the needs of our consumers. We have also impacted the livelihoods of thousands of small-scale farmers in our value chain and empowered women in our community through a shared value approach. To achieve our sustainability targets responsibly and serve our stakeholders effectively, we are committed to the 10 principles of the UN Global Compact, as defined by the four tenets of human rights, labor rights, environmental protection and anti-corruption.

These principles ensure that we enhance ethics in business as highlighted below:



## 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.



## Labour

**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.



## Environment

**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.



## Anti-Corruption

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





# Energy

7 AFFORDABLE AND  
CLEAN ENERGY



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



## OUR COMMITMENT

Reduce and optimize energy usage and implement renewable energy solutions for our operations.

## OUR TARGET

40% reduction in energy usage by 2025 from 2016.

## OUR ACHIEVEMENT

FKL has reduced energy usage by 25% and 10% for electricity and Heavy Fuel Oil (HFO) respectively.

## OUR INITIATIVES

### Factory Initiatives:

Energy audits to help identify gaps for continuous improvement within the factory.

Installation of high-efficiency motors at conveyor belts & snipping machines.

Installation of an onsite 375 KW solar power plant that offsets 10-20% of daily electricity use that is sourced from the grid depending on seasonality.

Installation of LED lights and using variable frequency drives to reduce power consumption.

Preventive maintenance of all machinery to ensure machinery is running efficiently.

Voltage optimization and LED retrofits, efforts that have resulted to the recognition of FKL at the Kenya Association of Manufacturer's Energy Management Awards.

### Employee Initiatives:

In partnership with KOKO Networks, a pilot program was run to distribute several KOKO stoves to staff. In addition to providing a cleaner energy solution for cooking, these stoves cost 14% cheaper to run as compared to Liquefied Petroleum Gas (LPG).

### Community Initiatives:

In partnership with Burn International, thousands of energy-efficient jikos were distributed to various communities to provide cheaper and more sustainable energy solutions. The jiko uses less firewood, is energy efficient, and produces less or no smoke upon lighting.





### Solar Project

FKL launched a clean energy solution by installing **700** solar panels at the factory. With a capacity of **375 kW DC**, the plant has a potential carbon handprint of over **87,000** tonnes of carbon dioxide emissions per year.



Before the installation of the solar panels.



After the installation of the solar panels.





# Water

6 CLEAN WATER  
AND SANITATION



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



## OUR COMMITMENT

FKL ensures that water is used responsibly and efficiently in all its operations. Our water management systems include water **recycling and promoting water-efficient practices** amongst staff and out-growers.

## OUR TARGET

**20%** reduction in water use by 2025 from 2016.

## OUR ACHIEVEMENT

**17%** reduction in water usage in our operations through the initiatives listed below:

## OUR INITIATIVES

### Factory Initiatives:

Installation of a water recycling system that has ensured a **40%** savings in water used in the cooling process.

Continuous water assessment and training to improve practices within the factory.

Water efficient pressure cleaners are used for the housekeeping department.

Use of push taps to conserve water usage.

Automation of the cooling vats and modifications of the drainage system in the autoclaves, helping to reduce water consumption.

### Community Initiatives:

FKL in partnership with The Nature Conservancy (TNC) has distributed over **12,000** water pans to smallholder farmers, an affordable and accessible rainwater harvesting solution.

FKL partnered with the Netherlands Development Organisation (SNV) and local farming communities to improve and expand existing water piping projects to support irrigation needs.





## Waste



**OUR COMMITMENT** Through our comprehensive waste management system, FKL is committed to ensuring proper waste management through **segregation, reusing and recycling**.

**OUR TARGET** Zero waste to landfill by 2023 from 2016.

**OUR ACHIEVEMENT** Through waste management improvements we have achieved a **97%** diversion rate of waste from landfills through reduction, reuse and recycling of waste.

### OUR INITIATIVES

Farmers collect raw bean waste from the various FKL collection centers to reuse as manure.

Sanergy, a waste management company, collects processed bean waste from FKL for the production of organic manure and insect-based animal feeds.

FKL has partnered with recycling companies to ensure the proper disposal of glass, paper, tin cans, plastics, electronics, wooden pallets, and oil waste.

Improvements in waste tracking and auditing of waste collectors.





## Waste



Frigoken Limited has adopted modern, climate-friendly waste management techniques that help keep waste out of landfills. Through our partnership with Sanergy, the organic waste we generate is upcycled into quality and safe regenerative products such as organic fertilizer used to nourish the soil.



# Emissions

13 CLIMATE ACTION



15 LIFE ON LAND



## OUR COMMITMENT

FKL has embarked on measuring its greenhouse gas (GHG) emissions in a phased manner. It has also adopted initiatives to ensure that GHG emissions are reduced.

## OUR TARGET

Net zero emissions by 2025.

## OUR ACHIEVEMENT

Since the start of measuring GHG emissions in 2020, there has been a **15.7%** reduction in scope 1 and 2 GHG emissions. Additionally, thousands of trees have been planted to offset carbon emissions.



**Scope 1**  
Factory Operations



**Scope 2**  
Electricity Source



**Scope 3**  
Indirect Emissions

## OUR INITIATIVES

The use of solar within the factory eliminates over **87,000** tonnes of carbon dioxide emissions per year.

Tree planting to offset greenhouse gas emissions.





# Sustainable Farming

6 CLEAN WATER  
AND SANITATION



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



## OUR COMMITMENT

FKL's model engages thousands of smallholder farmers in its value chain and provides high quality inputs and continuous training on good agricultural practices.

- OUR ACHIEVEMENT:**
- Over **100,000kgs** of organic fertilizer were distributed to smallholder farmers, enabling a replacement of over 20% of inorganic fertilizer.
  - Over the years, **12,000** water pans have been distributed.
  - Joint community piped water and irrigation initiatives have increased water supply and other income generation crops outside the FKL contracted crop.

## OUR INITIATIVES

FKL continued to distribute water pans, manure, and enriched manure to farmers.

Tonnes of bean waste collected by farmers to be used as manure and animal feed.

## OUR CERTIFICATIONS



FKL has a global certification for Good Agricultural Practices (GAP).



## Sustainable Farming



Irrigation using rain harvested water.



100m<sup>3</sup> rainwater harvesting pan that holds around 100,000 litres of water.





## Tree Growing

13 CLIMATE ACTION



15 LIFE ON LAND



### OUR COMMITMENT

FKL is committed to protecting and replenishing our earth's natural resources. Since its inception, FKL has worked with smallholder farmers to grow hundreds of thousands of trees from tree seedlings. The appropriate tree species grown over the years have been used for various community needs such as energy and building.

### OUR TARGET

80% survival of trees planted.

### OUR ACHIEVEMENT



In line with Kenya's goal is to increase and maintain national tree cover to at least 10% by 2022, FKL has partnered with local schools and trusts to grow trees, which are at a survival rate of 80%.

### OUR INITIATIVES

On World Environment Day, FKL took part in tree planting at local schools.

A tree nursery was established at a local school with a target to grow 5000 seedlings.

Thousands of indigenous trees were planted in partnership with a local Trust.

FKL distributed thousands of avocado seedlings to smallholder farmers in Kenya.





## Tree Growing



FKL's young farmers project at a local school.



FKL forest restoration at Mount Kenya, Lower Imenti.



FKL's vertical garden project at a local school.





## Our People

**8** DECENT WORK AND  
ECONOMIC GROWTH



**15** LIFE  
ON LAND



**OUR COMMITMENT** To create local opportunities and quality employment for our communities.



**95%**  
of the employees at the  
processing plant are women.



**65%**  
of the farmers engaged in FKL's  
value chain are women.

### OUR INITIATIVES

Training our farmers on good agricultural practices, climate-smart agriculture, irrigation techniques, agroforestry and affordable methods of rainwater harvesting.

Professional development for employees through both internal and external skill-enhancing training across different departments.

**FKL has been independently audited by various auditing bodies including:**



The SEDEX Members Ethical Trade Audit (SMETA 2 pillar) audit.



ICS: Initiative for Compliance and Sustainability.



The SMETA audit is based on the ETI (Ethical trading initiative) base code.

#### ETI Base code



1. Employment  
is freely chosen



2. Freedom of association  
and the right to collective  
bargaining are respected



3. Working conditions are  
safe and hygienic



4. Child labour shall  
not be used



5. Living wages are paid



6. Working hours are  
not excessive



7. No discrimination  
is practised



8. Regular employment  
is provided



9. No harsh or inhumane  
treatment is allowed



## Our People



Our fire marshal team is committed to improving our emergency and preparedness response.



A smallholder FKL farmer tending to her beans. She appreciates the continuous support provided by FKL.





# Health and Wellbeing

3 GOOD HEALTH AND WELL-BEING



## OUR COMMITMENT

Creating a healthy and safe workplace is essential for FKL. We have a comprehensive Health and Safety Programme in place, guided by local and international standards.

## OUR INITIATIVES

### Wellness

#### Blood Donation Drive



During Blood donor day in 2021, FKL organized a blood donation drive to support local hospitals. Several members of staff were eligible to take part in the drive.

#### Wellness Program



FKL has a workplace wellness program through which health information topics are disseminated to staff monthly based on the UN world days.

#### Eye Checkup



FKL in partnership with Lapaire group organized a vision test for staff.

#### Cancer awareness and screening



Frigoken in partnership with Jacaranda maternity hospital, organized a cancer screening for staff.

#### Diabetes Screening



On World Diabetes Day, FKL hosted a diabetes screening in partnership with Jacaranda maternity hospital for staff.

#### Counseling services for all staff



FKL held group and individual counseling sessions for their employees.

### COVID-19

#### COVID-19 Awareness



There is a continuous awareness of the COVID 19 safety through phone messages to the various stakeholders

#### Vaccination drives



FKL, in partnership with the Ministry of Health Kenya carried out vaccination drives for thousands of their employees, farmers and their kin.

### Safety in Workplace

#### External & Internal Trainings



FKL facilitated both external and internal trainings in 2021 which included:

- Health & safety
- First Aid
- Forklift Truck Operation Safety & Basic Maintenance
- Food Safety Maintenance Internal Auditor training
- Food Safety Management Systems Awareness

#### Regular Assessment



Through regular risk assessment, inspections and audits to identify hazards and risks, FKL registered a **36%** reduction in the number of accidents over the last 2 years.

## Health and Wellbeing

Through our preventative healthcare approach, we have seen an increase of staff participating in medical camps.



Blood donation drive.



A health and safety member checking the temperature of a staff.





## Education

4 QUALITY  
EDUCATION



5 GENDER  
EQUALITY



### OUR COMMITMENT

FKL believes in investing in the future generation through a diverse range of programmes to empower students.

### OUR INITIATIVES

We have introduced a young farmers project to local Schools.



Kitchen garden & tree  
nursery setup



Training of the students on  
composting, weeds &  
pest identification



Training on eco-bricking  
recycling



Training on rainwater  
harvesting

Through the young farmers project, the schools use the vegetables harvested from the kitchen garden to supplement their meals.

Supporting local schools through establishing a library and donating books.

Engagement of students in internship and attachment opportunities.

Supporting local schools and homes with their feeding programme.



## Education



FKL in partnership with Story Moja at a local school for book donation.



Young farmers project at a local school.





# From farm to fork



+254 (0) 20 2391717/21



frigoken@frigoken.com



<https://frigoken.com/>



P.O. BOX 30500-00100,  
Baba Dogo, Nairobi  
Kenya

