

ORANA



UN Global Compact Annual Report for **Orana Vietnam**

June 2019

ORANA VIETNAM

UN Global Compact Reporting on Communication on Progress (COP)

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

From 01.10.2017 to 30.09.2018

1. Statement of Continued Support by the Chief Executive Officer

1st June 2019

To our stakeholders:

We are pleased to confirm that Orana Vietnam 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 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 2018/19, we will continue to intensify our work on CSR, Sustainability and SDGs for Orana Vietnam.

Sincerely yours,



Betina Moldt Rasmussen
General Director

2. Introduction

The Orana Group hereunder Orana Vietnam 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 Vietnam 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 are 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 Orana sites do not use forced labour or child labour. 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 employees are provided with safe, suitable and sanitary work facilities and are protected against processes, substances and techniques which are unhealthy, toxic and harmful.

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.

Finally, all employees are offered yearly health checks.

Measurement of Outcomes

Employee Turnover is measured for all Orana Group companies. For Orana Vietnam, employee turnover in 2017/18 was 20%. This is a small increase compared to 2016/17.

	2015/16	2016/17	2017/18
Employee Turnover	17%	18%	20%

Orana is a harassment and discrimination free organization. In the companies CSR code the freedom of association and non-discrimination policy are addressed. In cases of harassment, all staff are asked to report to their manager or to their trade union representative. There are no kind of harassment or discrimination incidences reported in the period of communication of 2017/18.

Number of accidents are measured. In 2017/18, no accidents occurred. See below table:

	2015/16	2016/17	2017/18
No. of accidents	2	0	0

Several audits from customers have been conducted during 2017/18:

Orana Vietnam had 8 customer audits. Most of the customer audits have focused on food safety including hygiene. All audits were passed. Some minor non-conformities were raised related to improvement on food safety environment/document, personnel awareness and plant hygiene. All these minor non-conformities were closed with proper corrections, corrective and preventive actions.

GMP/ hygiene audits are also being conducted by QC online staff on a daily basis as a routine practice. Any finding is reported and discussed in the daily meeting for corrective actions in need timely. Moreover, we have GMP tour every 2 weeks conducted by the Factory Manager, Quality Assurance Department and other relating departments. The GMP tour report is submitted to General Director.

In addition to the above, hygiene related issues are addressed in the Internal Audits. The responsible departments will work on the findings to close gaps in agreed time frames.

Health checks. Orana Vietnam offers annual health check for all staff. All staff have accepted the offer and the company also offers extra insurance for accident for all staff. Female staff will be provided extra check.

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 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 Vietnam staff have formed a trade union for collective bargaining purposes and twice a year, meetings are held between management and the trade union on matters of mutual concern.

All Orana Vietnam's wages are as a minimum consistent with Vietnamese Law and prevailing industry standards. Holiday, sick leave and maternity leave are provided in consistency with Vietnamese Law. Working hours are also consistent with Vietnamese Law and prevailing industry standards. Overtime is voluntary and as per Vietnamese overtime regulations.

5. Environment

Description of Actions

All sites shall comply with all applicable environmental regulations.

A system for the safe handling, recycling and management of waste and wastewater discharges has been implemented at Orana Vietnam

Measurement of Outcomes

Orana Vietnam has ensured that all required environmental permits and licenses are in place and that their reporting requirements by law in Vietnam are followed.

Orana Vietnam has set up a new calculator of carbon foot print measuring per ton produced for Scope 1 and Scope 2 and will start measuring in October Quarter 2018. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are emissions from sources not owned or controlled by the company. It is under Scope 3 where the Orana Group is making a difference by having decentralized productions. By establishing carbon foot print measuring for Scope 1

and Scope 2, we will have started the process on assessing our impact in all areas and will be able to establish initiatives to address opportunities for improvement.

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 Vietnam are instructed not to pay corruption or bribery in order to unjustly influence public officials or suppliers. When deemed necessary, Orana Vietnam encourages employees to go to government official / other relevant meetings two persons at a time in order to discourage corruption and bribery. No instances of corruption were reported in 2017/18.

Additionally, we are in dialogue with a lawyer’s office in Vietnam for setting up a whistleblower function. This function will be introduced during 2018/19.
