



DAL FOOD
UNITED NATIONS GLOBAL COMPACT
COMMUNICATION ON PROGRESS

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ABOUT DAL FOOD

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.

we have developed four themes which if pursued with passion, will lead to our competitive success. These four 'Passions' must influence the choices that we all make across the business, every day. Whether choosing a new supplier, developing a new product, assessing potential employees or making any other business decision, by allowing these 'Passions' to shape the way we think, we will help to build DAL Food's competitive strength and unique identity. Our four 'Passions' are:

TRADITION - INNOVETION - EDUCATION - SUSTAINABLE SOURCING





LEADERSHIP STATEMENT OF COMMITMENT



IHAB DAOUD MANAGING DIRECTOR DAL FOOD

We believe that the private sector plays an essential role in addressing social and environmental challenges. In a developing country like Sudan, we have a greater responsibility to make a genuine beneficial difference in the areas where we serve. DAL Food's strategy is shaped to meet the needs of an evolving environment, we carefully listen to our stakeholders and respond by incorporating their feedback into our business objectives when necessary, our products are designed to increase social and environmental values, and our business operations adhere to the best sustainability practices to ensure long-term responsible growth.

As 2021 proved to be a challenging year for all businesses to recover from the pandemic's aftereffects, our people and their wellbeing were at the forefront of our attention as they play a key role in sustaining our company's performance.

We are committed to the ten principles of the United Nations Global Compact in the areas of human rights, labor, the environment, and anti-corruption. With a primary focus on gender equality, youth, and underprivileged individuals, the management of DAL Food works together toward a more varied and inclusive culture. We also ensure that climate action is at the center of our work.



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.

We, at DAL Food, are committed and keen on adhering to the internationally proclaimed human rights. The chaos and turmoil around the world, which developed a wrong belief that human rights are luxuries, did nothing but convince us to abide by this fundamental rights. While Sudan is experiencing political and economic instability, fire in our belly is growing larger to ensure that one of our core values, protection of human rights, is preserved.

Despite how bad the political disputes and its implications affected businesses in general and our industry in particular; we were always sticking to our policy that conserves the right of expressing opinions. Regardless which side of the political conflict they support, our people had the freedom to speak out loud.

Our plans regarding the economic instability wasn't only focusing on our business, but we were continuously working to find a way that softens the consequences of the economic situation if not mitigating them. Although we continuously review and update wages and salaries structure for our people, we work hard to address the root causes of any issue that could emerge from living expenses, in order to achieve a standard of living adequate for the health and well-being of our people and their families.

In compliance with national regulations, labor law and human rights, all our employees are entitled to an annual leave. Beside the annual leave, medical leaves; our people are eligible for seven other leave categories, while our female staff are eligible for additional two. Our staff leave policy is under continual development, as we believe that we should be ahead of laws and regulations, but also to make sure that our people, the driver of success, are having adequate time of rest.

This year, we had new achievements in the educational field. Our School Milk Program is now 10 years old. As we're celebrating this milestone, the program was achieving success and expanding as well. Number of beneficiaries, unprivileged students, have increased from 16,000 in 2011 to 21,160 a decade after.

HUMAN RIGHTS PRINCIPLES

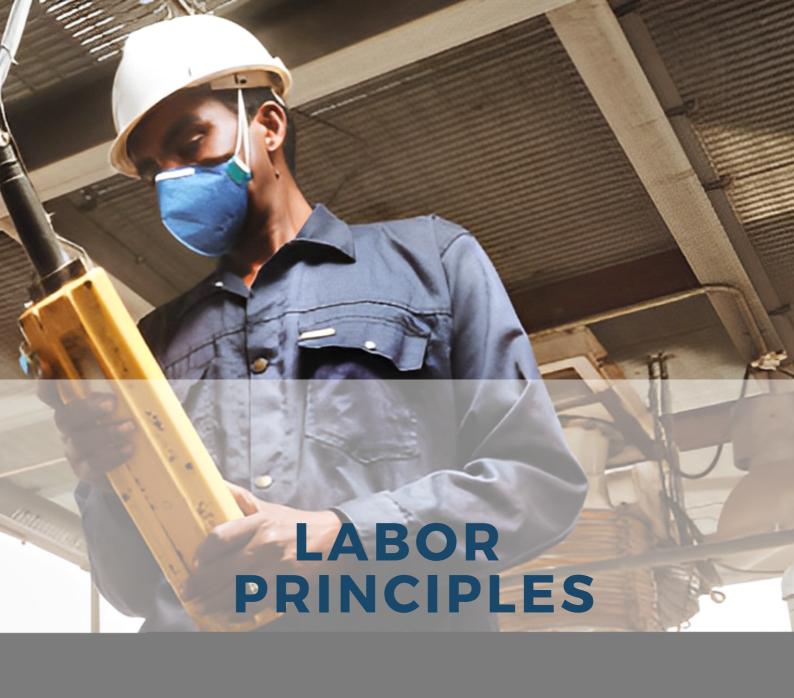
The Bus Stop Project, a partnership between us and the Ministry of Planning and Infrastructure, with a goal to install 1000 bus stops with kiosk in Khartoum state, that will be operated by people with disabilities. The project aligns with the company's core business and creates social, economic and environmental value for its broad spectrum of stakeholders and Sudan at large. Beyond tangible impacts, the project created a transformational mind-shift in the way society perceives this marginalized segment, raising much needed awareness and paving the way for more inclusive development going forward.

In line with our commitment to demonstrate leadership for adopting, implementing and maintaining reliable Occupational Health, Safety and Environment systems, we comply with national and international regulations and requirements.

We fully believe and assure that there are no any revenues and/or profits that come through violating and/or breaching health and safety of our family, but we also emphasize that all costs and expenditures on ensuring occupational health & safety of our employees are investments. Our OHSE scope aims to protect workers from workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats.

Our focus on the HSE area is extended to make sure that all our operations, from cradle to grave, aren't causing any harm or threatening human life and/or health.

As our policy emphasizes on working only with ethically and legally outstanding suppliers, we refrain from any type of collaboration or partnership or business with any personnel or/and entity that violates and breaches human rights. We have zero tolerance to any sort of human rights abuses.



LABOR 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.

We completely adhere to labor laws, which states that child and forced labor are unlawful, and we support this not only by adhering to it but also by doing our best to include limitations in our recruiting process that assist to prevent this from happening. Furthermore, we are attempting to combat it with training programs.

DAL Food will keep up its proactive observance of all local, state, federal, and international regulations. When it comes to unions, our policies are neutral, which means that we neither discriminate against them nor forbid employees from joining any of them in accordance with their preferences, provided that the association does not use the company's name.

To ensure equal opportunities for all, regardless of gender, ethnicity, skin color, nationality, physical ability, or any other factor, we -by policy- forbid any type of discrimination in our hiring process.

In such a challenging business environment, our development plans provide our employees with the necessary skills, knowledge, and tools to boldly meet these difficulties. Investing in our people is an investment in the future of our business.

Our updated DAL Food Principles represent the company's and its workers' behaviour in a very common language that all employees can readily connect to.

LABOR PRINCIPLES

CHILD LABOR

Throughout our recruitment processes, all suspicious cases were extensively investigated and found to fall within the specified age range. Our benefit plans are designed to help our employees and their families, preventing them from using child or forced labor.

A way of our keen efforts to mitigate child labor was by offering unprivileged women a vocational training program to gain skills, make a respectable living, and subsequently aids in finding employment either inside our organization or elsewhere.

By offering them free training in our dedicated baking facility; our baking development center encourages women to begin careers in baking. After completing this training, the women are equipped with the knowledge and abilities to launch their own small businesses or make better use of their limited funds to better support their families and children.

STAFF SUPPORT

The reflection of support to our staff is showcased within our premises through the following:

- Food Basket:

The food basket concept was developed to provide further support to staff who are within the laborers/workers category on monthly basis, this contribution is to further support with the cost of living.

- Staff Shop:

The plan was to ease the process of staff shopping for products by providing them with an in-house staff shop in various locations across DG to avoid getting out of their way to buy some of the most essential products. The products are offered to staff at a discounted price between 25-30 % off with an allocated monthly quota.

LABOR PRINCIPLES

-Staff Canteen:

An in-house cafeteria is based and allocated across DG locations to serve subsidized meals to staff. During Covid-19 the cafeteria has changed the serving manner to cater to staff while maintaining the safety precautions in place, in addition to providing discounted and other free items.

Iftar meals during the holy month of Ramadan were served free of charge to staff on shift work basis.

-Staff Fund:

Due to the country's economic situation and derived from the sense of community contribution, the staff fund was formed for staff with the sense of another mean of financial support. The staff fund has contributed to staff who had their houses demolished during the rainy season as well as supporting staff with a family member sickness or other related emergency cases.



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 will continue to be committed to adhering to international and national standards for health and safety practices. Our policy includes the provision of senior management commitment to legally adhering to international and national Requirements of the Environmental Management System (ISO14001:2015) and Occupational Health & Safety Management system (ISO45001:2018).

We are dedicated to "maintain the OHSE Management system that specifies roles and accountabilities at management, employees, and contractor levels and supply them with the needed resources,".

Our policy states that we will "Consider concepts of Sustainable Development and sound environmental Practices in Planning and conducting business" as part of our commitment to incorporating sustainable development components into our actions.

ISO 14001-2015 Environmental policy

At DAL Food, we're dedicated to reducing pollution and safeguarding the environment. DAL Food is committed to conducting all of our business in accordance with Sudanese environmental legislation & other adopted legislations. We firmly believe in:

- 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.

ENVIRONMENTAL PRINCIPLES

- 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.

Environmental Impact, Goal & Strategy

On Annually basis DAL Food conducts Environmental and Air Quality Measurement. The purpose of this study project is to measure and assess the ambient air quality, noise, illumination, and nuisance levels. The underlying objective of the assessment is to assure compliance with the Sudanese standards and requirements, as set by SSMO, the Environmental Act 2001, the Requirements and Guidance of the Higher Council for Environment and Natural Resources (HCENR) (HCENR, 2018), as well as other National and International Standards and Best Practice.

To achieve this objective, results of the study will be utilized to guide informed decisions about selection of mitigation measures to control and/or manage the environmental aspects and Impact, if ever needed. Realization of these goals will consolidate the commitment to safe environment and undoubtedly be reflected on more conducive work environment at DAL Food Company.

DAL Food is committed to managing the environmental impact of our operations throughout the various value chains – from sourcing raw materials to manufacturing and distributing, with a goal is that our industrial processes should have the lowest possible impact on the environment.

Our department strategy is to stay one step ahead of the official requirements by implementing an active environmental management system and to continually improve our practices.

ENVIRONMENTAL PRINCIPLES

Waste management

DAL food is considering the safety of employees as well as operation processes by inspecting each step of the production process focusing on the parameters of Environmental risks that might occur.

Our action contains:

- Segregate, collect and dispose waste according to waste management procedure
- Install Ozone leakage detection alarm system
- Noise level measurement twice per year and use of PPE to secure work environment.
- Study & Reduce Electricity Consumption.
- Study, measure & monitor water consumption.

HSE Activities

Our Health and Safety Department ensured to uphold our environmental conscious beliefs in conducting training and awareness sessions throughout the business regarding Covid-19, working safely, and violence at work following the prepared HSE training plan for 2021.

With emphasis on environmental trainings specifically:

- MS 14001:2015 Awareness sessions & Internal Auditor Training EMS 14001:2015.
- Prevention and Control of Spill (e.g. Ink, Solvent, oil, fuel, Molasses, pesticides and fertilizers)
- Waste sorting and disposal, and in particular PET (certified areas only take the PET sorting and disposal)
- Environmental Emergency Preparedness and Drills.

Activities related to the COVID-19 pandemic began with a meeting held by the DAL Food leadership team on March 2020 to design a containment strategy by developing procedures to aid in minimizing the cases. A plan of action has been created, tasks have been given to stakeholders, and DAL Food has implemented the actions.



ANTI-CORRUPTION PRINCIPLES

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

DAL Group is known for the high ethical standards as one of its greatest business assets. DAL has built a reputation over the years that is far away from having one of the major impediments to building a capable and transformed business. 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 behaviour and corruption.

To share the responsibility to preserve and enhance this asset, the company has documented the Code of Business Conduct (COBC) to build trust with our stakeholders as it is at the heart of our strategy. Earning and protecting the trust of our employees, consumers, partners, and communities, is essential to our organization's long-term success. As Corruption hinders the business growth, good governance and certain freedoms of employees and stakeholders. It also impacts strongly on service delivery, and hinders chances of a stable and prosperous future.

Our code of conduct espouses a zero-tolerance policy on corruption in all its forms. Despite our challenging business environment, we recognize lasting economic, social, and environmental development is dependent on good governance and we are committed to doing business with honour and integrity.

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; furthermore, making fighting corruption the responsibility of each individual.

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.

ANTI-CORRUPTION PRINCIPLES

Our 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. In addition to integrating anti-corruption policies and processes in our operations, a strong anti-corruption stance requires a strong ethical culture.

