

ORANA



UN Global Compact Annual Report

June 2017

ORANA A/S

UN Global Compact Reporting on Communication on Progress (COP)

0. Period covered by our Communication on Progress (COP)

From 01.10.2015 to 30.09.2016

1. Statement of Continued Support by the Chief Executive Officer

28th April 2017 (change to date of submitting report)

To our stakeholders:

We are pleased to confirm that Orana Denmark reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption.

In this first annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Birgitte Ejlskov
General Manager

2. Introduction

The Orana Group hereunder Orana Denmark is committed to sustainability in all business activities and aims to apply highest ethical standards in order to ensure the long-term success of the Orana Group and its stakeholders. In support of this goal, the Orana Group implemented a Supplier Code of Conduct in 2007 and since then all Orana Group companies hereunder Orana Denmark have subscribed to the UN Global Compact. Both specify minimum standards expected of Orana and its suppliers and are based on principles for:

- a) Human Rights
- b) Labour
- c) Environment
- d) Anti-Corruption

In the Orana Group, all staff is committed to following these principles. The Orana Group further requires its suppliers to explicitly acknowledge and adhere to the principles embodied in the Code of Conduct to ensure that their own suppliers also will comply with these principles.

3. Human Rights

Description of Actions

All sites further ensure that hiring, remuneration, advancement, training and termination decisions are based on objective factors and not connected to gender, age, nationality, ethnicity, race, colour, creed, caste, language, mental or physical disability, or any other discriminating factors. Instead, this is determined by skills, qualifications, and experience required for the position in question.

All Orana sites do not tolerate workplace harassment, hereunder but not limited to words, signs, offensive jokes, e-mail statements, pranks, intimidation, sexual or physical harassment or violence. Policies are in place to protect all employees.

The Orana Group has implemented health and safety prevention policies which comply with national, international and Orana company rules. These policies are made available to employees in a language, which is understood by the employees.

All Orana sites documents accidents and adjusts its processes to prevent future accidents if any. At all sites, workers and managers are trained to respond to emergencies and emergency exits are free from obstruction. Fire extinguishers are available. Work environments are maintained and kept clean. All sites have sufficient and suitable ventilation, lighting, availability of potable water, washing facilities and sanitary facilities and suitable eating areas. All employees are provided with protective equipment and training necessary to safely perform the functions of their positions.

Moreover, all sites have implemented rules in regard to hygiene, alcohol, and smoking.

Measurement of Outcomes

Employee Turnover is measured for all Orana Group companies. For Orana Denmark, employee turnover in 2015-16 was 21% in total, for administration, the turnover was 26% and for workers, the turnover for this period was 13%

Orana is harassment and discrimination free organization. In the companies CSR code, the freedom of association and non-discrimination policy are addressed. There is no any such kind of harassment or discrimination incidences reported in the period of communication.

In Denmark, all accidents shall be reported to the Danish Safety and Labor Inspectorate's electronic reporting system for occupational accidents, called EASY.

- ❖ In 2014-15, 3 accidents and 2 near accidents was reported.
- ❖ In 2015-16, 0 accidents and 0 near-accidents war recorded.

Hygiene audits are being conducted by QC online staff on daily basis as a routine practice. All non-conformities are closed with proper corrections, corrective and preventive actions

The Danish Health Service is financed through income tax, so state medical treatment in Denmark is available to all Danish residents free of charge. For employees working on the night shift, we further offer an extra health check every two years.

4. Labour

Description of Actions

No Orana site will hire any form of forced labour or child labours.

All sites recognize and encourage the freedom of association rights of its employees and ensure that trade unions are able to communicate openly with management regarding working conditions without the threat of reprisal, intimidation or harassment.

All sites pay workers according to applicable wage laws, including minimum wages, overtime hours and mandated benefits.

Measurement of Outcomes

Orana Denmark staff have the opportunity to be a member of a trade union if they so wish. Most staff are. In Denmark, there are many different trade unions representing the various professions.

All Orana Denmark's wages are as a minimum consistent with Danish law and prevailing industry standards. Moreover, wages are based on qualifications. Holiday, sick leave and maternity leave is also provided for consistency with Danish law and prevailing industry standards. Working hours and overtime are also consistent with Danish law and prevailing industry standards.

5. Environment

Description of Actions

All sites shall comply with all applicable environmental regulations.

All sites shall have recently implemented measuring of carbon foot print with the aim of reducing carbon foot print per ton produced per site. Moreover, a system for the safe handling, recycling, and management of waste and wastewater discharges has been implemented.

Measurement of Outcomes

Orana Denmark has ensured that all required environmental permits and licenses are in place and that their reporting requirements are followed

Orana Denmark has initiated measuring of carbon foot print per ton produced in April Quarter 2017. The intention is once the measuring is implemented to initiate initiatives to ensure a reduction in carbon foot print per ton produced.

6. Anti-Corruption

Description of Actions

The Orana Group has a zero tolerance on corruption. All corruption, extortion, and embezzlement are prohibited. Employees are not allowed to pay or accept bribes in business or government relationships. All Orana sites shall conduct their business consistent with fair competition and in compliance with anti-trust laws.

The Orana Group's relationships with suppliers are based entirely on sound business decisions and fair dealing. Employees are not allowed to accept any gifts or entertainment. Employees are not allowed to accept or give kickbacks when obtaining or awarding contracts.

Measurement of Outcomes

All staff at Orana Denmark are instructed not to pay corruption or bribery in order to unjustly influence public officials or suppliers. When deemed necessary, Orana Denmark encourages employees to go to government official / other relevant meetings two persons at a time in order to discourage corruption and bribery.

Additionally, the Orana Group is in the process of establishing a whistleblower function on corruption across the entire Orana Group.