



UN Global Compact
Annual Report

June 2021

1. Statement of continued support by the Chief Executive Officer

1 June 2021

To our Stakeholders,

We are pleased to confirm that A|B Dry 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.

Sincerely yours,



Frederique Buurman

CEO

2. Introduction

In 2019, A|B Dry decided to take up the challenge issued by the United Nations by pursuing and promoting the Sustainable Development Goals set out in the 2030 Agenda for Sustainable Development: the UN Global Goals. The Goals in question are addressed to the business community and ask everyone to do their part in creating a sustainable future from an environmental and social standpoint.

In addition to conducting a thorough analysis of its impacts on the various Goals, A|B Dry seeks to implement a stakeholder engagement programme with the aim of raising the greatest possible awareness of the Global Goals and the messages that they seek to convey.

Our participation is based on the conviction that we all can contribute, in our daily lives, to pursuing sustainable development, but in order to do so we all must be informed and aware of the messages that the Sustainable Development Goals seek to convey.

3. Communication on Progress (COP) covering the period 2020 – 2021

1. Human rights

Principle 1 – A|B Dry supports and respects the protection of internationally proclaimed human rights;

Principle 2 – A|B Dry makes sure that we are not complicit in human rights abuses, not even indirectly.

Commitments and activities

A|B Dry is committed to ensuring human rights are respected within its organization and supplier-basis.

Actions implemented

- Enhanced employee participation in decision making through staff representation.
 - Raising awareness with employees concerning human rights including employee safety.
- As part of our standard working practices, we ensure that workers are provided safe, suitable and sanitary work facilities.

Measurement of Outcomes

- No investigation, legal case, ruling or fine related to human right abuse in the workplace has ever been reported.

2. Labour

Principle 3 – A|B Dry upholds the freedom of association of workers and the effective recognition of the right to collective bargaining;

Principle 4 - A|B Dry upholds the elimination of all forms of forced and compulsory labour;

Principle 5 - A|B Dry upholds the effective elimination of child labour;

Principle 6 - A|B Dry upholds the elimination of discrimination in respect of employment and occupation.

Commitments and activities

A|B Dry is committed to a fair transparent hiring policy. Trade Union representation is available at all sites as well as safe workplace facilities.

Actions implemented

- The company continually solicits suggestions from employees on ways to better improve their working conditions / areas. Management provides feedback on these suggestions. Labor rights and training sessions are regularly organized to ensure employees are up to date on their rights.
- The company is ISO 9001-2015 certified.
- All staff members have a valid labor contract and have access to trade union representation.
- The hiring/remuneration/advancement/training and termination policy of our group is fair and transparent, no child or forced labour is used. There is no income disparity between men & women at equal position.
- The company implements a clear wage scale and applies/exceeds the minimum legal wages standards.
- A workplace environment and safety prevention system is in place with potential risks identified and equipment needs regularly analyzed and updated.
- Accidents are recorded (frequency or severity) as part of the Management System.
- Our production facility where most of the workforce is concentrated is regularly audited by the Management as well as international clients.
- One of the areas of focus of the local management is to assess and identify workers' needs including those linked to work-life balance. This is done via interviews and regular dialogue with staff members.
- All staff members are offered yearly health checks.
- A grievance/complaints box is made available to all workers. Workers can make complaints anonymously through this box, via their trade union representatives, via their supervisors or directly to management who is regularly available on the production site as well as corporate offices.
- In order to retain blue collar workers, the company has increased minimum salaries for blue collar workers to approx. 15% above national average to encourage staff loyalty.
- Since the outbreak of Covid-19 pandemic, the company has established appropriate safe working procedures and areas in consultation with and in agreement with the staff to mitigate the potential risks from the virus.

Measurement of Outcomes

- Employee turnover in 2020 was 5%.
- Regular meetings are held between management and the trade union representatives. One yearly meeting is held with all the company staff.
- All wages, holiday, sick leave, maternity leave are in accordance and consistent with the Vietnamese Law.
Working hours are also consistent with Vietnamese law and industry standards. Overtime is voluntary and in accordance with Vietnamese laws and regulations.
- No accident was reported in 2020, additional safety equipment was installed after risk identification.
- Reduction of working hours and wages due to the impact of Covid-19 on the company's operations has been negotiated and agreed upon with the workforce. This was compensated later in the year as activities rebounded.
- Since our last report, several ideas on how to improve work efficiency and/or working conditions were submitted to management by the staff. Several ideas have been implemented already, others are being considered.
- No report of harassment or discrimination was reported since the company started operating.

3. Environment

Principle 7 – A|B Dry supports a precautionary approach to environmental challenges;
Principle 8 – A|B Dry undertakes initiatives to promote greater environmental responsibility;
Principle 9 – A|B Dry encourages the development and diffusion of environmentally friendly technologies.

Commitments and activities

A|B Dry is committed to respecting the environment all throughout the value chain and expects the same from suppliers.

Actions implemented

- Greater environment responsibility – reduction of waste / NC products and reporting of wastage.
- Waste is systematically sorted for recycling / treatment.

- Responsible sourcing from local/nearby origins.
- Use of recyclable raw materials to make a recyclable product. Minimum carbon footprint at the production facility.
- The company avoids environmental damage via regular maintenance of production and other process and its environmental protection systems.

Measurement of Outcomes

- All environmental permits and licences have been re-issued in accordance with local regulations.
- Production waste and NC goods % are less than 0.3% of total production / usage.
- There have been no legal or other actions brought against the company for any environmental matters since we started operating.
- Since our last report, 2 ideas on how to save energy, water and wastewater were submitted to management by the staff. These ideas are under implementation.

4. Anti-Corruption

Principle 10 – A|B Dry works against corruption in all its forms, including extortion and bribery.

Commitments and activities

A|B Dry works in compliance with the highest professional and ethical standards in all its locations.

A|B Dry's policy is to conduct all our business in an honest and ethical manner.

Actions implemented

- Continuous training of all staffs on anti-corruption policy.
- All main monetary transactions (involving suppliers and customers) conducted by head office located in country rated low on the corruption index on behalf of its overseas affiliates.
- Financial records and appropriate internal controls are in place to evidence the business reason for making payments to third parties and ensure that spending is transparent.
- Employees dealing with suppliers or service providers are not allowed to accept any gift unless of a reasonable value. Any gift received to be declared and used as part of the

company year-end raffles which takes place each year. Employees are not allowed to accept or give kickbacks/incentives/commissions when obtaining or awarding contracts.

- Suppliers are aware that offer/payment of any kickback/incentive/commission for obtaining contracts will result in immediate termination of the relationship.
- Our financial accounts are subject to external annual audit.

Measurement of Outcomes

- All dealings with authorities or any official body are made in writing to minimize risk of corruption.
- No change of supplier due to corruption issue.
- Our independent external financial auditors have passed our accounts without qualification since we started our operations.