



**ALAM GROUP**

ALAM  
GROUP OF  
COMPANIES

SUSTAINABILITY REPORT 2019

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## **Message from the Managing Director**

ALAM group is comprised of over 17 companies in different regions across Africa. However, in Uganda, we have over 10 companies which are under different management but are all under the great Alam group of companies and these include Kaliro Sugar Limited, Casamets Africa, Rhino Gumboots, Oxygas, Alarm Properties, GEO lodges, Steel Rolling Mills, Ama Ply, and Crocodile Tool Company Limited, among others. Having put all our companies under different management teams, this has helped us to gain a very good market share because every management team has mastered the art of becoming a market leader in their specified sector. This has given the different Alam group companies a competitive advantage and we can brag about being one of the best manufacturers in the country. One of our companies, Casemets Limited, is currently the largest manufacturer of aluminium, steel fabrications and other interior products in Uganda.

In this year's sustainability report, we have briefly described the different activities, services and products provided by each of our companies because we diversified our activities to ensure that most sectors of the economy are catered for so as to increase the productivity and competition leading to the production of high quality goods and services which directly improves people's welfare. The quality of our products has also earned us wide praise across the countries in the East African region where we carry out a lot of exportation of our products. Due to the increase in exportation of our products, we are directly contributing to the improvement of Uganda's Balance Of Payment position as well as stabilising the economy. We also directly and indirectly employ over 3,000 workers, both male and female, with the aim to ensure a gender balance across all companies in Uganda. Through creating more employment opportunities, we are directly helping Uganda to achieve the 1<sup>st</sup> UN Sustainable Development Goal of 'No Poverty'.

Finally, we would like to thank the Uganda Manufacturers' Association and the University of Southampton for the opportunity to report about our economic and non-economic performance for 2019 in this sustainability report. Under our material topics, we have briefly disclosed more about our performance.

**Abid Alam**

**13 February 2020**

## Overview of our company



# ALAM Group of Companies

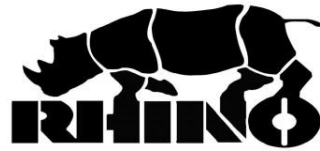
The group's current chairman, Manzur Alam, started Alam Group in 1965, built upon the foundations established by his father, Mehbub Alam, a civil engineer who worked closely with the Uganda government and local governments. Mehbub Alam's projects included the construction of Kigo Prison and Nakivubo Channel.

Alam Group's headquarters and the majority of its companies are in Uganda, where it directly employs over 3,000 people. We have over 17 companies distributed in different countries in Uganda; however, 10 are based in Uganda and include Kaliro Sugar Limited, Casamets Africa, Rhino Gumboots, Oxygas, Alarm Properties, GEO lodges, Steel Rolling Mills, Ama Ply, and Crocodile Tool Company Limited, among others.

## Brief description of our companies



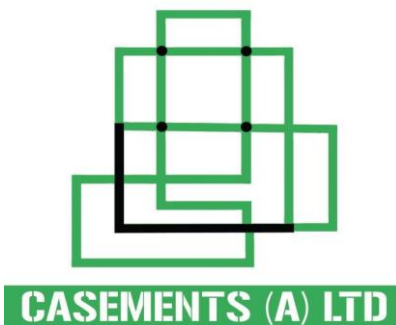
Kaliro Sugar was established in 2011 to meet the regional deficit and give Uganda 100% sugar self-sufficiency. We have different packages of sugar ranging from 10kgs, 25kgs and 50 kgs as compared to most of our competitors who package sugar in as low as 500g products. . This is because our sugar mainly attracts the bulk buyers – i.e. wholesalers and regional agents, among others. Our sugar factory also supports over 4,000 out-grower farmers who are farming on 25,000 acres of sugarcane and we spend over 60Billion Ugandan shillings per years on the localised economy of Kaliro District



Rhino was founded in 2019 to provide high-quality gumboots for the East African market. Since then it has steadily progressed to become the leading manufacturer of durable and competing footwear in Uganda. We work to create gumboots that are affordable for our market while meeting the international standards.



Established in 1995, Oxygas has since risen to become the leading distributor in the Ugandan gas industry. Our priority is to offer the market the highest-quality products possible. Oxygas cylinders remain dry and water-free, which gives us full confidence that we are offering clients the best products on the market.



Casements Africa Limited was founded in 1965, it has flourished and achieved a market share of about 80% holding of products dominance in the East Africa Region. The company has diversified its activities to the production and trading of multiple types of products. The company is currently the largest manufacturer of aluminium, steel fabrications and other interior products in Uganda.

Other companies/service providers include Steel Rolling Mill and Geo Lodges both located in Jinja District in the Eastern parts of Uganda.



### Our products and services



*Kaliro Sugar in different packages*



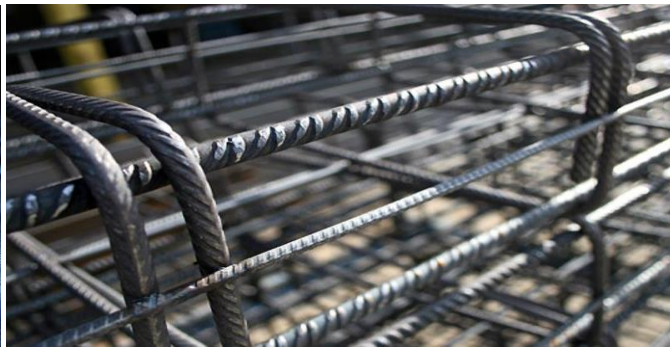
*Our gumboots in different colours*



*Gas products*



*Some of our aluminium products*



*Some of our steel products*

### **Location of headquarters**

Our headquarters are located at plot 86/90 5<sup>th</sup> street Industrial area Kampala, Uganda.

### **Ownership and legal form**

Alam Group of companies is owned by Manzur Alam who acts as the chairman of Alam Group, and all its companies are registered by Uganda Registration Service Bureau.

### **Markets served and supply chain**

We mainly supply our products to the local markets of Uganda. However, we supply products such as sugar at one end of the scale to steel mills at the other, among many other products, to Kenya, DR. Congo and Rwanda. We also supply gumboots to sister companies such as Riham plus Non-Government organizations such UNICEF. Our aluminum company (Casemets) provided the fabrication for the Speke Resort Munyonyo owned by Rupaleria Group of companies.

Our supply chain for sugar for example involves recruiting sales personnel, working through a middleman who connects each member of the sales team to the buyer of the sugar. The sales person then earns a commission for each sale. Our gumboots supply chain also involves sales persons who work door-to-door to market our gumboots. They also work within rural areas. However we have focused more on the central market where we have a relatively large market share since we have existed for very many years. We also do a lot of marketing for our products

on social media; for example, we advertise if we have space to let at Alam Properties. We have a variety of regional agents in most parts of Uganda. We also participate in Expos and trade fairs where we promote our products.

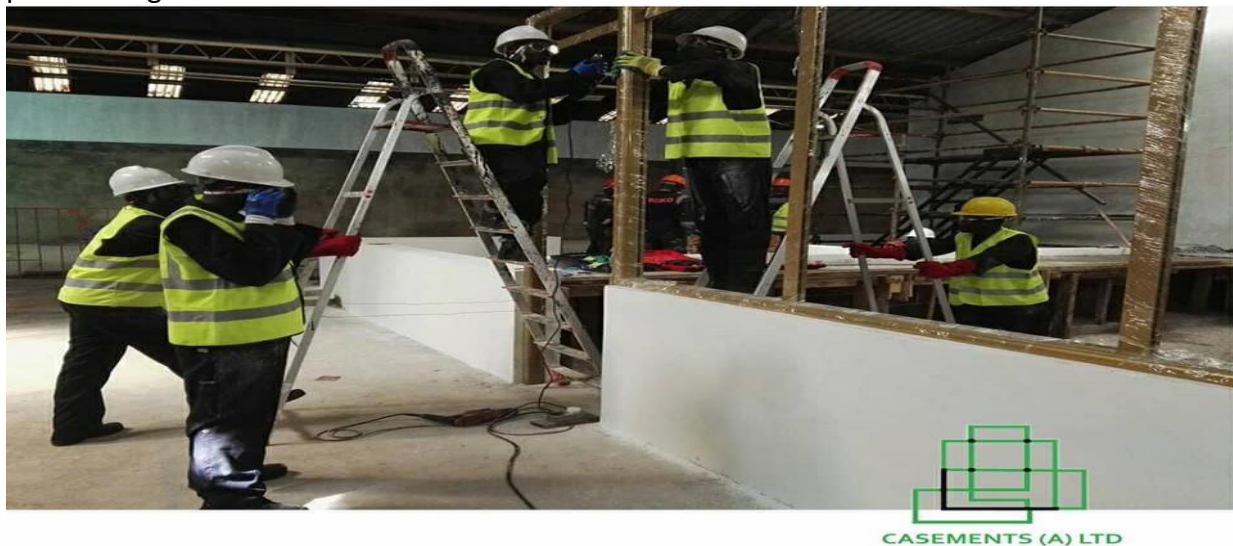


### Some of our clients



### Information on employees and other workers

We have over 3,000 employees including both manual staff and administrators who are on contracts. Our workforce is made up of 60% male and 40% female; however, we always encourage female applicants in case we have an available job position to ensure we create gender balance at our workplace and in Uganda at large. Our employees are provided with protective gear while at work so as to minimise risks of accidents.



*Some of our employees at work dressed in protective gears such as helmets*



### Significant changes to the organisation

We did not register any significant change during this year's reporting period.

### Precautionary principle or approach

We always provide safety wear such as gumboots, heavy-duty clothing, helmets etc. to our employees in the production sector so as to mitigate the risks of accidents. However, in case of accidents we also have a clinic inside our area of operations to provide first aid and treatment.

### Membership of associations and external initiatives

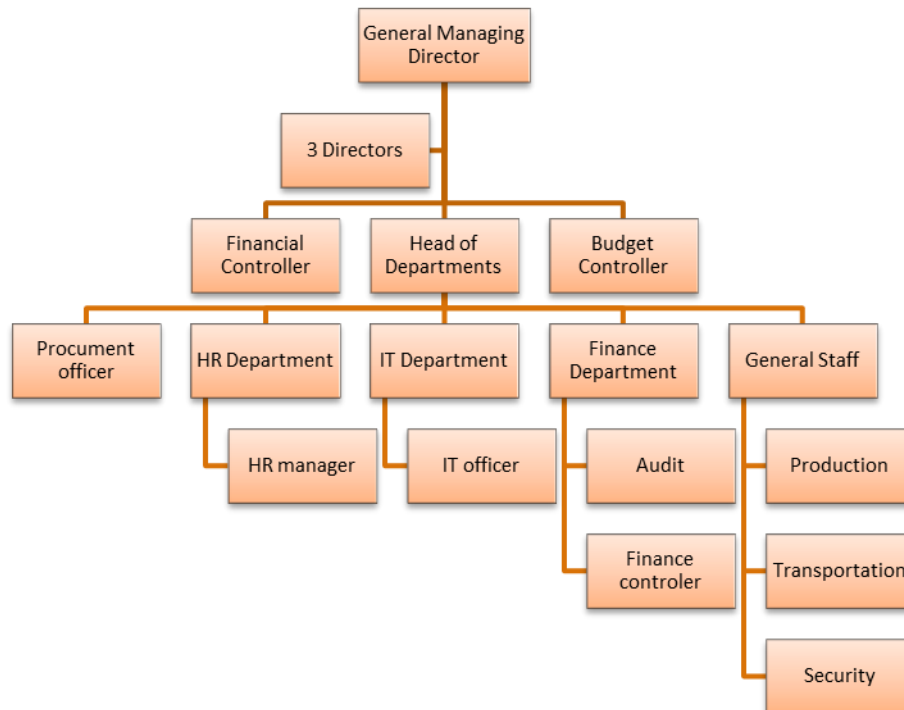
We are only members of the Uganda Manufacturers' Association.



Our external initiatives include the following:

- UNICEF
- One Acre Farm
- Wagagai Limited
- Riham Group

### Governance structure



## **Stakeholder engagement**

For every company to grow, we believe that stakeholders play an important role. Therefore we identified some of our stakeholders and below we discuss how we engage with them.

**Employees:** We regularly organise meetings and resolutions are made. The General Managing Director goes to the production sometimes to associate with the workers and understand what they really do. We also provide our employees with protective gear to mitigate risks related to accidents at the workplace.

**Clients:** Through provision of services, we discount on some of our products to mostly bulk buyers. We also offer end-of-year bonus packages such as bags of sugar, calendars, whine, food etc.to our clients as a way of appreciation. We also ensure that we provide high quality products and services.

**Government:** The best way to give back to the Government of Uganda is through paying all taxes and bills to Government authorities and entities such as URA, URSB, UNDS, NEMA among others. This has strengthened our relationships with the Government.

Identified stakeholders are employees, clients and the Government.

## **Material Topics**

### **GRI 200: Economic impacts**

#### **Management approach [GRI 103]-2016**

We considered market presence as our material topic because being in existence for the past 50 years in the Uganda market has not easy, going way back to the days when Uganda underwent political turmoil for a period of almost 15 years. That is the reason why we greatly value our market presence and therefore in this year's report we are going to explain what has kept us growing in the past 50 years. Our management approach to market presence involves benchmarking our competitors where we send some of our employees to the competitors' firms to observe specific products. We also look out for markets through advertising our products in different media houses, providing discounts on sugar and gumboots for bulk buyers and also through recruitment of middle/sales agents who in return are given commission for each sale made. Due to the stiff competition in the sugar market, our approach to attain a relative good market share was through ensuring that we package in bulk (10kgs, 25kgs, 50kgs) as compared to our competitors who pack as little as 500gs of sugar. We also sell in bulk in places such as Kikubo in Kampala where we have wholesale clients who buy over 100 bags of 50kgs of sugar, through trade shows. As Kaliro Sugar, we ensure we pay our sugarcane out-growers very well and on time as compared to our competitors.

### **GRI 202: Market presence 2016**

There is no minimum wage in Uganda; however, we have a local minimum wage at our area of operation of 200,000 Ugandan Shillings. We also provide extra money for overtime work. Our employee wages are largely based on merit; for example, hardworking/ ready-to-work employees and a very good education background are also never forgotten for some specific positions such as accountants, auditors, and public relations, among others. We always recruit temporary workers in case the demand for our products increases. However, the workers are few compared to the work to be done. For example when UNICEF demanded a big supply of gumboots, we had to recruit more employees so as to get the job done quickly. Our temporary employees are compensated according to the amount of work done and they are usually paid on a daily basis. Our wages are not based on gender.

At our headquarters, 40% of our senior management are hired from the local communities in the different regions of Uganda. By *senior management* we mean the administrative staff who run day-to-day activities of the company. By *local*, we mean the different regions in Uganda – i.e. North, East, West and Central. By *significant areas of operations*, we refer to where our headquarters are located and that is 5<sup>th</sup> Street Industrial Area, Kampala.

### **GRI 400: Social Impact**

#### **Management approach (GRI 103) 2016**

Labour/management relations basically explain how our management interacts with our employees to ensure there is harmony at the workplace for the smooth running of our business. We considered labour/management relations as our material topic in this year's report because we understand that our employees largely contribute to the growth of our organisation and therefore we treat them in the best way possible to ensure they work in peace and harmony at the workplace. Our management approach to this topic involves providing our employees with the best working environment through providing medical facilities in case an employee is sick or suffers an accident, paying NSSF, ensuring early payment latest usually being the second week of the next month, providing annual leave to our employees, and also throwing an end-of-year party to thank them for the work done throughout the year. We offer a fee/fund to any of our employees who lose their dear ones and we also provide compensation to the families in case any of our employees die. We continuously evaluate our approaches and implement improvements where needed, and this has contributed to the continued growth of our organisation.

#### **GRI 402: Labour/management relations 2016**

In case of any significant operation change at any of our companies, a minimum of 8 weeks (56 days) notice is given to our employees before its implementation with a weekly reminder to ensure they are well aware of and ready for the change. However, during this year's reporting period, we did not implement any change at any of the companies under Alam Group. We do not have collective bargaining agreements at our companies.

## **Reporting practices**

### **Entities included in consolidated financial statements**

The entities included in Alam Group financial statements are Kaliro Sugar Limited, Casamets Africa, Rhino Gumboots, Oxygas, Alarm Properties, GEO lodges, Steel Rolling Mills, Ama Ply, and Crocodile Tool Company Limited.

### **Defining report content and topic boundaries**

Having spent over 50 years in Uganda's manufacturing sector, we chose to report about our market presence in this year's sustainability report. Our market presence was once threatened by the political insecurity in Uganda during the 1970s and 1980s. Therefore, first, we would like to thank the Ugandan Government for creating peace and stability in the country which has largely contributed to the growth of our companies in the past 30 years. We have so many ways in which we have ensured that our products from our different companies penetrate through the market and this includes ensuring high-quality products and long-lasting services. As an example, we supplied aluminum products in the construction of The Crested Towers over 20 years ago which is one of the tallest buildings in Kampala District. When people noticed our work, we received references from satisfied customers, and hence continue to enjoy a relatively good market share.

### **List of the material topics**

Market presence and labour/management relations are our material topics.

### **Restatements of information**

Not applicable.

### **Changes in reporting**

This is the first sustainability report to be prepared by Alam Group of companies.

### **Reporting period**

1 January 2019 to 31 December 2019.

### **Date of most recent report**

This is the first sustainability report to be prepared.

### **Reporting cycle**

Yearly

### **Claims of reporting in accordance with the GRI standards**

This report has been prepared in accordance with the GRI Standards: Core Option.

## External assurance

This report has not been externally verified. However the following aspects are externally audited: Quality Management System, Environmental Management and Occupational Health and Safety Management System. The quality of our products is tested and certified by UNBS.

## UN Sustainable Development Goals [SDGs]

As ALAM Group of companies, we joined the global community as partners in contributing to Uganda's achievement of the UN Sustainable Development Goals. Therefore the following goals have been achieved through our business processes.

Through our market presence, we have contributed to Uganda's achievement of the 1<sup>st</sup> Goal 'No Poverty' where we have created very many employment opportunities for people in Uganda in the eight different companies under ALAM Group. ALAM Group employs over 3000 employees both female and male because we are not gender-biased – i.e. we treat all genders equally. Through our employment, poverty levels have been reduced and our employees are paid good wages that can help them acquire basic needs such as food, hence directly contributing to the achievement of the 2<sup>nd</sup> Goal 'Zero Hunger'.



Our market presence is also helping us to significantly contribute to Uganda's achievement of the 8<sup>th</sup> Goal of 'Good Jobs and Economic Growth' where we always recruit well educated Ugandans from the local communities we operate in and provide them with good professional jobs instead of outsourcing foreigners. Our employees are usually provided with legal contracts which are renewed after a period of two years. All the companies under Alam Group pay taxes and other bills to the Government of Uganda and the tax money can be used to develop other sectors of the economy such as the roads and other infrastructure, hence directly contributing to economic growth.



Through our labour/management relations, we have contributed to Uganda's achievement of the 3<sup>rd</sup> Goal 'Good Health' where we ensured that all our employees are provided with medical insurance so that in the case an employee becomes sick, all the medical bills are covered. We also set up a clinic inside our production area to provide first aid and medical services to our employees. Through this we have been able to keep our employees safe and healthy because we understand that good employee health leads to a higher output in both the short run and the long run.



## GRI Content index

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### **Acknowledgements**

We would like to thank all our colleagues, suppliers and customers for their support in providing the information required for completion of this report. In particular, we are grateful for the assistance provided by Dembe Dickens, the Research Assistant, in drafting this report and Professor Ven Tauringana of the University of Southampton, the UK for providing the technical expertise. Finally, we acknowledge the funding from the Southampton Business School Small Research Grants which made the preparation of this report possible.

### **Further information**

Further information about ALAM Group Sustainability Report 2019 can be found at our website <https://www.alam-group.com/>

### **Contact Person**

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