



2021-22

ANNUAL REPORT

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Message from Silverleaf Leadership

June 2022

Dear Stakeholders,

I am pleased to share Silverleaf's Communication on Progress for this year and to reaffirm our commitment to the United Nations Global Compact and its ten principles in the areas of human rights, labour, environment and anti-corruption.

Within this Communication on Progress, we describe our actions and progress towards implementing those principles. We are committed to ensuring that the UN Global Compact and its principles are part of the strategy, culture and day-to-day operations of our company as well as to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

Sincerely yours,



Mr. William Daniel Patterson

General Director

Human Rights Principles

Actions

Silverleaf is committed to conducting our operations in accordance with the highest standards of business ethics, respect for human rights and its commitment to improving and protecting the lives of individuals in our local, regional and national communities.

Additionally, we believe that change must be applied to more than just agricultural machinery and practices. In March of 2020, we created the Silverleaf Women's Fund for Innovation & Development, an initiative to promote women's independence through education, entrepreneurship, microfinancing, and technology, which we have continued over the past year as part of our commitment to empowering women and belief that an individual's merit should always take precedent over social or cultural norms.

As part of our efforts to promote gender equality, Silverleaf has become the official sponsor for Sogdiana Professional Women's Football Club, providing the women on the team with the support, training and resources to improve their lives.

Measurement of Outcomes

Silverleaf's dedication to improving and protecting the lives in our local, regional and national communities is further exemplified by our strategic partnerships and community involvement.

We provide free water access on our farm for anyone in need of water, regardless of their relationship with Silverleaf and have provided new pumps and motors for the drinking water station in a nearby town. These actions provided daily water access for residents, rather than every other day as was previously the case.

Silverleaf's sponsorship of the women's football club has included helping to reconstruct and renew living quarters for players as well as inviting players to the Silverleaf base to learn more about our operations, with the intent to provide players professional opportunities with Silverleaf once they retire from football.

We believe in the importance of access to healthcare, particularly for vulnerable groups such as children. We are proud of our role in bringing St. Jude Global to Uzbekistan and our relationship with Ezgu Amal, a local children's oncology charity. This included raising \$10,000 USD for Ezgu Amal. Children treated for leukemia by St. Jude's Children's Research Hospital in the United States have a 94% cure rate compared to a less than 10% cure rate in Uzbekistan. As a result of this partnership that Silverleaf made possible, doctors in Uzbekistan were invited to receive training in the United States and the Ministry of Health is receiving consulting services from St. Jude to provide better treatment for childhood cancers. Through our partnerships with St. Jude Global and Ezgu Amal we hope to enable existing lifesaving protocols and treatments for the

Labour Principles

Actions

In accordance with our commitment to upholding the highest standards of business ethics and respect for human rights, the following policies are part of Silverleaf's Code of Conduct and integrated throughout Silverleaf's operations:

- **No Child Labor:** Silverleaf prohibits any form of child labor on its farm and defines anyone under the age of 18 as a child. This age requirement surpasses local child labor laws and most major textile manufacturer child labor policies. Silverleaf aligns with ILO Core Conventions on Child Labor.
- **No Forced Labor:** Silverleaf prohibits any form of forced labor, including but not limited to prison, indentured, bonded, involuntary, slave or human trafficking, on its farm. Silverleaf aligns with ILO Core Conventions on forced labor.
- **Wages and Benefits:** Silverleaf has a compensation policy aimed at providing excellent conditions and wages for its employees. Silverleaf believes in paying its employees more than a minimum wage and our wages and benefits exceed legally mandated standards and prevailing industry wages. Silverleaf aligns with ILO Core Conventions on equal remuneration.

- **Working Hours:** Employees are not required to work in excess of regular hours allowed by local, regional or national law. Overtime work is consensual. Silverleaf's working hours policy is aimed at providing sustainably healthy conditions for its employees.
- **Freedom of Association** and the Right to Collective Bargaining: Silverleaf recognizes workers are free to join associations of their choosing, and ensures that no interference, harassment or intimidation will occur as a result of their decisions. Silverleaf aligns with ILO Core Conventions on Freedom of Association and Collective Bargaining.
- **No Discrimination:** Silverleaf prohibits any form of discrimination on its farm. These forms of discrimination include but are not limited to discrimination based on race, color, gender, nationality, religion, age, maternity, marital status, indigenous status, ethnicity, social origin, disability, sexual orientation, membership in workers' unions/orgs or political affiliation. Silverleaf aligns with ILO Core Conventions on the prohibition of discrimination.
- **No Harassment or Abuse:** Silverleaf prohibits all forms of harassment or abuse. Silverleaf is committed to treating its employees with respect and dignity, and ensuring that no employee is subject to physical, sexual, psychological or verbal harassment or abuse.
- **Occupational Health and Safety:** Silverleaf provides a clean, safe and healthy work environment to prevent accidents or injury caused by or occurring during work. Silverleaf facilities comply with or exceed all applicable local, regional and national laws and standards concerning workers' health and safety. Silverleaf's occupational health and safety policy is aimed at providing healthy and safe working conditions for its employees.

Measurement of Outcomes

We have implemented systematic training for all employees, ensuring all are aware of Silverleaf's policies, including its no child labor and no forced labor policies. 100% of employees have signed agreements to report any violations to management.

We have developed and implemented a procedure by which employees can report concerns regarding labour rights. We actively monitor for labour rights violations and have not had any reported instances.

On average, we pay 2-3x above the Jizzakh region's average industry wages. Additionally, as part of our commitment to advancing gender equality in the region, we are a leader in the region as one of the first, if not the first, cotton cluster to employ women as tractor operators.



Environment Principles

Actions

We are committed to improving and protecting the lives of individuals in its local, regional and national communities, and that includes a commitment to the environmental health of these communities and to the UN Global Compact's Environment Principles. Some of the measures we have implemented to promote environmental responsibility and encourage the development and diffusion of environmentally friendly technologies include:

- We use a proprietary Pulsar Irrigation™ system to reduce water usage on its farm.
- We provided 35 solar-powered streetlights for the median of a local highway to make the highway safer without increasing its environmental impact.
- We created the Paulownia Tree Project and corresponding tree nursery to create an industry around reforestation. Paulownia trees are the fastest growing hardwood trees and sequester up to 10x as much carbon dioxide as other trees.
- We understand the importance of soil health and structure and reinvest in our land through crop rotation and crop residue management. At the end of each season, we reincorporate remaining crop stalks and residue into its land to further improve the soil's structure.

Measurement of Outcomes

The use of our proprietary Pulsar Irrigation™ system reduces water usage by 30-40% when compared to traditional irrigation methods.

We have planted 200,000 Paulownia trees since the beginning of the Paulownia Tree Project.

As a result of our crop rotation between cotton, corn and wheat, we have reduced soil salinity in its fields, which in turn improved soil and crop yields.



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30%-40%

TREES PLANTED

200 000

REDUCED SOIL SALINITY IN ITS FIELDS, WHICH IN TURN IMPROVED
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Anti-Corruption Principles

Actions

We are committed to conducting its operations in accordance with the highest standards of business ethics. 100% of Silverleaf employees have signed agreements affirming both Silverleaf and the employees' commitments to anticorruption measures.

Earlier this year, we signed a quadrilateral agreement with the Ministry of Agriculture, Associations of Clusters and the Jizzakh Regional Government with an anti-corruption policy, further reinforcing our commitment to upholding the highest ethical standards.

Measurement of Outcomes

We have not had any confirmed corruption incidents. We will continue to monitor and handle any incidents of confirmed corruption incidents and plan to implement employee trainings on anti-corruption.



Thank you for your attention!

Learn More:

Visit our website at: <https://silverleafe.uz>

