Compiled by: SFI Tanzania Ltd

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# **ABSTRACT**

Annual report on social impact, environmental data and development at SFI Tanzania Ltd.

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# SFI TANZANIA LTD PUBLIC MONITORING REPORT 2022

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# 1. Introduction

Management is a continuous process. This means that the management will be adapted over time related to changes in the field. To keep track of these changes, SFI Tanzania apply a system of monitoring in which information is gathered annually. The process of planning, monitoring and evaluation supports a further fine-tuning of the management plan. The monitoring plan for 2022 was developed at the beginning of the year.

This report builds on the 2021 report and incorporates refinements made in the past year. It informs on the various monitoring activities that have taken place the past year, and what has been learned from it. As more knowledge is gained on monitoring activities, these are further refined, and the setup of the monitoring system will be adapted accordingly.

This annual monitoring report is public to allow interested persons to be informed on the progress of SFI Tanzania and the impact its activities have on the people and the environment at both estates

# 2. Economical sustainability

### 2.1 Plantation establishment

In 2022 a total area of 133 ha was planted compared to 237.5 ha planted in 2021. This is due to a lack in funding. Figure 1 shows the land use classification of the planted areas at both estates. Figure 2 shows the hectare planted at SFI Tanzania since 2006.

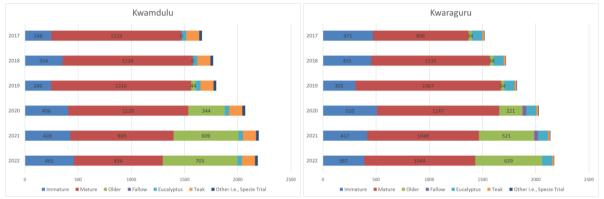


Figure 1 Planted areas at both estates

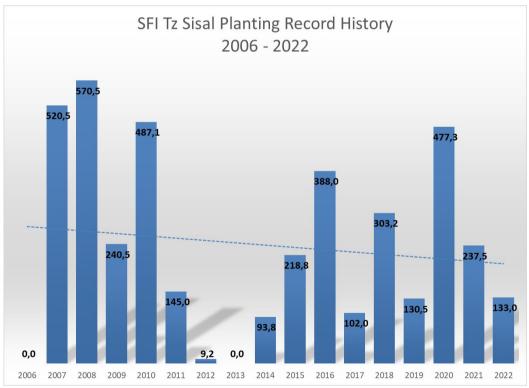


Figure 2 Planted area per annum

# 2.2 Plantation condition and regeneration

# 2.2.1 Sisal plantation productivity

The productivity of the sisal fields is estimated using the daily cutting reports per field. Figure 3 shows the sisal production per estate in metas per ton and ton per ha.





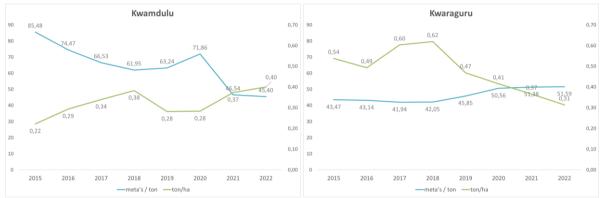


Figure 3 Production recovery 2015-2022

A drastic improvement regarding yield can be observed at Kwamdulu whereas the opposite has become the unfortunate reality at Kwaraguru.

From figure 1 on page 3 we can see that Kwaraguru mature area is 1043.6ha. Mature areas relate to the 10year cycle of areas planted from 2010 – 2019. 520ha (50% of the mature area) was planted during 2010 (268ha) and 2016 (252ha). Older areas are classified when sisal reach the age of 11years (2009 planting). The 2016 plantings at Kwaraguru occurred on bad soil and received no fertilisation at the time (lack of funding). Combined, these low in yield hectares, is the result of the decline we see from the Estate since 2019.

## 2.2.2 Forestry nursery development

At Kwaraguru the old un-thinned teak stand of 2.2ha (planted 1999) was sold standing for Usd 10,000. This decision was reached due to excessive signs of die-back. The sowing of all seeds i.e., last teak seeds in the seedbeds and other indigenous seeds like Albizia versicolor and Dalbergia Melanoxylon seeds in polybags was completed. Due to a lack of interest, no more teak for the outgrower program is planned for 2023.

During 2022 SFI Tanzania commenced with a fruit trees trial planted in the nursey. Refer to table 1 below for the species included in the trial. Some mortalities on the avocado trees, mangoes and some coconut trees was observed. This may be due to the fact that at the time of planting, it was

colder than normal. Another and more likely reason(s) can be badly grafted seedlings, and stress during transportation of the seedlings which came from Morogoro by bus.

Citrus Type	Count	Tzs	Usd
Msasa orange	60	180,000	77.92
Valencia orange	60	180,000	77.92
Tangerine	60	180,000	77.92
Tangerine - Orange	60	180,000	77.92
Mango	60	180,000	77.92
Avocado (lowland sp)	60	180,000	77.92
Coconut	30	300,000	129.87
Total	390	1,380,000	597.40

Table 1 Lists of the fruit species

Kapok seeds were also collected and sown in the nursery - later they will be planted along the major selected roads on the estate - replant dead kapok trees as well as along other selected roads (crosswind).

The clear felling of eucalyptus (fire damaged – F21, 14ha) was completed in September. All for internal use at SFI Tanzania. i.e., french drains, distribution lines, drainage etc. Local market interest was tested but prices were below cost.

Last but not least a buffer zone around section II dam which was planted with a few Dalbergia melanoxylon seedlings during 2022 (raised in our teak nursery).

### 2.2.3 Protection of the plantations against fire

Due to a lack of fire-fighting equipment; fire remains a challenge at SFI Tanzania. Majority of fires are experienced during dry weather conditions. It is important to note that Tanzania experienced severe dry weather conditions during 2022. Korogwe Fire and Rescue Services assist the company with annual training and stand-by assistance during fire season. Fires decreased from 24 reported during 2021 to 12 reported during 2022. All fire incidents reported was at Kwamdulu estate.

During 2021 damage totalled 14.5ha of Teak, Dalbergia Melanoxylon (Mpingo) & Eucalyptus trees and 2ha sisal. During 2022 fires caused damage to 8.5ha of sisal at Kwamdulu. Additionally, a management home was completely destroyed in a fire due to poor and old wiring.

The main causes for fires within the estate were farmers preparing land in dry and windy weather conditions and honey hunters setting fires to extract honey. Measures were put in place to ensure effective fire prevention in collaboration with surrounding communities. Formal fire training was provided to employees during 2022 and community meetings are scheduled for 2023 to ensure effective communication regarding fire prevention and fire safety.





Figure 4 Number, cause and damage of fires per estate in 2022

# 2.2.4 Plantation health monitoring

During 2022, 17 cases of pests and diseases were reported. Majority of pests include monkey, baboon and wild pig damage to young sisal plants. This is managed by vermin control teams in the field. Diseases reported include sisal weevil which is managed by setting traps and leaf bending and banding disease in sisal fields. This may be attributed to dry weather conditions experienced throughout the year. Figure 5 depicts the pest and diseases during 2022.

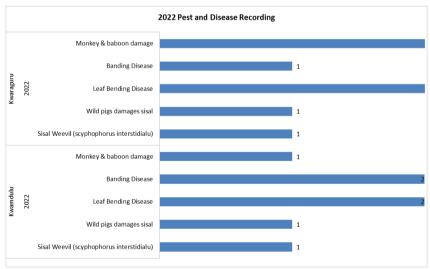


Figure 5 Pests and diseases recorded in 2022

# 3. Ecological sustainability

# 3.1 Plantation ecosystem

## 3.1.1 Extent of protected area

The protected areas are identified on maps and are mainly the remnant forest patches and buffer zones along the water courses. At Kwaraguru this is 101 hectares, of which the remnant forest at the big dam is the major portion. At Kwamdulu there are only 2 hectares remnant forest, which is the full conservation area of this estate. SFI Tanzania plans to plant indigenous trees at the Mnyuzi stream at Kwamdulu to re-establish the natural ecosystem that was eroded due to overgrazing thereby increasing the protected area. The forestry nursery also produced some Kapok seedlings and Dalbergia melanoxylon in the polybags for our own planting. Kapok was planted along the Kwamdulu road which starts from the western boundary of the estate and goes to Section II. Dalbergia melanoxylon was planted on the buffer zone of the Section II dam. The company will endeavour to continue to expand protected areas in unplanted portions of the estate, where the indigenous vegetation will be protected. Those areas will be selected as protected areas that are not suitable for commercial plantation of either sisal or forestry.

### 3.1.2 Protection of flora and fauna species

In the biodiversity study of 2013, some endangered species were identified. Fauna is protected through the prohibition of hunting, while trees are protected as logging is also prohibited. Also, awareness of the protected states is raised for both company staff and surrounding communities through community meetings and trainings. In addition to these protection measures the protected tree species Mpingo (Dalbergia melanoxylon) is planted at both estates, which will further strengthen the local population of this tree species. SFI Tanzania has acquired quotations from reputable institutions to conduct a follow up biodiversity study. This will be conducted pending funding.

### 3.2 Water conservation

# 3.2.1 Protection of indigenous forest and vegetation along water courses

Buffer zones are protected along water courses. No farming or other activities were allowed in the buffer zones to protect the water courses and give indigenous vegetation the chance to develop.

### 3.2.2 Rainfall

Figure 6 shows the rainfall per estate from 2015 to 2022. Season patterns in Tanzania is renowned for two rainfall peaks, with the main peak over April-May followed by a short season over Nov-Dec. Actual precipitation during 2022 shows Kwamdulu received 426 mm and Kwaraguru 705 mm of rain. The delayed La Nina predicted by the Tanzania Meteorological Agency (TMA) became a reality for the period October to December. Both Estates receiving well below the eight-year average.



Estate	Year Per annum	7yr Avg	Monthly Avg	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Kwamdulu	2022 🔘 426	1513	<u>d</u> 36	68	93	30	90	27	16	24	12	20	3	23	20
Kwamdulu	2021 () 662	1513	<u>1</u> 55	119	60	43	227	107	10	0	15	25	8	0	48
Kwamdulu	2020 🕒 1116	1513	<u>4</u> 93	144	64	95	342	150	15	43	10	0	59	177	17
Kwamdulu	2019 🕘 1767	1513	<b>1</b> 47	0	0	20	93	382	0	18	61	35	940	107	111
Kwamdulu	2018 🕒 1205	1513	100	70	0	210	294	235	81	81	22	63	110	39	0
Kwamdulu	2017 🕘 1980	1513	<b>1</b> 65	0	45	330	543	536	38	0	50	70	68	300	0
Kwamdulu	2016 2458	1513	<u>d</u> 205	295	170	97	1383	67	55	25	262	42	0	0	62
Kwamdulu	2015 2486	1513	207	15	70	252	663	837	10	109	89	64	127	175	75
Kwaraguru	2022 🔘 705	1669	<u>d</u> 59	89	66	63	88	33	20	41	28	44	16	133	84
Kwaraguru	2021 ( 789	1669	<u>d</u> 66	82	66	53	169	104	23	3	31	26	14	5	213
Kwaraguru	2020 🕒 1275	1669	106	230	65	119	279	156	9	38	16	8	90	245	20
Kwaraguru	2019 🕒 1447	1669	121	45	7	0	121	273	0	0	66	28	683	118	106
Kwaraguru	2018 () 1124	1669	<u>1</u> 94	44	0	236	265	189	33	59	25	58	89	30	96
Kwaraguru	2017 🔵 2999	1669	<b>d</b> 250	232	354	209	570	871	112	24	141	270	33	108	75
Kwaraguru	2016 🎱 2272	1669	189	143	110	36	1360	73	78	15	125	90	62	58	122
Kwaraguru	2015 🔵 2738	1669	228	71	78	350	514	645	26	186	48	58	146	484	132

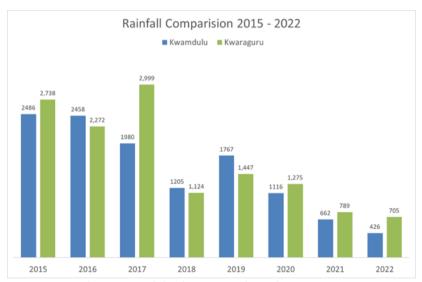


Figure 6 Precipitation comparison since 2015

## 3.2.3 Water quality

The Pangani Water Basin, based in Tanga, Tanzania conducted water testing during Q1 in 2022 for water discharge permit. Sisal ponds were inspected, and samples taken. Additionally hydrological assessment was conducted for the water use permit. Tres Consult conducted annual EA and EIA monitoring during December. SFI Tanzania is awaiting the reports. The company aims to conduct own water testing during 2023.

Water testing results for 2021 indicated bacterial activity; SFI Tanzania is not required to conduct treatment thereof due to the allocation of water treatment factories on both estates allowing for clean drinking water to the population. It was also established that the dry weather conditions automatically affect the sisal wastewater.

## 3.2.4 Water consumption

A study was done to get among others a better understanding of the water consumption of the decortication process. The water flow was measured for several days to have an accurate estimate of the water flow per hour. This is 48,6 m3/hour at Kwaraguru estate, and 48,7 m3/hour at Kwardulu estate. However, since the sisal production per hour differs significantly, this will

also significantly affect the water consumption per ton sisal. A timer was used for several months to determine the running hours of the water pumps used in the decortication process. Against the daily production a good estimate was obtained of the water consumption per ton sisal. For Kwaraguru estate this is 112,45 m³/ton, and for Kwamdulu estate this is 140,63 m³/ton. The figure for Kwaraguru is relatively close to the industry figures of 100 m³/ton, while the figure for Kwamdulu is much higher. Investigations are currently carried out to recycle the water in order to reduce water consumption significantly.

Besides water consumption in the factory the other water consumer at Kwamdulu estate is the teak nursery. Consumption of the sprinkler installation in the nursery is recorded since June 2017. This is a major part of the consumption in the nursery, as there is also some consumption through manual watering. Figure 7 shows that the volume of monthly water consumption in the nursery is 9.9% of the total water consumption at the Estate. From an historical 30% this reduction is directly related to less teak that was planted to sustain the outgrower program at SFI Tanzania only. This consumption vary with the rainfall pattern as rainfall will replace the need of watering.



Figure 7 Water consumption per Estate vs. Rainfall

#### 3.3 Soil conservation

### 3.3.1 Erosion prevention

On sloped terrain erosion can be a problem, and for this reason SFI Tanzania pay special attention to erosion on the roads and in the fields. As much as possible weeding is done mechanically and manually to ensure a permanent vegetative cover of the soil. In the permanent sample plots in the forestry compartments, erosion is checked every time the plot is measured, and in the sisal plantations this is monitored through regular field observations.

# 4. Social sustainability

## 4.1 Social impact

# 4.1.1 Human capital

Provision of employment is one of the major social impacts of the company. Figure 8 shows the number of employees since establishment of SFI Tanzania in September 2013.



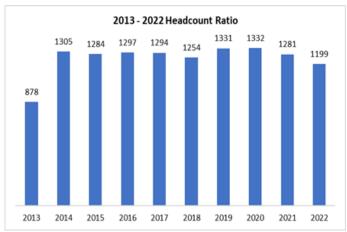


Figure 8 Development of employment

Besides absolute data on total workers also the composition of the labour force is of importance when talking about social impact. Figure 9 shows some key data on labour force composition namely employees per department, gender, contract status and un/skilled level of employees for 2022.

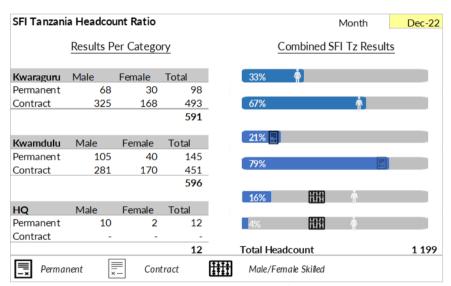
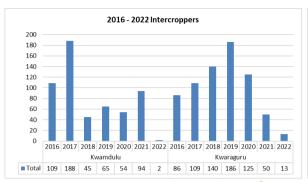


Figure 9 Composition of labour force

# 4.1.2 Farming and intercropping

Besides employment many people are dependent on the estate area for (subsistence) farming. In 2016 the company started with a farming and intercropping system. This system intends to provide local communities with access to farmland, while having a more effective control on land-use on the estates. Farming is considered to be on fallow land of the estates, while intercropping is farming within planted areas of sisal or forestry. Due to severe dry weather conditions only 15 farmers singed contracts during 2022. A total of 1,266 Intercroppers have benefitted from this project since inception of the project in 2016 (Figure 10).



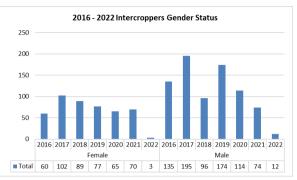


Figure 10 Number of signed farmer / intercropper agreements over time and per gender

Figure 11 provides data pertaining to total acres planted since inception of the project in 2016.

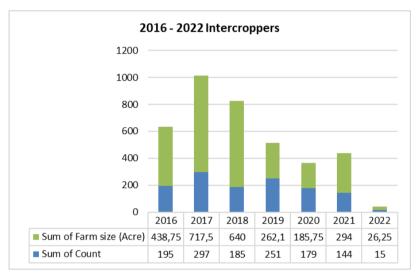


Figure 11 Farmland covered by farmer / intercropper agreements over time

## 4.1.3 Impact of operations on surrounding communities

Social Monitoring was delayed for 2022 and will be conducted in 2023 Q1 by the company's Safety, Health, Environment and Quality (SHEQ) officer and Estate Managers. Villages ranging from bordering the estates up to 10km away will be visited. Appointments will be scheduled, and female leaders are encouraged to attend. The company will discuss the following important company information:

- Corporate Responsibility Policy
- Teak outgrower program
- Intercropping Contract Procedure
- Grievance and Complaints Procedure
- Illegal activities
- Community rights
- Fire safety and awareness
- Fishing contract procedure



# 4.1.4 Training and capacity building for employees and intercroppers

At SFI Tanzania training opportunities are offered as and when needed in order to enhance staff skills and attitude. Besides on the job trainings, workers and management of SFI Tanzania have been trained formally on various subjects. Table 2 provides an overview of the training subjects, the number of training participants and trainer for the formal trainings provided in 2022.

Table 2 Training courses provided in 2022

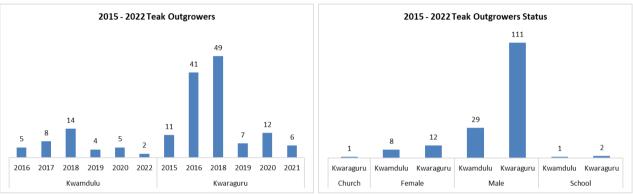
Training Conducted	Month	#	Trainer			
		Trainees				
Safety induction course - New Excavator Operator	January	1	SFI Tanzania			
Safety induction course - New Decorticator Crew	January	2	SFI Tanzania			
Writing, Reading and Mathematics Course to Estate	February	1	World Vision			
School Teacher	F - L	4	CEL Tanana'a			
Safety induction course: New Sisal Loader	February	1	SFI Tanzania			
Covid-19 vaccine awareness training	February	400	Korogwe Department of Health			
Waste Management Training: Workshop team	February	15	SFI Tanzania			
Safety induction course – New Sisal Cutters	March	8	SFI Tanzania			
Safety induction – Field Students	March	6	SFI Tanzania			
OSHA Safety Representative Course	March	10	OSHA			
Safe driving practices: sisal loaders and drivers	March	33	SFI Tanzania			
Polio vaccination Training: Kwaraguru Dispensary	April	2	Handeni District Council			
Safety induction to new decorticator employee	May	1	SFI Tanzania			
Safety induction to new excavator operator	May	1	SFI Tanzania			
Housekeeping to Askaris	May	28	SFI Tanzania			
Chemical handling: chemical spray team	May	8	SFI Tanzania			
Safety at work: Mason	June	15	SFI Tanzania			
Safety at work: Workshop	June	20	SFI Tanzania			
Health and Safety at Work: Drying grounds	June	10	SFI Tanzania			
Waste Management Training: Brush room	June	33	SFI Tanzania			
Safety and security: Askari team	June	35	SFI Tanzania			
Industrial First Aid Course	June	10	OSHA			
Safety Representative meeting	July	9	SFI Tanzania			
Responsible use of chemicals and MSDS	July	5	SFI Tanzania			
Safety induction course and operation procedures – Sisal Cutters	July	16	SFI Tanzania			
Safety induction course and operation procedures - Field Students	July	4	SFI Tanzania			
Training on labour law - TPAWU members	July	63	TPAWU Coastal Zone			
Safety induction course and operation procedures for	August	3	SFI Tanzania			
new drivers	August	3	Ji i i anzama			
Firefighting: Decorticator Employees	August	30	SFI Tanzania			
Firefighting: Workshop Employees	August	42	SFI Tanzania			
Firefighting: Brush room Employees	August	57	SFI Tanzania			
Firefighting: Askaris	August	32	SFI Tanzania			
Firefighting: Canteen Employees	August	5	SFI Tanzania			
Emergency and vaccination procedures	September	1	Korogwe Town Council			
Work procedures - Headmen	September	11	Estate Manager			
Emergency Response and First Aid: Clinic Officer	October	1	Regional Doctors Office - Tanga			
Safety induction to new employees	October	5	SFI Tanzania			
Ergonomic training: sisal loaders	October	12	Management			
Safety induction to new employees: Brush room	October	5	SFI Tanzania			
Safety induction to new employees: Sisal Loaders	November	2	SFI Tanzania			
NOSHC (Couse) - Safety Supervisor	November	1	OSHA			

The Department of Health continued with Covid-19 vaccination awareness training during 2022. Additional health training included polio vaccination and TB awareness training.

3 Students from the University of Dar es Salaam majoring in BSc Crop Science and Technology completed a two-month on-site training at Kwaraguru estate together with 1 student studying environmental sciences (majoring in BA Geography and Environmental Studies). Students from Kilole Secondary School also visited Kwaraguru estate to learn about sisal.

## 4.1.5 Outgrowing program

In 2015 SFI Tanzania initiated an outgrowing program where people from local communities grow teak on their own plot using teak stumps supplied from the Kwamdulu nursery. Training is provided and a contract is entered into. Due to poor rainfall during 2022 only 2 new outgrowers signed contracts, now totalling 164 teak outgrowers since inception of the Teak Outgrower Program in 2015 with 198 ha currently planted and 220752 teak stumps issued. Figure 12 lists the number of outgrowers from 2015 to 2022 per estate and category.



**Figure 12 Number of outgrowers** 

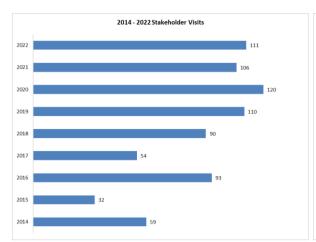
## 4.2 Social interactions

# 4.2.1 Stakeholder activities

Regular stakeholder meetings are held to maintain good relations with all parties impacted by the company and vice versa. 111 Stakeholder, Industry and Government meetings was conducted during 2022 including Senior National Government officials.

Figure 13 gives an overview on the meetings held with the various stakeholder categories since inception and during 2022. It should be noted that the categories contain all kind of stakeholders, such as authorities, communities, suppliers and industry.





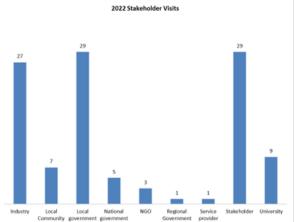


Figure 13 Stakeholder meetings conducted in 2022

# 4.3 Health and Safety

#### 4.3.1 Worker health

Although health is primarily a personal matter and the clinics serve as a benefit to SFI employees and their immediate family members, continuous efforts are implemented to improve the health of the workers and their families. For this purpose, SFI Tanzania is collecting anonymous data from the clinics at both estates. This gives more insight in the health and work-related injuries of the company's labour force and their families and will help to direct improvement programs implemented by the company. Since data cannot be related to individuals; the data is counted in number of consults.

A total of 9,614 clinic visits were reported during 2022. A decrease from 9,925 clinic visits reported during 2021. While Kwaraguru Estate also serves the surrounding communities; it does receive assistance from the Department of Health. A dispensary has been constructed at Taula Village near Kwaraguru estate that will further assist. SFI Tanzania has implemented a biometric system at the estate whereby employees and their immediate families has been registered to ensure limited "outside" patients resulting in a financial strain to the company.

SFI Tanzania reported 1 Covid-19 infection during 2022. During 2022 the Department of Health continued with vaccine awareness training and providing Covid-19 vaccinations on site. Figure 14 depicts number of cases per year from 2015 to 2022 and per estate.

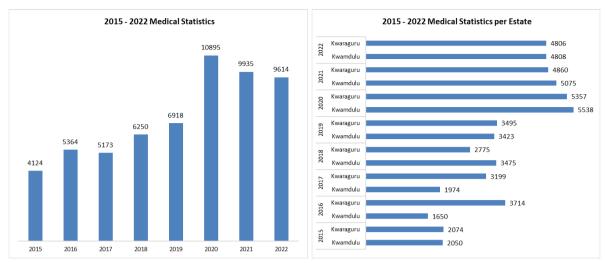


Figure 14 Medical cases over time and at both estates

Figure 15 shows the 10 most prevalent diseases recorded in 2022.

Malaria showed a decline from 2,094 during 2021 to 1,361 cases in 2022. Fumigation was done on water bodies to curb the spread of malaria. Acute respiratory infection increased from 1,586 in 2021 to 1,692 in 2022 while Urinary Tract Infections (UTI) showed a slight decrease from 1,155 in 2021 to 1,139 in 2022.

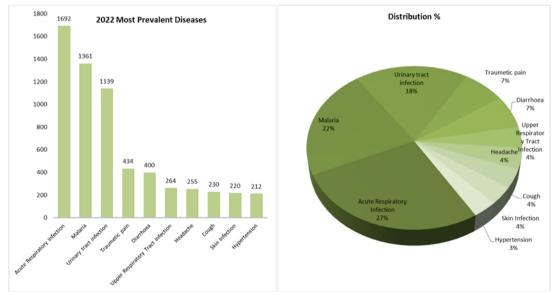


Figure 15 Top-10 most prevalent diseases recorded in 2022

## 4.3.2 Injuries on duty

Injuries on duty at SFI Tanzania decreased from 195 reported in 2021 to 173 in 2022. Kwamdulu estate reported the majority of injuries during 2022. Personal protective gear is limited due to cashflow. The main cause of injury includes cut wounds and sisal thorns in the Bush knife cleaning and Sisal cutting job categories (Figure 16).



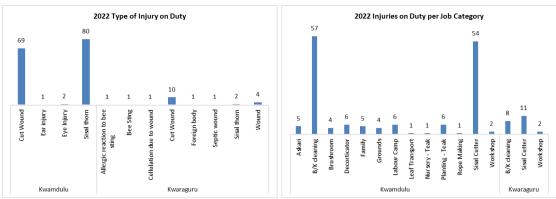


Figure 16 Reported Injuries on Duty during 2022

## 4.3.3 Disabling Injury Frequency Rate (DIFR)

Refer below the 2022 DIFR for SFI Tanzania. One OSHA recordable injury was reported during 2022 whereby a senior brush room employee fractured his leg after falling at the Tow 1 sorting chamber. The employee Mr Iddi Abdallah Hassani was sent to Magunga Hospital in Korogwe and referred to Mombo Hospital in Tanga for treatment. NSSF managed the hospital fees. The listed non-disabling injuries include minor injuries (not impacting on missed shifts) i.e.: sisal thorns and cut wounds reported under Injuries on Duty.

SFI Tanzania												2022
Reportable Injury Accident Rate	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Permanent												
Employees	1 273	1 2 6 6	1 272	1 275	1 273	1 2 6 5	1 266	1 275	1 2 6 0	1 245	1 2 2 5	1 199
Hours Worked	249 508	248 136	249 312	249 900	249 508	247 940	248 136	249 900	246 960	244 020	240 100	235 004
Deaths	-	-	-	-	-	-	-	-	-	-	-	-
Major Accidents (>3 Days Lost)	-	1	-	-	-	-	-	-	-	-	-	-
Under Three Days (<3 Days Lost)	-	-	-	-	-	-	-	-	-	-	-	-
Non Disabling	7	14	4	14	26	23	7	17	29	6	7	19
Near Miss							-	-	-	-	-	-
Months DIFR	- ·	0,81	·	'	'	_ *			-	_ '	' . '	-
Months NDIFR	5,61	11,28	3,21	11,20	20,84	18,55	5,64	13,61	23,49	4,92	5,83	16,17
Cumulative DIFR	-	0,40	0,27	0,20	0,16	0,13	0,11	0,10	0,09	0,08	0,07	0,07
Cumulative NDIFR	5,61	8,44	6.69	7.82	10,43	11.78	10.90	11.24	12.59	11.84	11.31	11.70

Figure 17 DIFR during 2022

## 4.4 Unauthorized activities

#### 4.4.1 Prevention of unauthorized activities and incidents

Illegal activities and incidents have been reported on since 2015. A steady decline can be observed at Kwamdulu whereas Kwaraguru showed an increase. The most notable incident was theft in October at Kwaraguru estate whereby monies for salaries and TPAWU funds were stolen from the estate safe. This has been managed in collaboration with the various police departments and TPAWU.

Charcoal factories in the fallow land of the estates constitute the main offence during 2022 coupled with illegal harvesting for the charcoal factories. This is of a particular concern due to the fire risk. Fire awareness and fire prevention training is conducted on an annual basis. Important to note communities will continue to build charcoal factories due to poverty and the large scale of fallow land on the estates. Figure 18 shows the illegal activities during 2022.

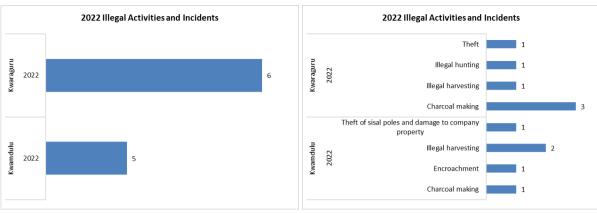


Figure 18 Illegal activities and incidents 2022

A comparison between 2015 to 2022 shows a considerable decrease at Kwamdulu (Figure 19). This is due to more stringent control of illegal activities and the subsequent capturing and monitoring of the illegal Activities procedure. Illegal activities and incidents are reported and managed immediately in collaboration with the surrounding communities.

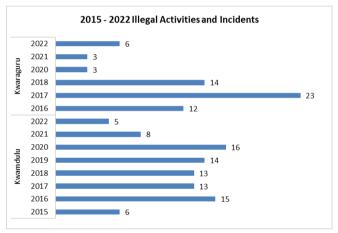


Figure 19 Illegal activities and incidents 2015-2022

# 5. Conclusions and recommendations

Based on the data presented in this report valuable information is obtained on many relevant aspects of the company's management. Further implementation and improvement of the monitoring system will yield more valuable information that can be used to direct future management actions. A few findings of this report are highlighted:

## 5.1 Water consumption for factory and nursery

The current water consumption for both the factories is high. Recycling of water should be given higher priority to minimize consumption, reduce water pumping costs (electricity), and reduce dependency on natural water bodies (paragraph 3.2.4). Investment capital will be required to construct the power, transformer, pumps and pipeline over the distances involved, i.e. at Kwaraguru the closest water body to do this is almost 1km from the factory.



## 5.2 Water for consumption

Water tests of all the water bodies was done in 2021 Q4 and will again be done in 2023 Q1. The tests conducted in 2021 confirmed that all water bodies on the estates are not suitable for human consumption without disinfection. Therefore, a major step was taken with the construction of water purification plants for both estates in 2016. This is also reflected in the health and safety statistics, where a reduction in diarrhoea cases was observed as well as in the absence of cholera (paragraph 4.3.1).

## 5.3 Social impact

The company is having a significant positive social impact (chapter 4) through, among others, (1) provision of employment in a safe and healthy environment, (2) farming and intercropping activities, and (3) an outgrowing program. Further actions, such as community meetings will be undertaken in 2023 Q1 to strengthen the relationship with the local communities. The goal is to conduct these meetings on an annual basis.

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