

ORANA



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

June 2021

ORANA VIETNAM

UN Global Compact Reporting on Communication on Progress (COP)

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

From 01.10.2019 to 30.09.2020

1. Statement of Continued Support by the Chief Executive Officer

1st June 2021

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 2020/21, we will continue to intensify our work on CSR, Sustainability and SDGs for Orana Vietnam.

Sincerely yours,



Le Trinh Thao
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 emer-

gencies 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. Company Regulations for Orana Vietnam are further specifying that drunk people are not allowed entering company premises. Smoking staffs signed commitment for no smoking inside company premises. The commitment validates on 29.07.2019.

Finally, all employees are offered yearly health checks.

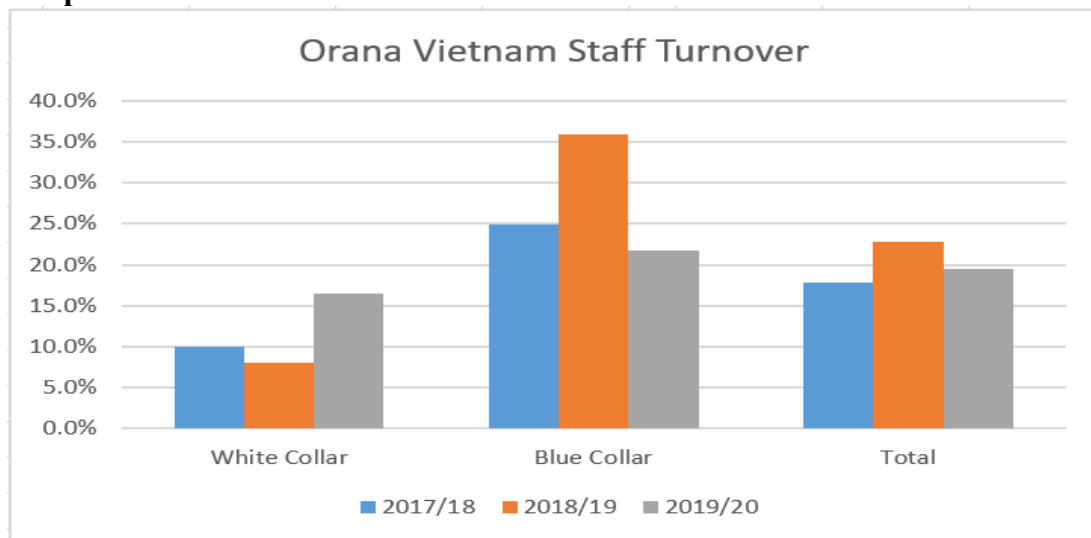
Measurement of Outcomes

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 2019/20.

Staff turnover is measured for all Orana Group companies. For Orana Vietnam, employee turnover is split into White Collar and Blue Collar. See below table and graph:

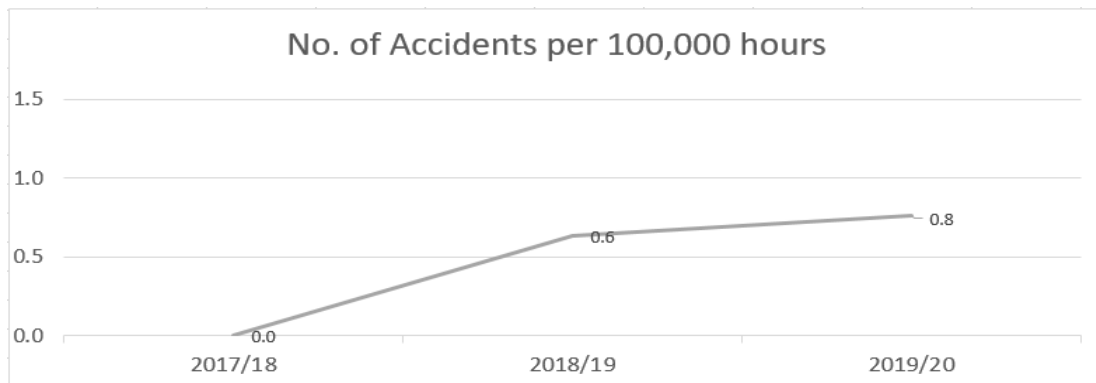
Table 1: Staff Turnover

	2017/18	2018/19	2019/20
White Collar	10%	8.1%	16.5%
Blue Collar	24.9%	35.9%	21.7%
Total	17.8%	22.8%	19.5%

Graph 1: Staff Turnover. Total

There is an increase of staff turnover in 2019/20 for white collar staff compared to previous years. This may be because of no salary increase for staff with high salary due to Covid-19. On the other hand, the staff turnover for blue collar staff is reduced to lowest level in three years.

Number of accidents are measured. See below table:

Graph 2: No. of Accidents per 100,000 hours

As can be seen from the above, 0.8 accidents were recorded per 100,000 hours in 2019/20, which is a slight increase compared with previous year. Accidents are being reported to the relevant authorities and corrective actions and necessary control measures are being taken inclusive of training of staff to avoid similar accidents again.

4 customer audits have been conducted during 2019/20. 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/record/facility, 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 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.

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 staffs have been provided extra health check on female issue.

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

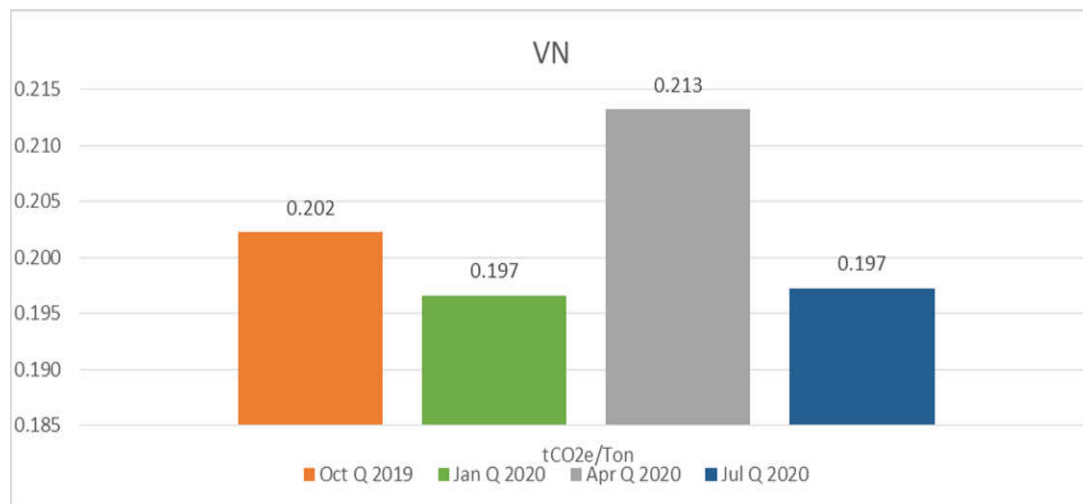
Measurement of Outcomes

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.

Carbon foot print measuring per ton is being calculated at Orana Vietnam for Scope 1, Scope 2 and Scope 3. CO2 emissions were also calculated under fix and variable production, so that we can assess our impact area for improvement.

The result for 2019/20 can be seen here:

Graph 3: Carbon Foot Print. Total tCO2e/Ton per quarter



In terms of energy consumption, the following was measured in 2019/20:

Table 2: Energy Consumption

Energy consumptions	VN							
	2016-17	2017-18	2018-19	2019-20	Delta Base Year	Delta %	Delta LY	Delta % LY
Electricity kWh/ton	272	258	212	224	-48	-17.6%	12	5.7%
Gas / Diesel in mJ / ton	876	782	796	862	-14	-1.6%	66	8.3%
Water m3 / ton	4.1	4.1	4.2	4.4	0.3	7.3%	0.2	4.8%
Waste water m3 / ton	2.9	2.8	2.9	2.8	-0.1	-3.4%	-0.1	-3.4%

Water consumption is still higher in comparison to base year, while all other utilities like electricity, diesel & waste water are lower than base year. While due to drop in tonnage of production in comparison to last year energy consumptions per ton have increased. Orana Vietnam will in 2020/21 implement project for steam to reduce CO₂ emission from boiler, and to save more energy.

Orana Vietnam also upgraded Wastewater treatment system from 2018/19. We increased capacity from 30m³/day up to 65m³/day.

Orana Vietnam carried out some improvements on electricity and water which helped to save electricity and water consumption significantly.

The Orana Vietnam Sustainability Group has moved away from how to save energy, water and waste water and how to improve work efficiency and working conditions to focusing on Carbon Foot Print Reduction with kick-off meeting in September 2020. Goal is to reduce Energy and Carbon Foot Print with 50% consumption per ton produced before 2030 compared to base year of 2016/17.

Based on the monthly statistical data on energy consumption and GHG emission in GHG Overview in June 2020, the Sustainability Group will start to focus on reducing:

- GHG emission of CO₂
- Electricity consumption

Bi-weekly meetings are being held for follow-up.

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 2019/20.

Additionally, we have set up a whistleblower function with a lawyer's office in Vietnam, effectively from 01st October 2019. There has been no reports in 2019/20.

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