

ORANA



UN Global Compact Annual Report for **Orana A/S**

June 2018

UN Global Compact Reporting on Communication on Progress (COP)

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

From 01.10.2016 to 30.09.2017

1. Statement of Continued Support by the Chief Executive Officer

05th June 2018

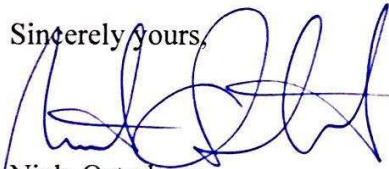
To our stakeholders:

We are pleased to confirm that Orana A/S 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 second 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.

During the financial year 2017/18, we will further work on an SDG strategy for the Orana Group.

Sincerely yours,



Niels Osterberg
Director

2. Introduction

The Orana Group 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 production companies 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. Commitment is also confirmed through supplier audits and questionnaires.

3. Human Rights

Description of Actions

All sites 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 all sites in total, employee turnover for 2016/17 was xx%.

Orana is a 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 any of the Orana Group companies in the period of communication.

For all Orana Group Companies, the companies are required to keep track of accidents. No accidents in any of the Orana Group Companies were reported during the financial year 2016/17.

Hygiene audits are being conducted by QC online staff on daily basis as a routine practice at all production sites. The non-conformities found are mainly related to protective clothing, personal and plant hygiene. All non-conformities are closed with proper corrections, corrective and preventive actions.

The Orana Group further offers all staff in the group medical insurance except in the cases where this is provided by the health service of the country in question.

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

All staff in the Orana Group have the opportunity to be a member of a trade union if they so wish. Most staff are. Either in the form of external trade unions or in the form of trade unions formed by the Orana Group staff at individual sites.

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

5. Environment

Description of Actions

All sites shall comply with all applicable environmental regulations.

Measurement of Outcomes

The Orana Group has ensured that all required environmental permits and licenses are in place at all sites and that their reporting requirements are followed.

The Orana Group has initiated measuring of carbon foot print per ton produced at all sites in April Quarter 2017. However, no progress was made due to the technical deficiencies identified in the carbon foot print calculator used. Setting up a new calculator is in progress and all sites expect to restart measuring from October Quarter 2018.

A system for the safe handling, recycling, and management of waste and wastewater discharges is further implemented at all sites.

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 Group companies are instructed not to pay corruption or bribery in order to unjustly influence public officials or suppliers. When deemed necessary, Orana Group Management and local management teams encourage employees to go to government officials / 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.
