



DÜMMEN ORANGE.

**FIDUGA LTD –
Communication on Progress
Report 2021-2022**

16/7/2022



Focus on people, communities, and the planet

“I am delighted to write this annual Communication on Progress Report, which offers an overview of our sustainability journey and provides a greater level of transparency and accountability for our actions. This report is an embodiment of our company values — committed, passionate, focused, and responsible.

It demonstrates our mission to be a leading company in Floriculture. However, we know that this cannot be done without careful consideration of our footprint on the environment and our impact on our employees and on those with whom we work closely.

We believe that sustainability impacts every single aspect of our business and that is why we consider it imperative to minimize our impact on the environment, support the wellbeing of our people, and invest in research and technology, which supports our sustainability goals.

Commitment to the success of our customers and partners, passion for unlimited possibilities, focus on continuous improvement, responsibility for people, communities and the planet is what drives us to challenge ourselves accordingly.

We acknowledge that the last year has been a dynamic one due to Covid-19 and various global challenges for companies. I am proud of how we handled the pandemic: our IT department ensured employees have full connectivity and prepared our organization for the future hybrid way of working; our HRM department set up vaccination at the farms to provide employees with vaccinations, putting our value of responsibility into practice. As such, I would like to express my appreciation to all our teams and customers for their valuable contribution in 2021 amidst such global challenges — we could not have done it without you.

Looking forward, I believe we need to work on operational excellence and continuous improvement projects as well as further digitization to support collecting, measuring, and analyzing data to support change and development. Innovative and improved practices will propel us further towards even more resistant and beautiful Chrysanthemum plants, in turn reduce agrochemicals use and become more sustainable in all we do. All of this can only be done by investing in our people and placing them at the forefront of what we do.

We hope you enjoy reading about our sustainability initiatives in this report and we welcome and value your feedback.”

Yaeger Adlam

Managing Director, Dummen Orange- Fiduga Limited.

About Dummen Orange-Fiduga Limited.

Uniting the world through the language of flowers

Who are we?

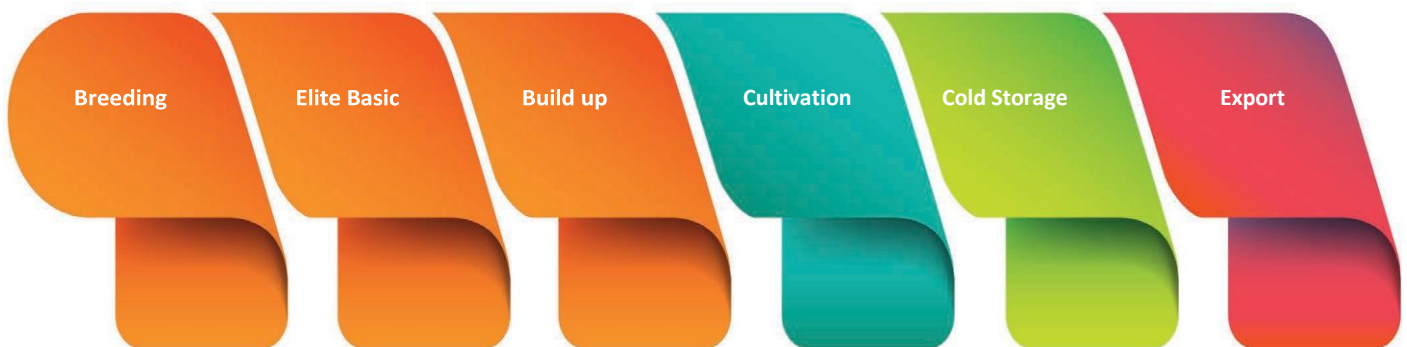
Dümmen Orange Fiduga Limited is a subsidiary of Dummen Orange group of companies, the leading international breeder and propagator of flowers, focused on potted plants, bedding plants, perennials, tropical plants, cut flowers, and bulbs. With our global footprint, we represent a legacy of floricultural excellence of more than a century in the making, providing the horticultural industry with the largest selection of superior flowers and plants on earth. Grounded in this rich history and with sustained growth through our deep commitment to our customers, Dümmen Orange blooms brighter year after year.

What do we do?

Our core business is the breeding and development of flower varieties with improved characteristics and the subsequent production (propagation) of starting material for growers.

Our researchers and breeders collaborate to improve crop characteristics, like flower color, fragrance, and growth habit, but also less visible traits such as disease resistance, yield performance, and vase or shelf life.

We develop products for a wide range of categories in the floriculture business and have an impressive portfolio of varieties.



What is our Purpose and Vision?

Our Purpose is to inspire people and create a better, more beautiful world. We aim to be a leading breeder in Floriculture and to provide our customers with innovative products and services that create sustainable value.

Our core values have been at the heart of the way we do business for generations. More than our name, logo, or story, our values describe who we are — a company of like-minded individuals. We all work from the same foundation upholding our four key values:

1. Committed to the success of our customers and partners.
2. Passionate about unlimited possibilities.
3. Focused on continuous improvements.
4. Responsible for people, communities and the planet.

History of Dummen Orange

Dummen Orange-Fiduga limited started in 1996 and was licensed on 1st October 1998.

Dummen Orange produces and exports Chrysanthemum cuttings on 18 hectares of land with 60% chrysanthemums, 33% pot chrysanthemums and 7% Breeding and Elite stock.

The company has a total number of 800 staff employed, with 394 female (48.6%) and 406 (51.4%)



Our Approach to Sustainability

An approach to sustainability that places people, communities, professional excellence and the environment at the forefront.

Responsibility is a key value for Dümme Orange, and it underpins everything we do, especially our commitment to UN Global Compact SDGs.

As a company, we believe that it is our responsibility to recognize that our activities have an impact on people, communities and the environment locally and globally. Not only do we recognize this impact, but we also recognize the need to respect the resources and relationships towards future generations.

Dümme Orange Fiduga limited holds various industry certifications including MPS GAP, ABC, SQ. Dümme Orange is also ISO 9001:2015 Certified, and currently processing for Fairtrade certifications, these allow us to monitor our performances when it comes to sustainability, ensuring that we strive to meet high production standards

Our sustainability pillars

Our sustainability framework is based on four pillars. These pillars set out the full scope of Dümme Orange's sustainability strategy, addressing the issues of greatest importance for our communities, customers, and investors:

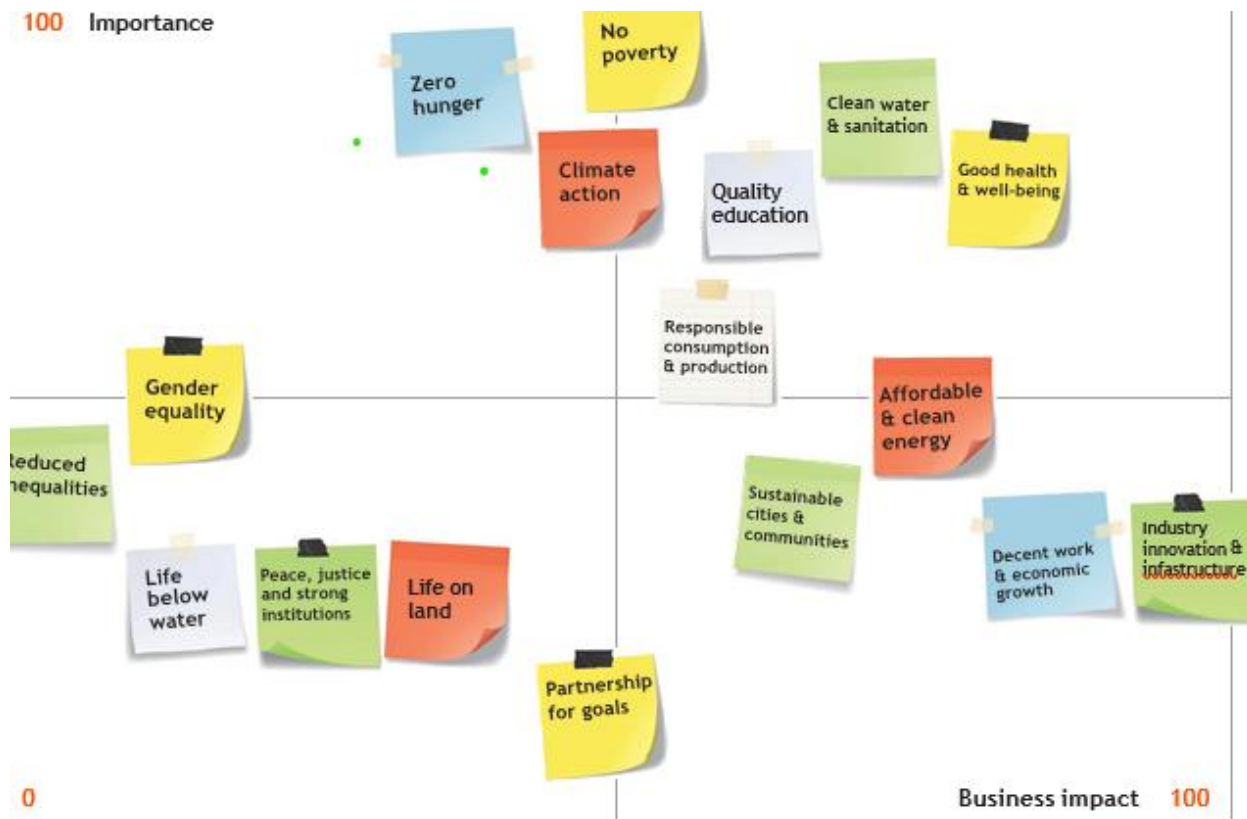
1. **Environment.** Use resources efficiently and work to deliver sustainable value across the supply chain.
2. **Professional Excellence.** Pursue high levels of operational excellence, professional integrity, and best-in-class quality, reflecting our position.
3. **People.** Empower our employees to flourish in safe, diverse, and inclusive workplaces and treat everyone fairly and with respect.
4. **Community.** Welcome local talent and stimulate a company culture of giving back through projects aligned with the United Nations' SDGs.

Our sustainability elements and goals

From our four sustainability pillars, we derived three key sustainability areas to report on — elements that can be specifically measured, evaluated, and improved —

- 1) Our Environment,
- 2) Our People, and
- 3) Our Future Technology (the development of the latter is in progress).

Within each of these three key areas, we specifically highlight where we can improve through metrics helping to stay action-oriented and accountable. Moreover, we cover these three elements within the pages of this report where colleagues share first-hand accounts of local sustainability initiatives.



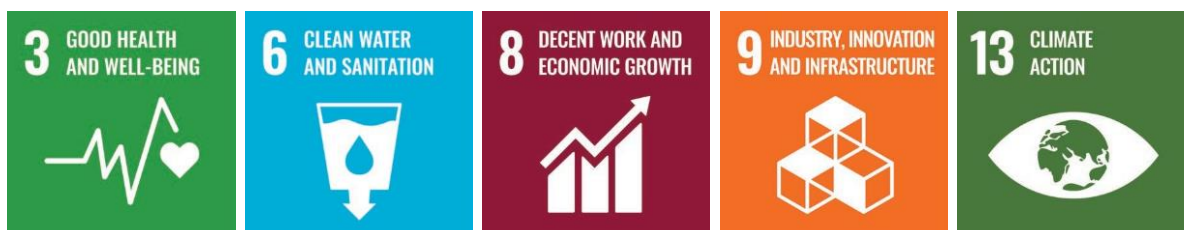
AfhgdhfgfgfgfygfwaylfwifwefglfwefwiefgwefwewegweweghbcshacvghvgggvadvadvadAVSMateriality assessment

What matters to our stakeholders?

We deem it crucial to identify and work on key sustainability issues affecting our people and the environment and these issues are often interconnected and should not be addressed in silos.

This assessment allows us to prioritize these challenges in terms of how they affect our employees, communities, and the environment as well as the business and our stakeholder, and we can fine-tune our activities based on the results. Ultimately, we want to ensure our efforts are focused on aspects with the greatest impact. We intend to continue this process in 2022 and beyond, further involving our stakeholders.

Our contribution to the Sustainable Development Goals (SDGs)



Dümmen Orange Fiduga Limited shares the ambitions of the United Nations Sustainable Development Goals (SDGs) agreed upon by 193 UN member states in 2015.

These goals are a universal call to action to end poverty, protect the planet, and improve the lives and prospects of everyone, everywhere. As such, we have aligned our sustainability pillars and key elements with the SDGs selecting five priority goals where we know we can make a difference:

How do we measure our success?

Our initiative	How do we measure?	Our KPIs	Environment
Embrace carbon neutral horticulture	Grams of CO2 per product	Reduce carbon intensity of our operations by 50% by 2030 compared to 2020	
Reduction of chemical crop protection	% Of production surface under Green Guard	By End 2022, 80% of our production surface should be under Green Guard (Integrated Pest Management)	
Water impact	M ³ of water/ hectare/ year	Reduce water consumption in our production operations by 20% by 2030 compared to 2020	
Waste minimization and pollution prevention	Tons of non-recycled waste /Tons of non-recyclable packaging	Reduce waste and usage of non-recyclable packaging by 90% by 2030 compared to 2020	

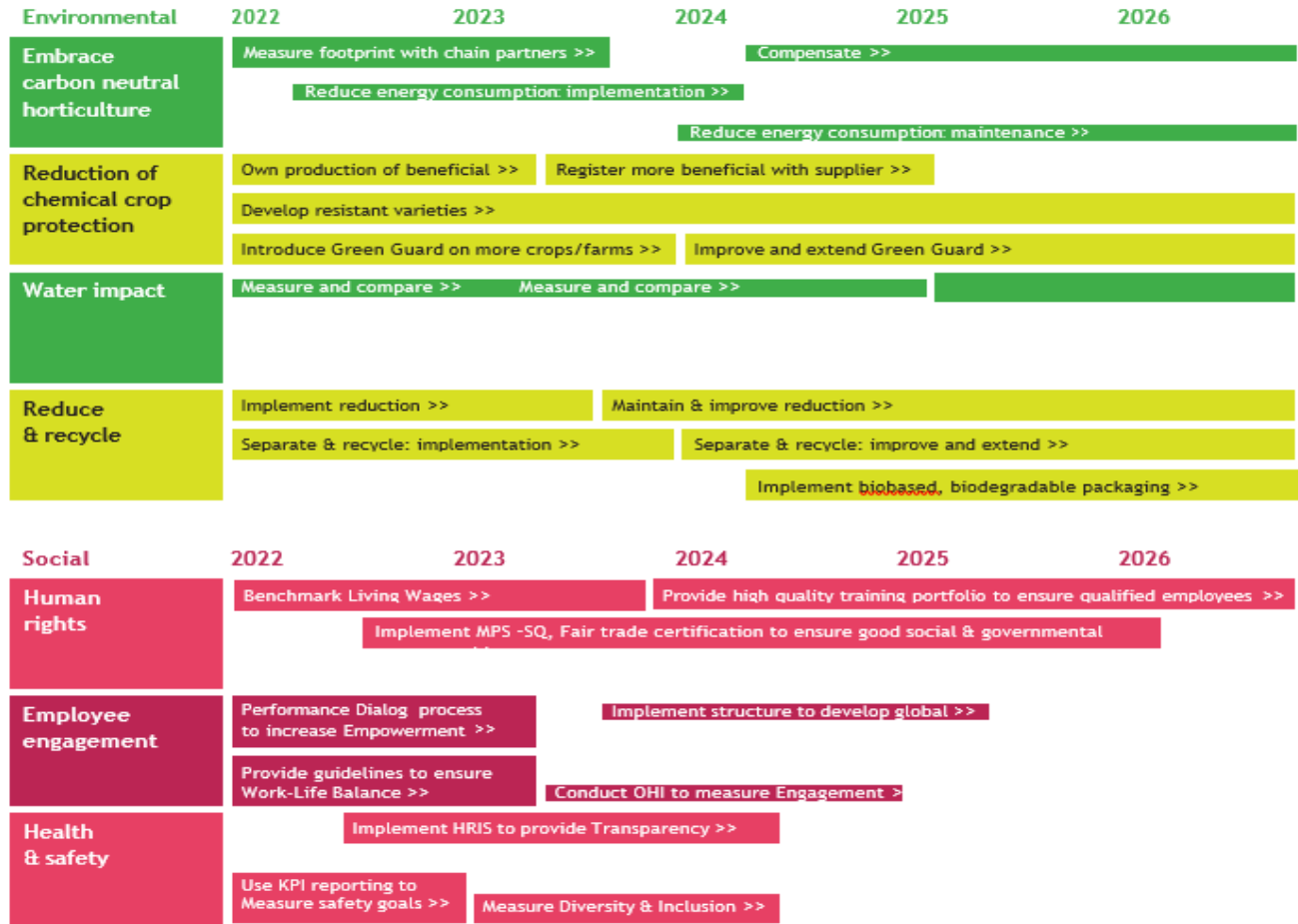
Our initiative	How do we measure?	Our KPIs	Social
Human rights	Our production location should be fully MPS certification by 2022	Full certification and <1% outstanding major non-conformities	
Employee engagement	Annual OHI (employee engagement) survey results overall in top	Minimum score of 70% for all departments/locations/ Business Units	
Health & safety	Be a safe workplace with zero Lost Time Accidents by 2024	A >90% Employees have received occupational medical examinations B >90% Employees trained in safety C < 1% LTI (Lost Time Injury) D Injury rate per employee <2	

The development of our third focus area-future technology is in progress.

Our sustainability road map

In light of our sustainability pillars and key areas, we have created a five-year roadmap. This provides clear guidance on how to achieve our ambitions and goals and a set of key performance indicators (KPIs) have been developed each sustainability initiative.

Through our sustainability efforts we are committed to providing a healthy, safe, and rewarding environment for our employees and their families, upholding the strength and resilience of our value chains, and contributing to a clean environment for society. These goals are integral to the economic success and sustainable growth of our business.



Governance

Robust governance drives sustainability

Dümmen Orange Fiduga Limited has taken several steps to embrace sustainability with the intention of continuously improving.

The following key actions reflect this commitment.

1. In 2020, we introduced the Flower power project, which majorly focused on energy use efficiency; the energy sources included use of water, electricity and fuel. The energy saving committee was formed which is currently responsible to ensure sustainable use of energy resources.
2. To follow through on our commitment of becoming more sustainable through our focus on our people and the planet, we actively participate as front-runner and member of the Floriculture Sustainability Initiative (FSI 2025). This initiative sets out to improve corporate social responsibility, due diligence, and crop protection in the complete flower supply chain.
3. We have several processes in place to constantly monitor our contribution to sustainability, namely Greencare audits, and Adherence to the EU directive for sustainability reporting.
4. We have also agreed upon the quality and uniformity of certificates we work towards and have More Profitable Sustainability (MPS) certifications — an environmental certification that aims to guarantee the quality and sustainability of the entire floriculture sector, This ensures we go beyond merely recording our impact to helping us become increasingly mindful of the resources at hand

to make a sustainable difference.

Greencare phytopoly: perfect, clean cuttings with minimal chemical residue

Dümmen Orange strives to deliver cuttings that are free of pests and diseases. Our goal is to ensure that our farm uses Integrated Pest Management (IPM) and we have already reached this milestone.

In 2021, on 80% of our production area we had implemented an IPM system. By 2023, we believe that we will be able to produce our own biological agents in order to overcome the challenge of availability and purchase of the biologicals.

Green Care cross Audits allow us to continuously improve our performance.

Additionally, we monitor our performance and ensure we stay on track by means of audits conducted by our global Greencare team of phytosanitary and crop protection specialists.

Next to this, we also conduct cross audits whereby trained auditors from one location visit another location to carry out an audit.

Audits allow us to improve on our performance and they also provide an opportunity to engage employees in a range of training programs and develop their capabilities — all of which help us ensure we achieve the regulations we set for ourselves.

Policies map out hygiene protocols and tests.

To support our goals to deliver clean cuttings grown in an IPM system, we have created and implemented

- 1) Greencare phytopoly and
- 2) Crop protection policies. These policies map out various hygiene protocols and tests that must be conducted at each of our locations globally and include guidelines for the screening and management of pests.
- 3) We also have a third policy, Good Experiment Practices (GreenGEP) that ensures trials are done in such a way that these result in reliable data.

Furthermore, our goal to produce disease free cuttings is supported through Green Guard, our unique and effective IPM protocol that uses biological controls to minimize chemical crop protection.

Greencare audits and cross audits improve our hygiene and crop protection systems, strengthen our team spirit, and bring us closer to our ultimate goal: clean cuttings of perfect quality with minimum chemical residue. We are part of a big team where we believe in helping each other to improve.”

Our key achievements in 2021

Below you will find information about our sustainability achievements in 2021 when it comes to the environment, our people, and technology?

Our environment

- We formalized a first set of strategic KPIs, aligned with the Sustainable Development Goals (SDGs), associated with our sustainability areas.
- We made progress in measuring our carbon footprint across the globe with the aim of reducing our footprint by 50% in 2030.

- We continued to adhere to chemicals usage reduction, which we deem a priority. We saw significant reduction in the use of chemical-based pesticides to the use of environmentally friendly alternatives like beneficial insects and bio-based approaches.

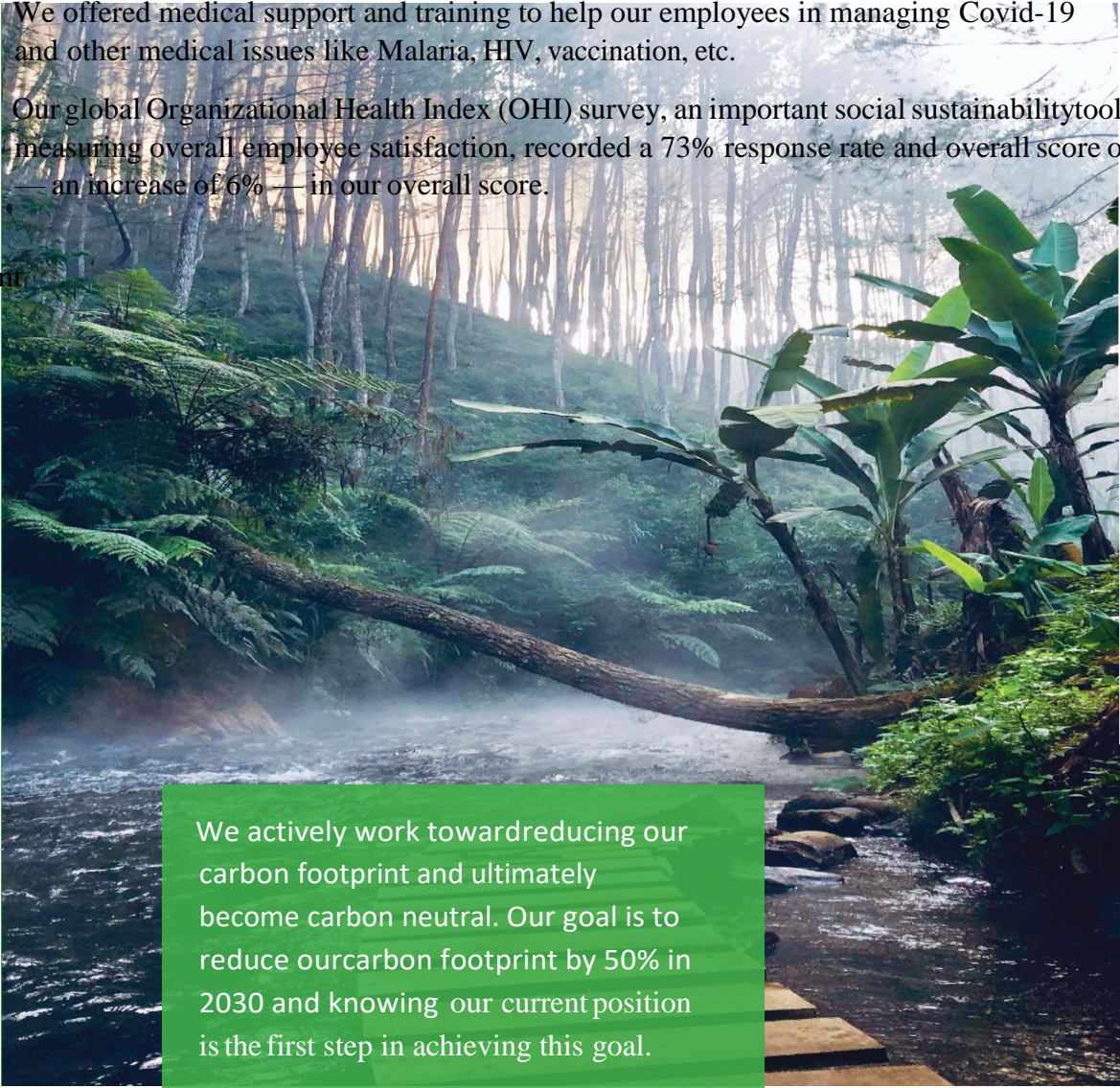
Our stringent phytosanitation protocols known as Greencare, integrated pest management (IPM) protocols known as Green Guard and reducing our usage of pesticides have helped further these goals.

- We also added the global tracking of water usage and waste minimization as KPIs.

Our people

- In 2021, we set challenging KPIs concerning Lost Time Accidents (LTAs), human rights, and employee engagement.
- We offered medical support and training to help our employees in managing Covid-19 and other medical issues like Malaria, HIV, vaccination, etc.
- Our global Organizational Health Index (OHI) survey, an important social sustainability tool measuring overall employee satisfaction, recorded a 73% response rate and overall score of 78% — an increase of 6% — in our overall score.

Our environment



We actively work toward reducing our carbon footprint and ultimately become carbon neutral. Our goal is to reduce our carbon footprint by 50% in 2030 and knowing our current position is the first step in achieving this goal.

Our purpose is to make a difference now and to see relevant change for the future

Responsibility for people, communities, and the planet is a core Dümme Orange value, and it is a critical building block of our strategic intent to continuously develop and refine who we are and what we do. Environmental considerations are a key factor in our decision-making process and our environmental committee strives to do better within our four identified environmental sustainability priorities — embracing carbon neutral horticulture, minimizing chemical crop protection, recycling and reducing waste, and managing water impact.

Progress in the method of calculating our carbon footprint

We have made great progress in the method of calculating our carbon footprint at several of our sites. This constitutes defining a KPI to ensure that we actively work toward reducing our carbon footprint and ultimately become carbon neutral. Our goal is to reduce our carbon footprint by 50% by the year 2030 and knowing our current position is the first step in achieving this goal.

Chemical usage reduction as a priority

Moreover, the company has adopted chemical usage reduction as a priority to help counter environmental pollution. This includes implementing our stringent phytosanitation protocols known as Greencare, adopting integrated pest management (IPM), and lowering our usage of pesticides. Dümme Orange is at the forefront of many of these developments and a frontrunner in IPM, in particular.

Added to this, we are committed to using water responsibly by making sure our water management systems are efficient and taking great care to conserve the water ecosystems at our various sites. This includes the use of micro-irrigation as well as monitoring the water quality to promote aquatic life.

Lastly, waste minimization is on our agenda. We want to reuse and recycle as much as possible and plan to scale up these efforts with the support of our supply chain."

"Sustainable leadership for us means caring about our own operational footprint, being open and frontrunners in our environmental commitments, and promoting purpose around SDGs."

Embrace carbon
neutral
horticulture

Reduction of
chemical crop
protection

Water impact

Waste
minimization and
pollution
prevention



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



We use biological
organisms; these
are natural
predators that
combat pests.

Striving for Integrated Pest Management (IPM)

“One of the things we are most proud of is that our farm in Uganda was the first in Africa to implement Integrated Pest Management (IPM) among the Dümme Orange Group of Companies.

Monitoring our figures carefully

IPM is the integration of environmental, biological, and chemical practices to control insects. Firstly, we consider the natural habitat to ensure it is weed-free, does not contain other vegetation, which may interfere with our processes, and we also carefully control the temperature.

Secondly, we use biological organisms, which we import from the Netherlands. These are natural predators, which combat pests and are authorized for use by the Ugandan government. On our farm, we use various predatory mites – the only beneficial organisms authorized for use by the Ugandan government. Lastly, we use selective pesticides, which include safe chemicals, which do not have an adverse effect on the environment.

Our IPM process is dependent on the work of our employees who scout the greenhouses to monitor pests and disease. Should the levels be high, we implement extra measures in terms of using biological organisms and safe chemical sprays. This is to ensure that we meet the minimum thresholds required for MPS certification. Our figures are carefully monitored on a weekly basis, and we pride ourselves on our transparency in this regard.

Greencare: Dümme Orange's own phytosanitation policy

We believe that prevention is better than cure, and for this reason, we apply Greencare protocols – Dümme Orange's own phytosanitation policy. Some of the measures include a double-door entry system to enter a greenhouse, which includes handwashing, each greenhouse having specific shoes and aprons to be used, and each variety bed having its own tools. Everything is disinfected to minimize the spreading of pests and disease. I firmly believe that Greencare strengthens our position in the market.

Unfortunately, chemical sprays are sometimes necessary. These applications do not have adverse effects on our employees; there is minimal chemical drift so as not to expose neighboring communities and sites, and it does not harm our ecosystem. We ensure we use selective pesticides which are safe for humans, the environment, and our sensitive beneficial biological pest control organisms. As an additional precaution, we ensure employees are no longer in the vicinity when spraying does take place.

Positively impacting birdlife and fish populations

For example, Fiduga Lake is a central area in our community, and it has been amazing to see how our IPM system has positively influenced the birdlife and fish populations in this biosphere. I attribute this to our crop protection measures, which have direct benefits for the environment and indirect benefits to the community.

"Other benefits of adopting this approach are that Dümme Orange is ahead of the times, in tune with the environment, has a proven track record, and the quality of our product has improved due to an improved biosphere."



We want to ensure that the water is safe before releasing into the fields and ultimately back into the groundwater supply.

6 CLEAN WATER AND SANITATION



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Minimizing water usage

“Our farm set up the energy saving team under the flower power project, the team trains and monitors water use at the farm to ensure that water resources are used efficiently.

The total amount of water use is registered and submitted to MPS ABC website periodically and the daily abstraction is registered following the regulation from the Uganda Ministry of water and Environment. Daily abstraction maximum amounts are also taken into consideration where the farm does not extract above the accepted limits of 140 m³ per day.

In order to reduce on the impact on the underground water due to abstractions, we constructed a water reservoir dam where we harvest rainwater, which we use for irrigation.

We also recycle the water we use back into the reservoir, this has been possible because we constructed trenches connecting all green houses and water used for cleaning is recycled back into the reservoir. This has reduced on the impact on underground water abstractions.

As part of CSR, the farm has installed and maintains boreholes for the community in order to provide them with safe clean water. The farm has also collaborated with Nature Uganda and GIZ under the Commercial Flower Farms partnership to restore depleted wetlands around the community.



We care for the well-being of people and communities

"At Dümme Orange, we believe that sustainability is a core company value. This goes beyond protecting our farms and the environment. Our emphasis on social sustainability means we have a responsibility towards individuals and communities. To help us channel our responsibility we focus on three key areas within social sustainability — human rights, employee engagement, and health and safety.

An increase of 6% in employee satisfaction

As of 2020, we started our global Organizational Health Index (OHI) survey, an important social sustainability tool letting us measure overall employee satisfaction. We are proud that this year we had a 73% response rate and an overall score of 78%, which is the top quartile. A core group of respondents — all colleagues with a business e-mail account — scored 73%, an increase of 6% compared to the previous year.

2021 Also marks a milestone for us in terms of social sustainability since we signed the Women's Empowerment Principles (WEP) established by UN Women, solidifying our drive to uphold diversity, equality, and inclusivity in the workplace.

Living wages

As a Board member of the IRBC, we have been involved in a pilot on living wages. Although the pilot was conducted only in Kenya, Uganda and Ethiopia, we've taken this opportunity to evaluate the living wages at our facility. We are proud to confirm that besides the fact that our basic salaries are all above UN guidelines, we also provide many additional benefits like medical care, food, education and in some countries also housing and childcare. We take our value of 'Responsibility' very seriously and our focus on social sustainability is a direct result of this.

In this section, we would like to share a few of our socially-focused projects, which have improved lives and are an embodiment of our dedication to people."

“For us, social sustainability means taking care of our employees and our communities, developing them, and also doing the right thing to ensure their happiness and success. Our new global measurements established in 2021 will help us further our goal of working towards ‘**One Dümme Orange**’ where we tackle not only large social challenges but also less obvious ones — **together**

Human rights

Employee
engagement

Health &
safety

Fostering community

Our biggest corporate social responsibility achievement is in building schools in the town. We have already contributed to the building of a Primary School, at Arch Bishop Kiwanuka Primary school and St Kizito Lwanga Primary school in Uganda. Dümme Orange, along with two neighboring farms, have contributed to the costs of building the school,

Education an indicator of overcoming poverty

We really believe that education is critical, particularly in a country such as ours where education is often an indicator of overcoming poverty. By investing in education, we are also investing in the future and contributing to increasing the skilled workforce in Uganda.

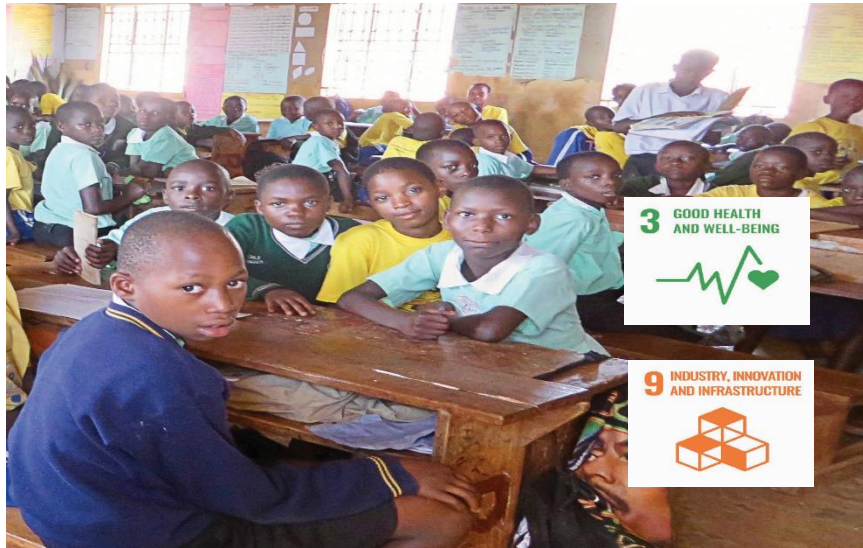
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Own clinic in the compound to attend to the basic medical needs

Dümme Orange is a key stakeholder in the community, and we are committed to improving the region around our farm. We offer preferential employment to residents to build our community network. Other support that we have offer for the employees is free medical care for all workers and their babies of below 2 years and a day care facility to breast feeding mothers of children up to below 2 years.

Closer to home, we also ensure that our employees are looked after. We have our own clinic in the compound to attend to the basic medical needs of our employees. Some of our employees have HIV and we go to extra measures to ensure they have access to healthcare and sufficient food.

Working for Dümme Orange is really rewarding not only on a personal level but to also see the company’s commitment and investment in communities?”



Making employee happiness matter

At Dummen Orange, we believe that the wellbeing and happiness of our employees plays a major role in the success of our business. We have taken measures to ensure happiness and wellbeing of our employees.

We have provided platforms to ensure employee happiness, having sporting activities in various discipline, constructed modern facilities for sports, like Netball, volley and basketball courts, introduced Aerobics trainings for the workers and the farm fully supports the company sports team in participating in the Uganda Cooperate League games, which takes place every year.

With this our employees go for cooperate league outing every last Sunday of the months to participate in sporting activities in various disciplines with other cooperate companies, this promotes socialization and social network among the employees.

This has been veryrewarding, and I am really appreciative and honored that we received one of the highest scores in terms of the Organizational Health Index (OHI) last year.



Upholding **CSR** practices

“At Dümмен Orange, our employees are the backbone of the company, and it is critical that we do as much as we can to keep them healthy and safe within theirworking environment. While there are certain legal requirements – for example, MPS standard requires that employers have to provide annual medical check-ups for employees – the company also aims to do more.

The company and annual health fare for members of the community to access free health services like health checks, dental care, HIV AIDS awareness, cancer screening etc., all these are provide free of charge to the local community members and done by qualified district medical personnel.

The company also supports Community Schools, Hospitals, Police stations and the local government within the community with essential services like drilling boreholes, providing plastic chairs, building materials and constructions and renovations of road works within the community.

Corporate Sustainability Reporting Directive

At Dimmen Orange we strive to uphold all regulations when it comes to Corporate Sustainability Reporting. We acknowledge the new Corporate Sustainability Reporting Directive for sustainability reporting, which will amend the current EU Directive (2014/95/EU) with implications such as the increased scope of reporting requirements as well as the number of companies required to report.



ABBREVIATIONS.

CSR	CORPORATE SOCIAL RESPONSIBILTY
ESG	ENVIRONMENT, SOCIAL,GOVERNMENT
HRM	HUMAN RESOURCE MANAGEMENT
IPM	INTERGRATED PEST MANAGEMENT
IT	INFORMATION TECHNOLOGY
KPIs	KEY PERFORMANCE INDICATORS
LTA	LOST TIME ACCIDENTS
OHI	ORGANIZATIONAL HEALTH INDEX
UN SDGs	UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

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UGANDA

