



- Communication on Progress 2017

Welcome

Welcome to OrifO's annual CSR report 2017/2018

In spring 2017, OrifO joined the UN Global Compact. Our UN Global Compact Principles report helps us realize, where we are as a sustainable company, and to inspire us to get even better in the future.

For us responsible business activities come from living our values in our daily life. We hope our values are visible in this report – and who knows it might even be inspiring. Together we can help make Global Goals local business.

Enjoy reading our 2017/2018 report.

Best regards,

A handwritten signature in black ink, consisting of a large, stylized 'I' and 'R' followed by a long horizontal stroke.

Ib Runge Hansen
Owner / CEO
OrifO ApS

About OrifO

OrifO ApS is located in Haderslev, Denmark 60 km north of the Danish/German border. The company offers international experience and knowledge in the sales and distribution of long lasting military and outdoor food products. The main commercial activities of OrifO is to support military forces and humanitarian aid organizations. Our global supply base ranges from the Americas, the Far East to Europe and are all highly recognized manufacturers in their respective fields holding international quality assurance accreditations such as ISO, EFSIS/BRC, IFS and HACCP.

Operating on a global scale the logistics operation has partnered with professional transporters, that manage multiple temperature trucking/shipping fleets. This combination enables us to deliver orders fast, efficiently and in a perfect condition world-wide.

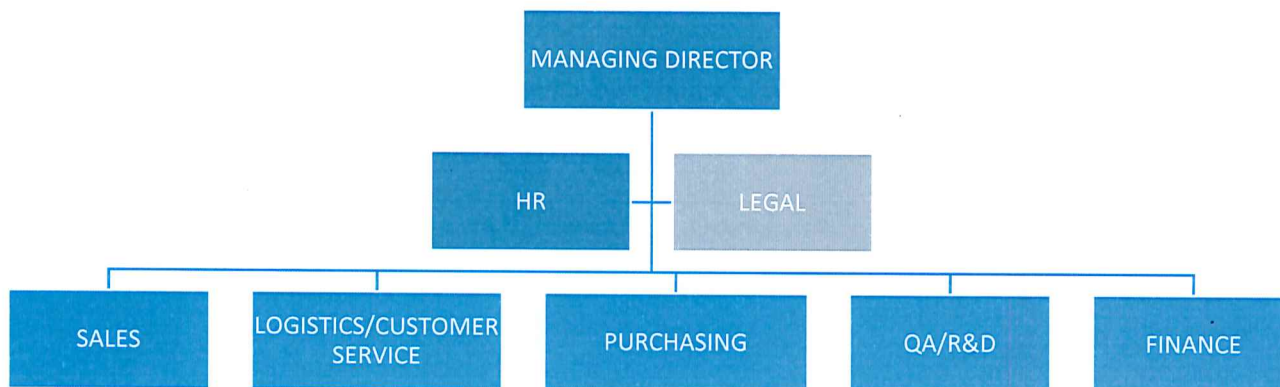
Our mission:

It is our mission to enhance the lives of servicemen- and women during operational activities by providing appetizing and nutritional food.

Our vision:

We wish to lead the market in the development and supply of long lasting food products for the militaries in our core markets.

Below is the organization chart for OrifO:



Joining the UN Global Compact

In 2017, we joined the United Nations Global Compact. It is important for us as a company to try to make a difference. It is our philosophy that by taking an active part in relation to the UN principles, we can make a difference.

There are two ways we can work with the Global Compact principles:

- Direct influence within our own business
- Indirect influence through our surroundings (customers, suppliers etc.)

It is important that we are aware of the two ways that we can influence our surroundings.

In our daily work life, we work with both approaches and therefore both ways will be described in this report.

The 10 principles:

Human Rights:

Principle 1: Business should support and respect the protection of internationally proclaimed human rights;

Principle 2: Make sure that they are not complicit in human right abuses;

At OrifO we respect and support the international human rights. We respect the privacy of our employees, customers and suppliers.

Labor rights -& working conditions:

Principle 3; Business should uphold the freedom of association and the effect recognition of the right to collective bargain;

Principle 4: The elimination of all forms of forced and compulsory labor;

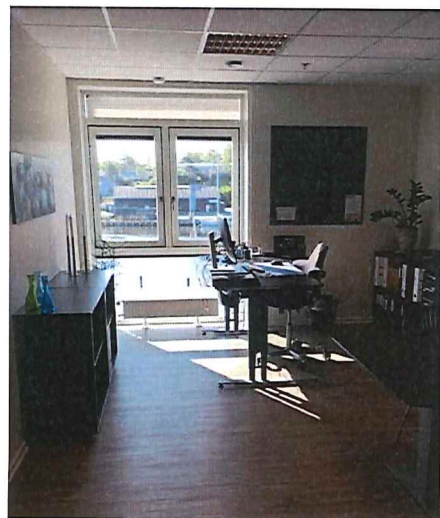
Principle 5: The effective abolition of child labor;

Principle 6: The elimination of discrimination in respect to employment and occupation;

Here we have direct influence. The employees of OrifO is very important. It is vital for OrifO to attract and maintain qualified employees. We work from the phrase **freedom with responsibility**, which means that the employees have the flexibility in their daily work to schedule for instance a doctor's appointment etc. All employees have a health insurance through OrifO. It can cover both physical and mental issues. We encourage that all employees continuously participate in relevant courses and training to always be updated with relevant skills and information. All this information is written in our Employee handbook.

OrifO has a staff association, which arranges social events e.g. golf day, go-kart and wine tasting.

Furthermore, we have a canteen where fresh food is served every day.



Environment:

Principle 7; Business should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility and;

Principle 9: Encourage the development and diffusion of environmentally friendly technologies;

Regarding the environment we practice direct influence in several ways. When printing for internal use, we make sure that we only print relevant papers out, mostly in black and white and preferably on two sides.

Our office has light sensor system, that switches off when no one is in the room. This way we can make sure that not light is burning unnecessary.

Our office is in a building with several other offices. Because of that we can share the environmental and financial costs; for instance:

- aqueducts
- sewers
- ventilation
- energy-saving lightning (being changed to LED)
- high-insulated windows
- heat
- meeting rooms
- Canteen/Garbage sorting

Furthermore, OrifO can have a direct influence on the way we ship our products. We don't have any production so therefore we continually work to optimize our shipping activities. Within Europe, we mainly use vans. For overseas transport we use ships whenever possible, compared to airfreight, as they are less environmentally damaging. We always do our best to minimize our transportation impact on our surroundings.

We have very high requirements with our suppliers. They have a huge impact on the quality of our products and the ethical obligations. It is our expectation that they recognize their responsibility towards their surroundings. We ask all our suppliers to sign our Quality Assurance Commitment (QAC).

Our aim with this document is to affirm a high standard of quality in the way we work, the products we deliver, our relationship with authorities, costumers, suppliers, social responsibilities and our environment to ensure continuous improvement. Our QAC covers amongst others:

- Food safety and legality
- Requirements for our suppliers
- Requirements for the products
- Handling of non-conformities arising from specification, labelling and defect products or packaging material
- UN Global Compact principles throughout the supply chain

One of our focus areas in relation to our surroundings is food fraud. Unfortunately, food fraud becomes more and more of a topic of concern. We take our precautions against food fraud by only working with approved suppliers, having either a BRC, IFS, HACCP or similar approved food safety system. Furthermore, all suppliers must identify and record all potential hazards to prevent any kind of fraud, and malicious contamination. Upon our request, this must be presented to OrifO.

Anti-Corruption:

Principle 10: Business should work against corruption in all its forms, including extortion and bribery.

We practice a high level of integrity in our relationship, and we don't accept corruption. We have transparency in all our agreements with external partners.

Examples of working procedures and procedures to prevent bribery, corruption and fraud include:

- Gifts from suppliers will be shared among all employees

- We have a supplier questionnaire, which all suppliers shall complete prior to any co-operation. This questionnaire has the UN GC 10 principles incorporated. We ask our suppliers whether they comply with the principles.

Charity

The 2017 OrifO Christmas Donation

It has become a tradition for OrifO at Christmas time, to donate the money we would have otherwise spend on presents to our customers and business partners, for charity.

Again in 2017 we have chosen the organization Médecins Sans Frontières. Médecins Sans Frontières is a private, international humanitarian organization providing humanitarian aid in the form of medical relief to victims of conflicts and disasters throughout the world.

Focus Area	Activity and goal 2018/2019
Human rights/Labour	
Supplier Management	Get 80% of our suppliers to sign OrifOs QAC
Charity	
Donation	The annual Christmas donation should be given to an organization

Future initiatives

In 2018 and 2019 we are planning to:

- Increase focus on receiving signed QACs and having more of our suppliers take an active part in our CSR strategy.
- Focus on non-conformances. With almost every non-conformance comes energy consuming tasks. This could be shipping the non-conforming products back and forth, maybe relabeling or in worst case maybe produce a new production. We will in 2018/2019 implement "first-time right" strategies. By implementing a first-time right tool, we would have focus on all aspects from start to end of an order process.
- Increased focus on specifying the customer's requirements/needs. When being specific regarding the requirements sometimes several steps can be avoided.
- Every year we make an internal management evaluation. This evaluation is dealing with issues such as internal resources, non-conformances and the costs related to this etc. We will in 2018/2019 expand this management evaluation into a working tool. We believe that by making it a working tool – we can get much more out of it.

This is our Communication on Progress in implementing the 10 principles of the UN Global Compact.