



africaJUICE

Social and Environmental Overview

July 2013 – June 2014

africaJUICE is committed to long-term and sustainable economic responsibility. We underscore this approach by supporting and integrating in our business operations and strategies the OECD Guidelines for Multinational Enterprises in the areas of Human Rights, Employment and Industrial Relations, Environment, Bribery and Corruption and Consumer Interests.

At africaJUICE we do our best to communicate to our stakeholders the actions that we take to continually improve the integration of the recommendations of the OECD Guidelines into our daily operations. We are committed to share this information using our primary channels of communication.

This report is part of this commitment.



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africaJUICE B.V. is registered at the above address and registered with the Chamber of Commerce in The Hague, The Netherlands under number 27302345

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Introduction

africaJUICE BV was established in 2007 with the objective of developing juice production companies in Africa that excel in social and environmental value creation as well as delivering returns to investors. With one operational company in Ethiopia (africaJUICE Tibila Share Company), it is the first Fairtrade tropical fruit grower and juice producer in sub-Saharan Africa and is on target to become one of the biggest producers and exporters of sustainable juice products from Africa.

africaJUICE Tibila Share Company ("aJ TSC") is a joint venture between africaJUICE BV, the Ethiopian government and Fair and Sustainable Participations BV, a Dutch development organisation. aJ TSC was formed in 2009 and is transforming an ex-state owned farm into a modern tropical fruit plantation. An EU-standard fruit processing facility has been constructed to process fruit (currently yellow passion fruit and mango) into purees, juices and concentrates for export to the EU market via the port of Djibouti.

In October 2013, africaJUICE BV signed an agreement with the International Finance Corporation (IFC) and the Dutch Development Bank (FMO) for a major new financial package to support the growth and expansion of aJ TSC's operation. IFC, a member of the World Bank Group, and the private sector window of the Global Agriculture and Food Security Program that is managed by IFC will each invest \$3 million. FMO will invest US\$4 million. The expansion plan is also being supported by the founders of the business as well as the current financiers and investors, including the Industrial Development Corporation of South Africa and the Agri-Vie Fund.

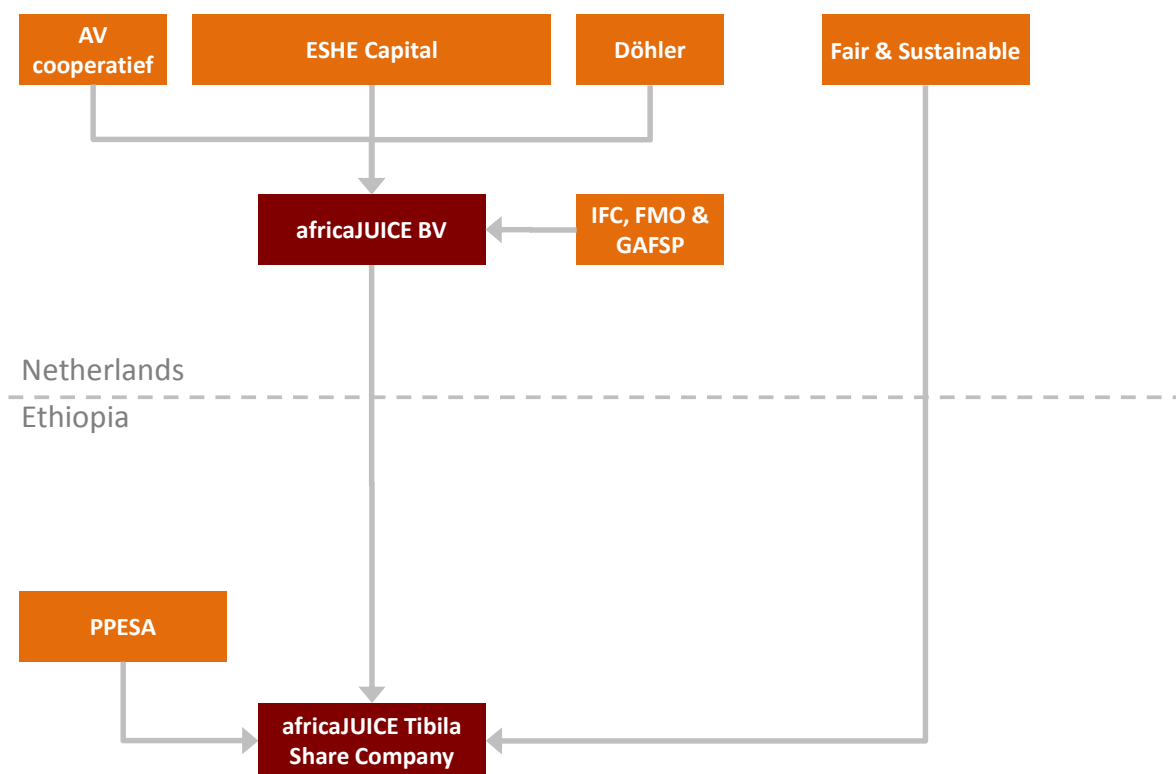
This report provides an overview of the main Social and Environment issues as specified by the OECD Guidelines for Multinational Enterprises in the areas of Human Rights, Employment and Industrial Relations, Environment, Bribery and Corruption and Consumer Interests. It covers africaJUICE BV and, where appropriate, africaJUICE Tibila Share Company operations and covers the period July 2013 – June 2014, which corresponds to aJ TSC's financial year.

Corporate Governance

Corporate structure

africaJUICE BV

africaJUICE BV ("aJ BV") is a limited liability company incorporated and operating under the laws of the Netherlands, wholly owned by its shareholders. africaJUICE Tibila Share Company is a subsidiary operating in Ethiopia, majority-owned by aJ BV.



aJ BV operates according to the laws of the Netherlands and its memorandum and articles of association which determine the division of authority between shareholders and management. The company has a unitary board structure with two Executive Directors and three non-Executive Directors.

africaJUICE Tibila Share Company

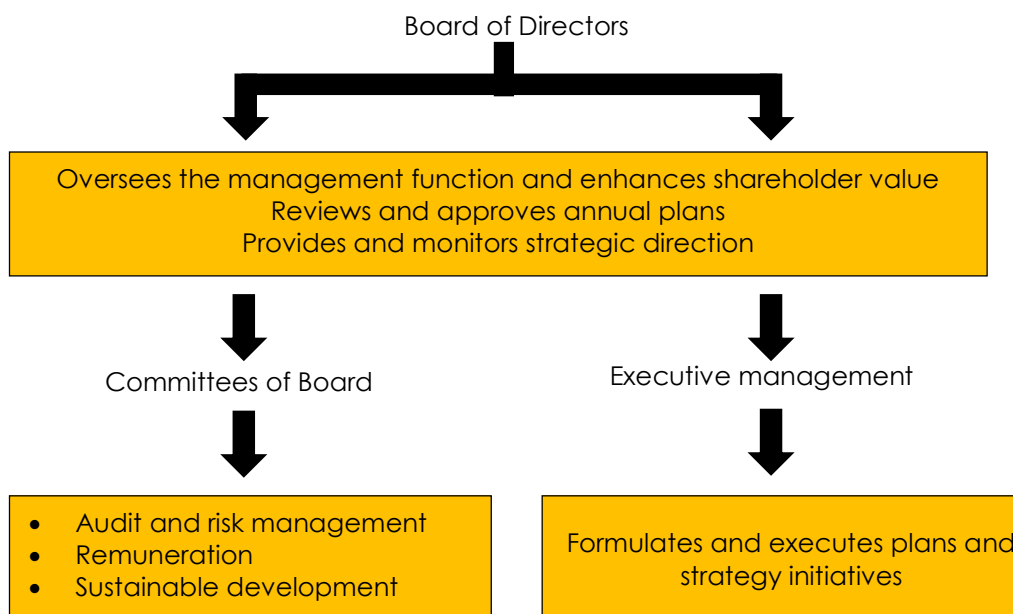
aJ TSC operates according to the commercial code of Ethiopia and its memorandum and articles of association which determine the division of authority between shareholders and management.

The company has a Board of Directors made up of seven non-executive members and one executive director. The Board of Directors is the highest governance body, and is defined to be the senior decision-making authority. The shareholders communicate their expectations to the Board of

Directors regarding the strategic direction of the company and its targets. The General Manager is then empowered by the Board to manage the company in line with approved plans and within a framework determined by the company manual of authorities.

In the financial year 2014/15, a number of Board committees will be formed covering the following areas of the business:

- Audit and risk management
- Remuneration
- Sustainable development



Share ownership structure

The three main shareholders of aJ BV is as follows:

ESHE Capital Limited	41%
AV Cooperatief	39%
Döhler GmbH	20%

Holding 41% of the shares, ESHE Capital Limited is represented at the Board of Directors at the position of the Chair of the Board of Directors, and AV Cooperatief and Döhler GmbH are represented on the basis of the Members of the Board of Directors.

Corporate governance polices

The board of directors is committed to applying the highest standards of professionalism, integrity, ethics, fairness and social responsibility to the way the company conducts its business. It considers itself fully accountable to stakeholders in its ongoing commitment to applying the principles laid out in the applicable corporate laws of the Netherlands.

We use independent external advisers to monitor regulatory developments, thus enabling management to make recommendations to the board on matters of corporate governance. The board is of the opinion that the requirements of the Dutch corporate laws have been met. The board has to the best of its knowledge put in place processes in support of the relevant regulations.

We aim to be transparent in our management process to assure our shareholders and other stakeholders that the company is managed within prudently determined risk parameters, and in accordance with international best practice and ethical norms.

Internal audit, risk management and legal compliance systems

The Board is responsible for ensuring that appropriate internal control systems are implemented and maintained to ensure that africaJUICE's assets are safeguarded and managed in order to minimise potential losses arising from possible fraud and other illegal acts. Internal control is implemented through the proper delegation of responsibility within a clearly defined approval framework, through accounting procedures and adequate segregation of duties. No material incidents have come to the attention of the Board that would indicate any breakdown in internal controls during the year under review.

An internal auditor is currently being recruited for aJ TSC who will have responsibility for monitoring the operation of the internal controls and systems and will report their findings and recommendations to management and to the Audit and Risk Management Committee of the aJ TSC Board.

Human rights

africaJUICE respects internationally recognized human rights, including the principles and rights set out in the International Labor Organization Declaration on Fundamental Principles and Rights at Work. Human rights are integrated into the business practices of both aJ BV and aJ TSC. Although no specific training was given on human rights, courses on integrated pest management, pesticides handling, HIV/AIDS and first aid covered labour rights and health and safety. Our operations complied with ILO standards and we were independently audited by the Fairtrade Labelling Organisation in 2013/14 which has a key focus on the main elements of the ILO standards.

aJ TSC has an internal grievance mechanism that provides its employees with the means to lodge a grievance, pose a question, or share a concern. During the period, a total of six grievances were registered covering issues such as in-farm transport and housing. The grievance procedure is one of a number of internal procedures that is currently being reviewed and updated to reflect current best practice. As part of this process, it has also been noted that internal communications must be improved to raise employee awareness of this mechanism and how it functions. Enhancing both procedure and communications will be a company priority during the coming year.

Employment

aJ BV recognizes that the pursuit of economic growth through employment creation and income generation should be accompanied by protection of the fundamental rights of workers. We ensure that our operations and, those of our subsidiaries, align to the OECD Guidelines by providing our employees fair wages and good working conditions. We employ solely on the basis of merit. We do not engage in labour practices that are discriminatory, nor do we employ forced or child labour.

An average of 1,935 people was employed by aJ TSC in 2013/14 (1,150 male and 785 female). Of these, 191 were permanent staff. No retrenchment occurred in the year. aJ TSC provides all staff (both permanent and non-permanent who work over a set number of hours per week) with housing, access to on site clinics and primary schooling for their children. The aJ TSC working week is 44 hours.

At the aJ TSC operational level, examples of how we are reducing the health and safety risk to our employees are as follows:

- Implementation of Integrated Pest Management to reduce chemical usage on the farm
- All staff have appropriate personal protection equipment (PPE)
- All staff involved in spraying have twice yearly cholinesterase check
- Field toilet and drinking water facilities have been upgraded with an increase in the number of pit latrines and potable water access points
- Training is provided at regular intervals on health and safety issues
- Mosquito nets were distributed in partnership with the local government
- HIV/AIDS prevention project in collaboration with a local NGO covering three dimensions:
 - Structural: HIV/AIDS prevention task force activities
 - Behavioural: peer education and discussion
 - Biomedical: condoms distribution, HIV/AIDS counselling and testing
- Training on family planning for health staff and other groups (for peer education) in partnership with the Confederation of Ethiopian Trade Unions
- A total of 13 injuries occurred in 2013/14, mostly cuts, sprains and other minor bodily injuries as a result of agricultural operations. A full management system for occupational health and safety (based on OHSAS 18001) is being put in place to ensure that the learning from these incidents leads to better working practices. This will be completed in 2014/15.

Suppliers

In 2013/14, aJ TSC drafted a new code of conduct for its main suppliers, which clearly lays out our requirements in relation to ethical, legal, environmental and social criteria.

The code of conduct will be implemented in 2014/15.

Community Engagement

aJ TSC engages with the local community through a number of different mechanisms. aJ TSC's schools and health clinics provide services to the wider community as well as our workforce.

A key element of the aJ TSC project is the development of local smallholder farmers to grow fruit to supply to aJ TSC for processing and export. africaJUICE's vision is to transform the Upper Awash valley in Ethiopia's premium location for growing tropical fruit for processing and, in doing so, to transform the livelihoods of the local community. We aim to develop several thousand hectares of mixed fruit outgrowers over a 10-15 year period. To date, two passion fruit cooperatives have been formed and aJ TSC continues to support new local farmers to start growing passion fruit.

In 2013/14, aJ TSC implemented a new community engagement procedure that uses three different tools to communicate with the surrounding communities:

- Community meetings – with community representatives
- Annual open day – for all members of the community
- Grievances and complaints procedure

A total of three grievances were registered in 2013/14 relating to minor land issues and requests for access to additional community infrastructure. These were addressed by discussion with community leaders as part of our ongoing process of community engagement.

Bribery and corruption

Neither aJ BV nor aJ TSC has been involved in any legal cases, rulings or other events related to corruption and bribery. Our books and accounts are subjected to statutory external audit annually. These audits are used as one of the methods of identifying any suspicious payments which could be related to bribery or corrupt behaviour. There has been no such incident reported in the period.

Environment

As part of our commitment to manage our business in a way that minimizes our impact on the environment, we started implementing a series of management systems at aJ TSC in 2013/14 including an environmental management system. This work is supported by an Ethiopian consultant (AJB Institute of Quality Management) and by IFC Advisory Services. As part of this work AJB Institute of Quality Management undertook an Environmental and Social Risk Impact Assessment Report in December 2013. This built on the previous risk assessments undertaken and highlighted the main environmental risks at aJ TSC as follows:

- Water use
- Chemicals management: use of chemicals and fertilisers
- Waste management: solid and liquid waste, including waste water

The actions being taken to minimise these risks are described below:

Risk	Explanation	Impact	Policies	Target	Action status
Water use	The main water usage is for irrigation. Water comes from the Awash River.	The Awash River is a finite water resource and needs to be managed efficiently to maximize its value	Implementation of more efficient irrigation technologies (such as drip) across the farm	Implement 500 hectares of drip irrigation by 2020	120 hectares of the farm are currently under drip irrigation
Chemicals management	Fertilisers and chemicals are used as part of the farming operations	Potential for spills and seepage into local watercourses	Implementation of IPM	Target for fertiliser / chemical usage to be developed in 2014/15	IPM has been implemented in 2013/14
Waste management	<ul style="list-style-type: none"> • Solid waste (especially passion fruit and mango from the processing plant) • Used chemical containers • Used oil • Waste water from the processing plant 	Potential for pollution	<ul style="list-style-type: none"> • Solid waste should be utilised in an environmentally responsible manner • Used chemical containers to be stored • Used oil to be stored • Processing waste water to be utilised in an environmentally responsible manner 	Zero net waste	<ul style="list-style-type: none"> • Solid processing waste to be composted • Used chemical containers storage constructed • Used oil storage constructed • Processing waste water to be used for irrigation

Customer Relations

aJ TSC maintains a close relationship with its key customers with africaJUICE BV, its main shareholder, leading the role of customer management in Europe.

A key part of customer relations is ensuring that aJ TSC maintains its standards and accreditations. In 2013/14, aJ TSC was independently audited by:

- HACCP (Hazard Analysis Critical Control Point) - www.standards.org/standards/listing/haccp
- Fairtrade - www.fairtrade.net
- SGF (Sure – Global – Fair) - www.sgf.org
- DACA (Ethiopian food safety standard)