

ORANA A/S

CVR no. 21 62 43 06

Annual report for the period

1 October 2019 – 30 September 2020



The Annual General Meeting
adopted the annual report at,
Rynkeby, the xx month 2020.

Chair of the meeting

Report on Corporate Social Responsibility as per Section 99 a of the Danish Financial Statements

“The Orana Group is committed to sustainability in all business activities and aims to apply highest ethical standards in order to strengthen the long-term success of the Orana Group and its stakeholders. We have in 2019/20 and will continue in 2020/21 to intensify our work on CSR, Sustainability and SDGs for the entire Orana Group.”

Niels Østerberg, Director of the Orana Group



Niels Østerberg
Director



Mette Ring O'Donnell
Group Director
Food Service



Sia Oskarson
Group Director
Fruit Based Raw
Materials



Shalini Yadav
Group Head of
Finance



Navdeep Rajpal
Group Director
Production

The Orana Group ensures that all social, ethical and environmental requirements we pose to ourselves, customers, suppliers and co-operation partners are followed. In support of this, 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:

Human Rights – Labour – Environment – Anti-Corruption

In the Orana Group, all staff is committed to keeping 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.



Betina Moldt
Rasmussen,
Group CSR
Manager

UN's Global Goals (SDGs)



In the Orana Group, we have been actively working on the SDGs since 2016. CSR, Sustainability and SDGs are management driven in the Orana Group as we – as a company – want to ensure that our company is contributing to a sustainable future for everyone. Our goal is to minimize our footprint and ultimately to have a neutral footprint in the world.

As a global company we are working with a shared set of values and principles for good and ethical business conduct. We see the SDGs as a business driver to support our vision to be a sustainable value-based company and at the same time creating value to the company.

In September 2015, the 193 Member States of the United Nations adopted Agenda 2030 with 17 Sustainable Development Goals (SDGs). The aim of the SDG's is to solve and/or minimize the world's biggest problems by 2030.

For this reason, the Orana Group started participating in a 2 year project starting in 2018 called “**From Global Goals to Local Business**”. This project was facilitated by the Confederation of Danish Industries and ended in August 2020. The aim of the project was for the 21 participating companies to integrate the UN Sustainable Development Goals (SDGs) into each company’s strategy to ensure a sustainable development.

The following 3 SDGs are the prioritized SDGs which the Orana Group successfully integrated in its strategy:



SDG 8:
Decent Work and
Economic Growth

Orana is currently having production and innovation centers in Denmark, Egypt, India and Vietnam. Furthermore, Orana is having sales offices in the same countries plus in Canada, Kenya, Malaysia, Sri Lanka and the UAE. At all sites, Orana is providing employment and decent work for its staff irrespective of nationality, gender and religion. The Orana Group has policies implemented for forced labour, child labour, wages, benefits, working hours, freedom of association and non-discrimination. We also encourage our staff to participate in or form a labour union so that all staff are able to communicate openly and are able to negotiate collectively. These establishments support economic growth through the purchase of raw materials and services locally.



SDG 5:
Gender Equality

In the Orana Group, we are working specifically to create good working conditions and offer opportunities for all of our staff hereunder our many female employees. We have further implemented measures allowing our staff to achieve a work life balance, hereby ensuring that female employees will stay with Orana also after getting married and having children.



SDG 12:
Responsible Consumption
and Production

Orana is promoting better food quality and food safety and has a strong focus on resource and energy efficiency via continuous improvement on energy consumption per produced ton and via the safe handling, recycling and management of waste and wastewater discharges. Our target is to reduce the non-renewable energy consumption (electricity, water and oil) by 50% per produced unit in 2030 compared to what we used in 2016.

All 3 SDG's are in line with the historical values and beliefs of Orana as we believe that we by offering decent working conditions, securing equality, and by promoting responsible consumption and production can ensure happy, loyal and well trained staff and a continuous focus on resource and energy efficiency which will result in higher productivity and ultimately a higher profit. In the below reporting on key figures, it can be seen that these 3 prioritised SDGs are now successfully integrated in our business model as we are reporting on results and continuously improving results, enabling our business model in a proactive way to benefit people, planet and profit.

We have also been working on extending the scope for new business activities with focus on the following SDGs:



In 2020, Orana started a joint venture by the name of Moonberg Organic Farm with a local Kenyan partner, Wanda Agriculture. Moonberg Organic Farm is located in a remote area of Kenya in one of the poorest counties with a poverty index of 57%. We expect via this joint venture and more activities to come to be able to positively contribute to SDG 1, 2 and 17.

Other relevant activities:

The Orana Group and its subsidiaries subscribe to the UN Global Compact and Orana A/S is a member of the Global Compact Network Denmark. Both these memberships were a natural step after launching the Orana CSR policy and Code of Conduct in 2007.

The Orana CSR policy and Code of Conduct have been updated several times. The current version specifies minimum standards for the Orana Group inclusive of all subsidiaries and for all suppliers and are based on the UN Global Compact principles for:

1. Human Rights
2. Social Practices
3. Health and Safety
4. Environment
5. Management Systems
6. Anti-Corruption

Policies

1. Human Rights

The Orana Group supports and respects internationally declared human rights and ensure against contribution to the violation of human rights. The Orana Group expects that all business partners, including suppliers, also do not contribute to the violation of human rights.



The Orana Group's commitment to respect human rights is integrated with and communicated to all sites through its Corporate Values, Code of Conduct and its CSR policy. Moreover, all Orana Group's sites are signatories of the UN Global Compact. All Orana Group sites are continuously working on improving its governance and actions towards human rights.

2. Social Practices

Policies have been implemented at all sites against forced labour and child labour. Policies for wages, benefits and working hours, freedom of association and non-discrimination are also implemented.

The Orana Group has zero tolerance for use of forced labour and child labour.

In regards to wages and benefits, we are paying all staff according to applicable wage laws, including minimum wages, overtime hours and mandated benefits.

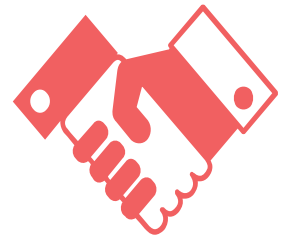
As to working hours, the Orana Group has implemented Danish style working hours at all sites. This means short lunch breaks instead of siestas so that the staff will be able to go home to their families earlier instead of later.

For all our sites, the Orana Group encourage its staff to participate in or form a labour union so that staff is able to communicate openly and negotiate collectively with management regarding working conditions without threat of reprisal, intimidation or harassment.

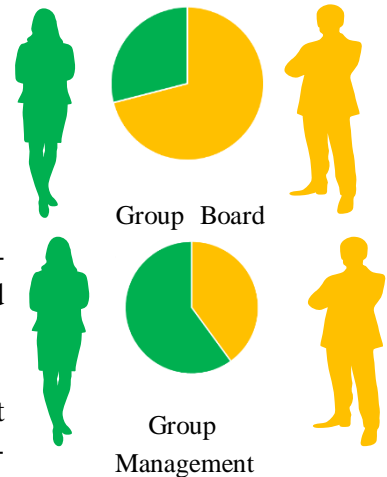
The Orana Group is providing a work place free of discrimination and harassment by always hiring and promoting based on qualifications and objective criteria eliminating discrimination on the basis of gender, age, nationality, ethnicity, race, colour, creed, caste, language, mental or physical disability, organization membership, health status, marital status, sexual orientation, social or political characteristics, etc. In the Orana Group management and in the Board of Directors of the Orana Group subsidiaries, both men and women are represented and in addition many nationalities including Danish, Indian, Kenyan, Sri Lankan and Vietnamese. The Orana Group ensures that its training programmes are culturally respectful and appropriate. No cases of discrimination were reported in the Orana Group in 2019/20. Currently our grievance mechanism is to inform the labour union representative and/or local management in the event of a case. In Vietnam, we have further established a whistleblowing function at an external lawyer's office as per 1st October 2019. When we finish testing the function in Vietnam, we will expand to other sites.

Share of the underrepresented gender

The Group follows the Danish Business Authority's recommendation about the underrepresented gender.



The Board of Directors consists of 2 women (29%) and 5 men (71%). The goal has been to have at least 30% women in the Board by 2020, however as 29% women is very close to the target, the goal is considered achieved.



In the Orana Group Management, the genders represented are divided with 60% women and 40% men and the target is considered met.

In general, the Group hires the most qualified candidates to vacant positions without considerations about the gender of the candidate. The Group's goal is that on management level the two genders shall be equally represented and the goal is considered achieved.

3. Work Place Health and Safety

The Orana Group ensures that all staff is provided safe, suitable and sanitary work facilities as per ILO convention Article 120.

The Orana Group is further protecting its staff against processes, substances and techniques which are unhealthy, toxic or harmful. All relevant staff are provided with protective equipment and training necessary to safely perform the functions of their positions.



4. Environment

All Orana Group sites comply with local environmental regulations. Licenses are obtained and the reporting requirements followed. The Orana Group is aiming to maintain the same high environmental standard irrespective of country of operation.



All Orana Group sites are working on continuous improvement of environmental performance.

All Orana Group sites have systems in place to ensure the safe handling of waste and waste water discharges. We plan to re-use waste water back into system by using a low temperature evaporator and the sludge so obtained will be rich in organic material mainly carbohydrates and minerals and is non-toxic which can be utilized as high quality manure.

The Orana Group strategy is to have decentralized productions close to the fruits and the customers, and by that strategy aiming at minimizing its carbon foot print.

For carbon foot printing, we have initiated measuring Scope 1, 2 and a few Scope 3 activities as of 1st October 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 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 that reduce carbon foot print by reducing raw material and finished goods transportation. By establishing carbon foot print measuring, we will now be able to assess our impact in all areas and to establish initiatives to address opportunities for improvement, see below section on key figures.



The Orana Group certified ISO 14001:2015 (environmental management system) at Orana Vietnam in 2019/20.

5. Management Systems

All Orana Group sites identify and comply with applicable laws, regulations and Orana CSR Policy and Code of Conduct.

The Orana Group is divided into different geographical teams. Each team is having a General Manager and will operate as an independent separate company. The General Manager is hired by a Board of Directors, which is either a separate legal entity with a Board of Directors in its own right or an advisory board because the team is a division under the Orana Group. In addition to this, a business unit structure has been introduced on top of the geographical structure. Each of these business units are managed by a Business Unit Director who is in charge of activities in this unit, irrespective of geographic location.



All Orana Group sites are certified FSSC 22000 (food safety management system). The sites further have the certifications required locally as per the requirements of their markets such as Organic, Halal, Halal Mui, Kosher, etc.

6. Anti-Corruption and Bribery

The Orana Group has a zero-policy for corruption, extortion and embezzlement. The Orana Group is conducting its business with fair competition and in compliance with all applicable anti-trust laws. Orana Group staff is not allowed to accept any gifts or entertainment and is also not allowed to accept or give kickbacks. For sites located in countries prone to corruption, when deemed necessary, staff are encouraged to go to meetings with the authorities 2 persons at a time in order to discourage corruption. All relationships with customers and suppliers are based entirely on sound business decisions and fair dealings. The Orana Group has not had any breaches to its Code of Conduct in 2019/20 related to corruption, extortion and embezzlement. We are continuously working on improving and identifying gaps in our governance compliance program.



7. Management of Suppliers

The Orana Group works systematically with risk assessment and supplier management. Our Code of Conduct for Suppliers defines the Orana Group's CSR requirements. The Orana Group has implemented a supplier risk assessment model for identifying which suppliers pose the highest risk and regular supplier audits are performed for both high risk and lower risk suppliers in order to verify compliance. In case of any non-compliance, the non-compliance is addressed with the supplier. All Orana Group sites are buying its raw materials from approved suppliers only.



The Orana Group will continue to support the UN Global Compact and Global Compact Network Denmark and will continue to integrate the ten UN Global Compact principles in its business strategy, CSR policy, Code of Conduct and daily activities.

8. Non-Financial Risks

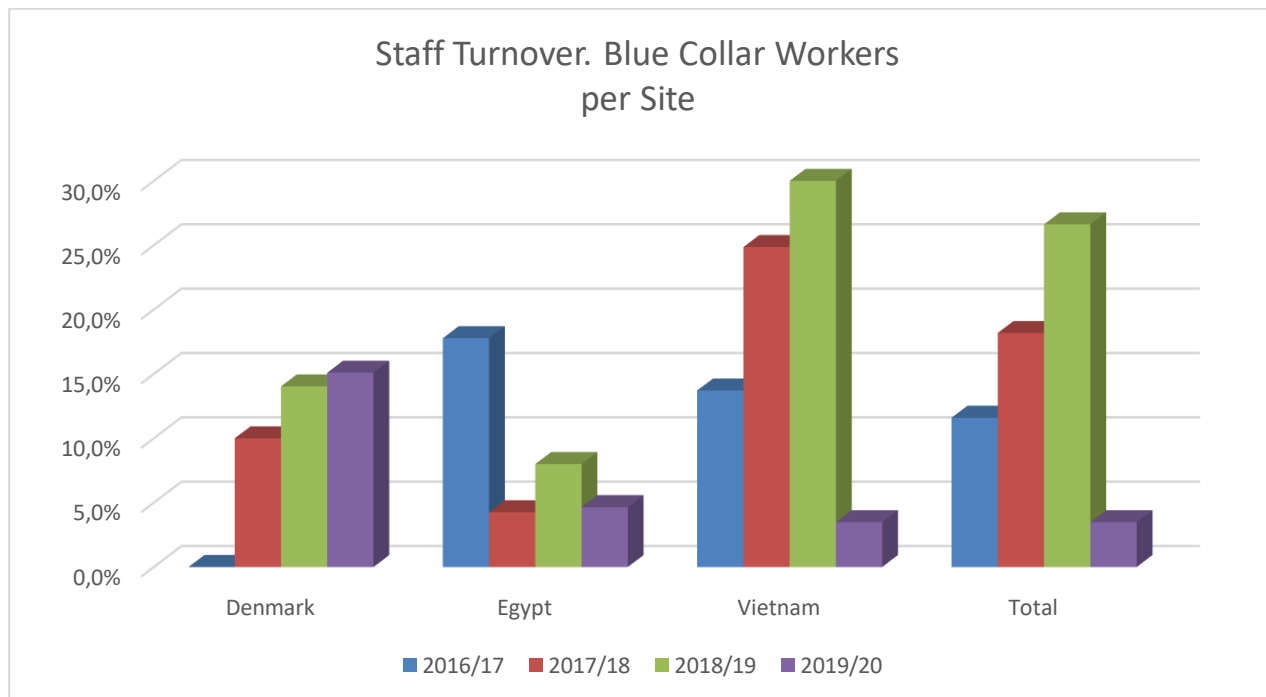
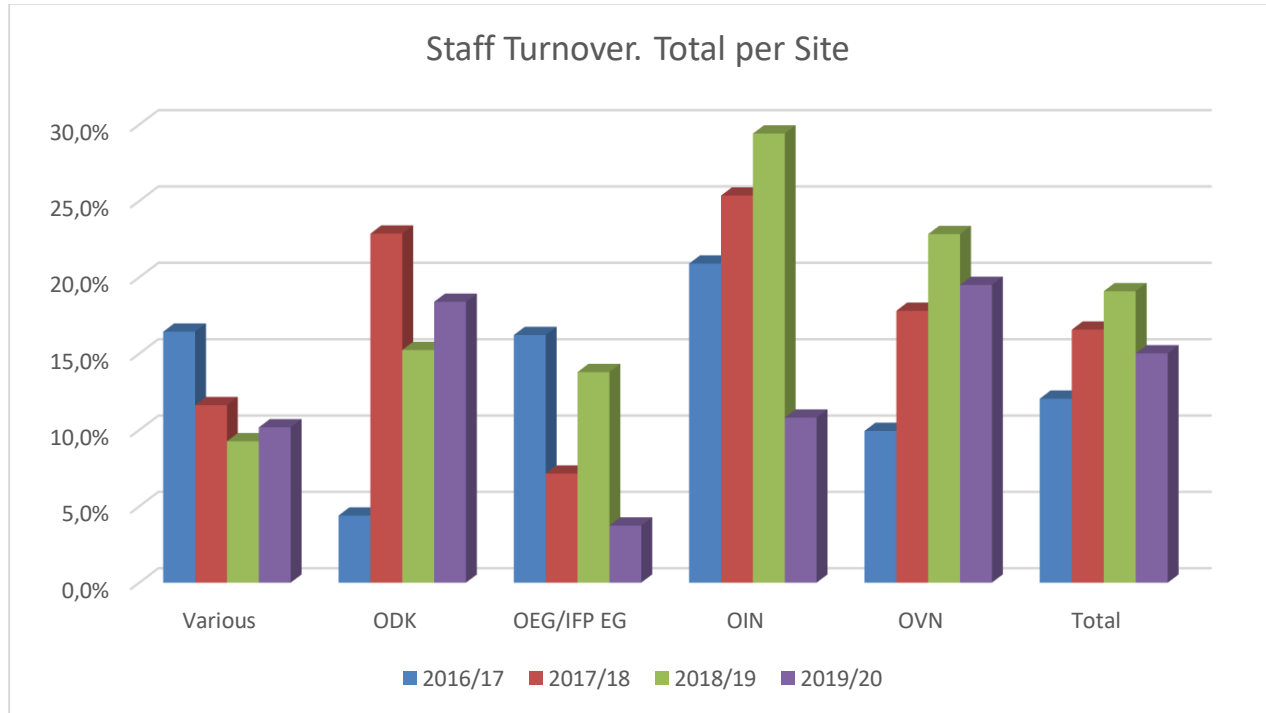
Environmental and climate related risks linked to Orana Group's business activities are considered to be low and are effectively managed through close monitoring of production across all sites. In addition, the by-products from production is non-toxic and biodegradable, further reducing the risk of negative impacts on the surroundings. In terms of respect for human rights and employee conditions, the most significant risk relates to unsafe working conditions, which is effectively mitigated through the Group's code of conduct that ensures decent working hours and safety measures are implemented at all sites. Finally, risks relating to corruption and bribery is considered low because of the Groups Code of Conduct and type of interactions with authorities.

Key Figures

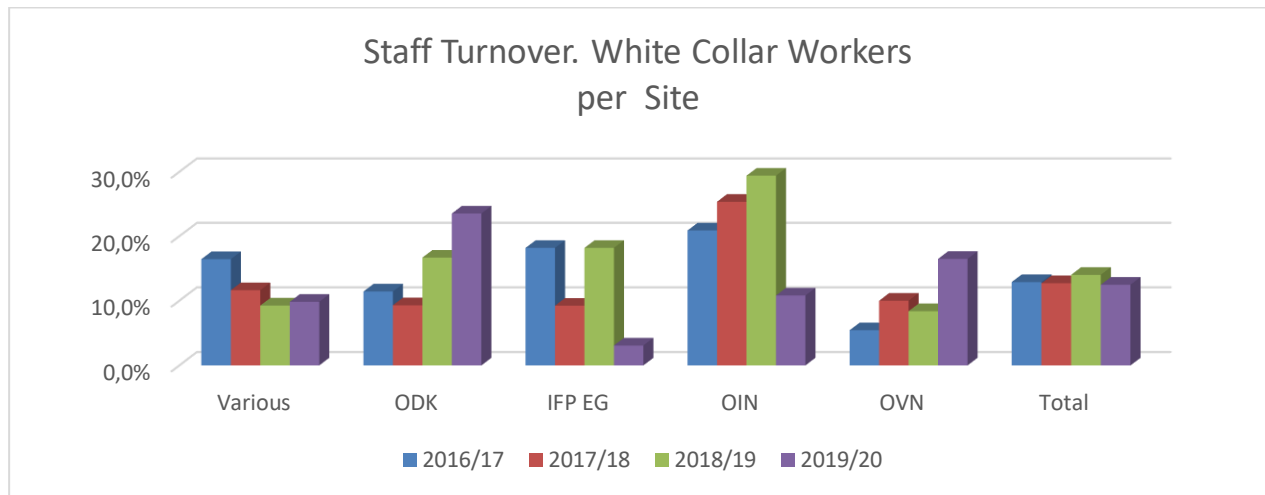
All Orana Group sites are monitoring and setting targets as follows:

1. Staff turnover
2. Accidents
3. Energy consumption
4. Wastewater
5. Carbon Foot Printing

Staff Turnover per site:



From the above it can be seen that staff turnover of blue collar workers increased slightly in Denmark while it decreased a little in Egypt. In Vietnam, the staff turnover was reduced significantly.

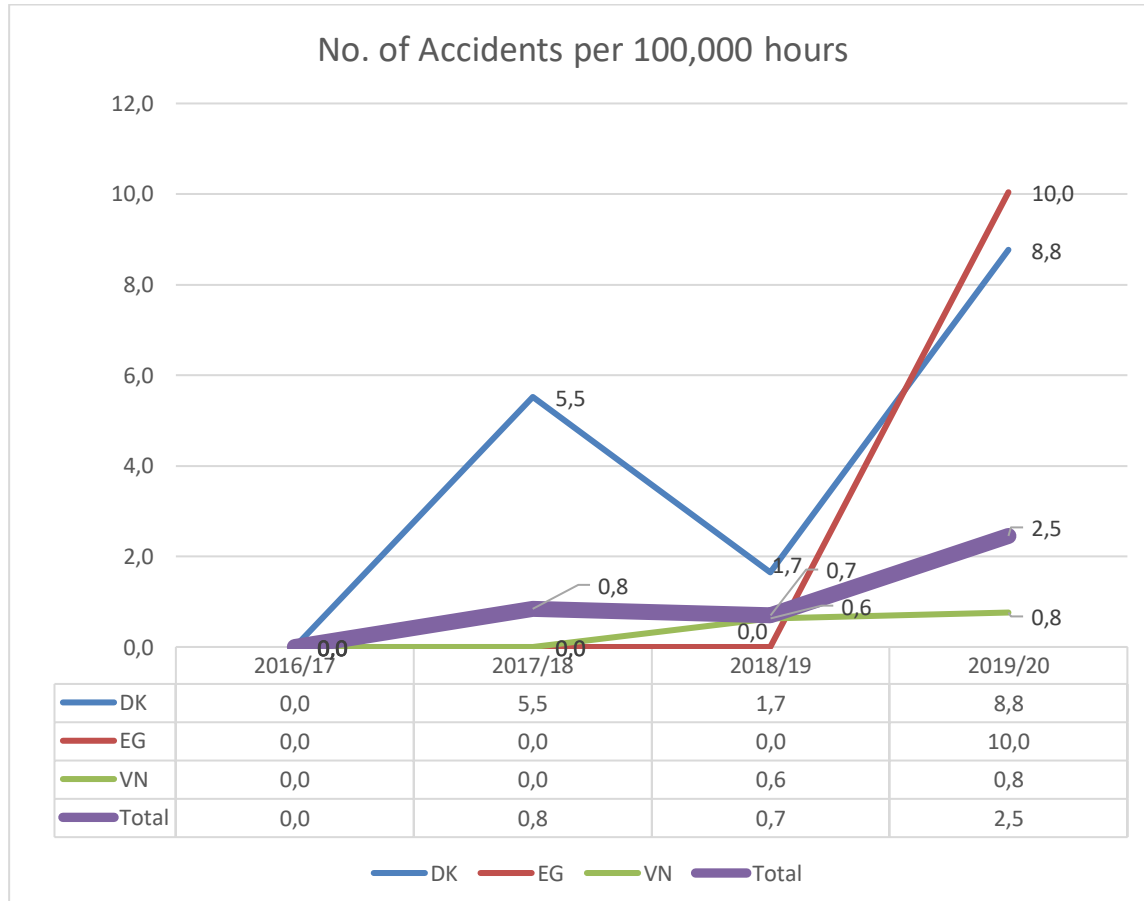


For the white collar workers, the resignation % increased for various, Denmark and Vietnam while decreasing for Egypt and India.

Accidents

Accidents are defined as any unintended event that occurs in the course of work that leads to an injury where the employee involved with be absent from work for 5 consecutive days due to the injury.

Below we have calculated how many accidents have occurred per site per 100,000 hours worked:



For all sites, all accidents are being reported to the relevant authorities and corrective actions and necessary control measures are taken inclusive of training of staff to avoid similar accidents again and to change the negative trend.

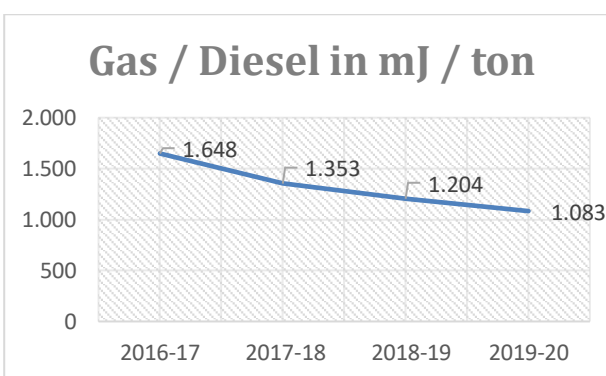
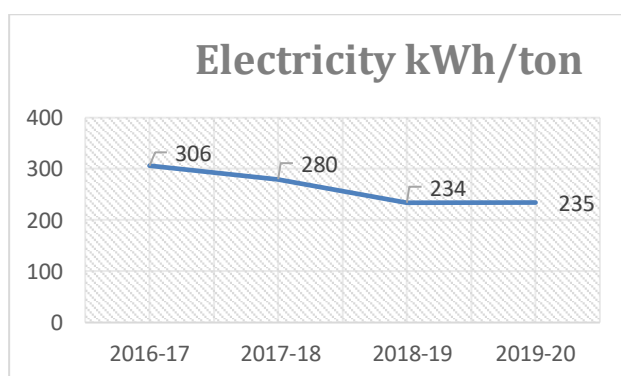
Energy consumption per ton produced:

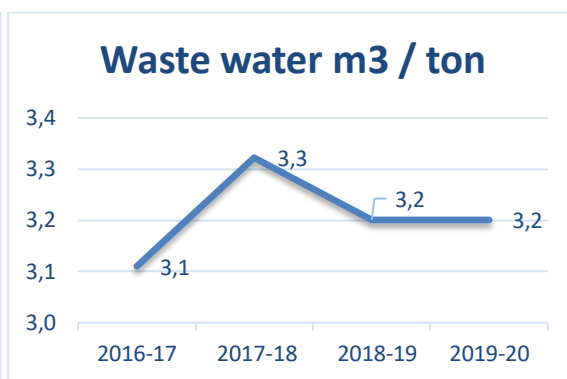
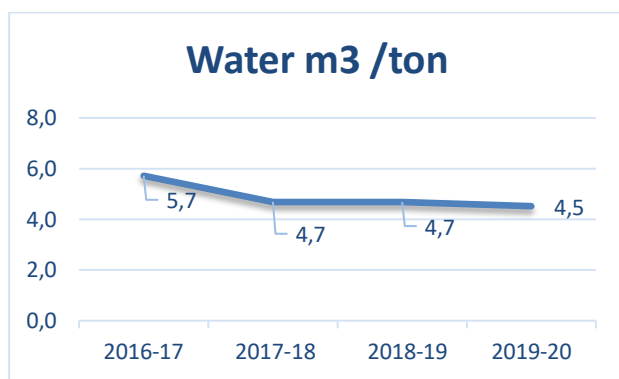
1. Electricity. kWh/ton
2. Oil / gas. l/ton
3. Water. l/ton
4. Waste water. m3/ton

The base data measurement started from year 2016-17 and all the delta comparisons are with current year vs base year and current year vs last year. All measurements are now aligned for produced volumes and we have now excluded volumes for any traded figures which were earlier part of measurement. Also all the consumptions are now based on entire site inclusive of production, offices, warehouses, etc.

Orana Group

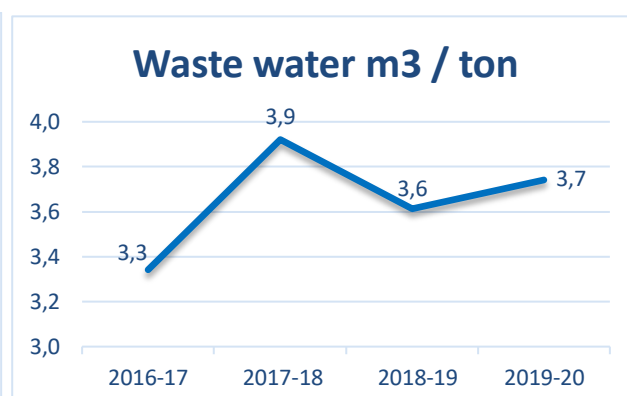
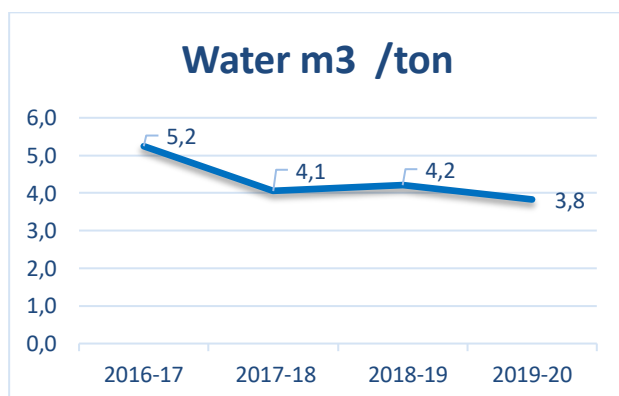
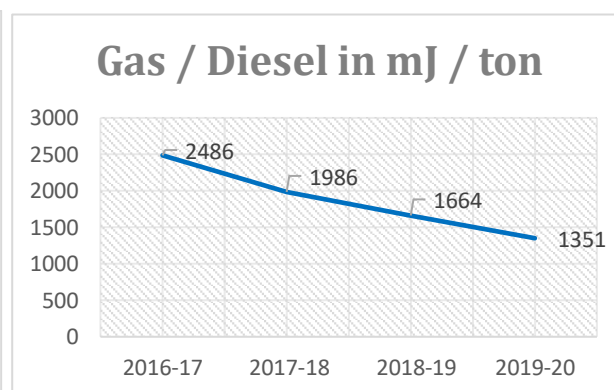
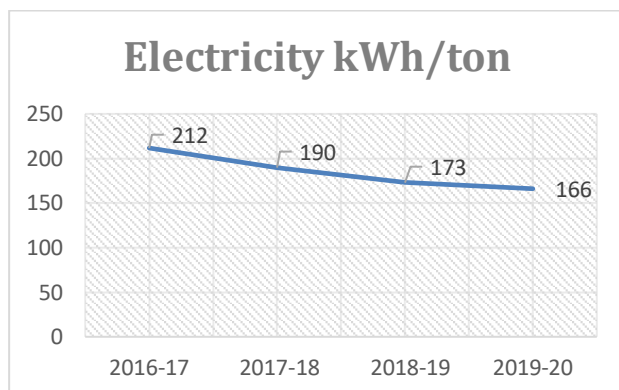
Energy consumptions	2016-17	2017-18	2018-19	2019-20	Delta Base Year	Delta % Base Year	Delta LY	Delta % LY
Electricity kWh/ton	306	280	234	235	-72	-23.4%	+0.8	+0.3%
Gas / Diesel in mJ / ton	1,648	1,353	1,204	1,083	-565	-34.3%	-120.9	-10.0%
Water m3 /ton	5.7	4.7	4.7	4.5	-1.2	-21.0%	-0.2	-3.5%
Waste water m3 / ton	3.1	3.3	3.2	3.2	+0.1	+2.9%	0.0	0.0%





Site Wise. IFP DK

Energy con- sumptions	2016-17	2017-18	2018-19	2019-20	Delta Base Year	Delta % Base Year	Delta LY	Delta % LY
Electricity kWh/ton	212	190	173	166	-46	-21.6%	-6.8	-3.9%
Gas / Diesel in mJ / ton	2,486	1,986	1,664	1,351	-1,136	-45.7%	-312.8	-18.8%
Water m3 /ton	5.2	4.1	4.2	3.8	-1.4	-27.0%	-0.4	-9.0%
Waste water m3 / ton	3.3	3.9	3.6	3.7	+0.4	+12.0%	+0.1	+3.6%

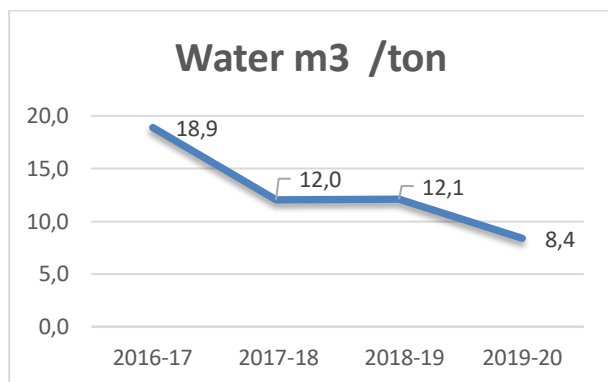
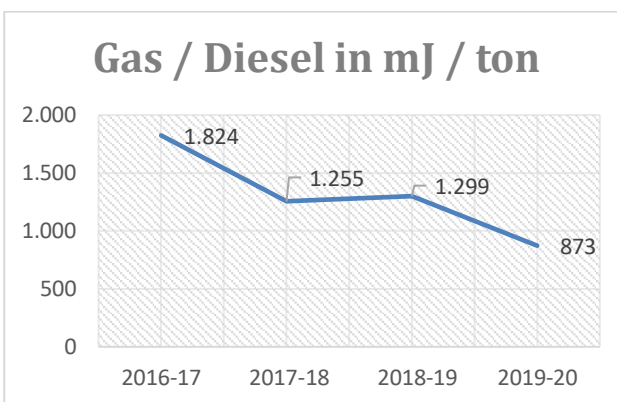
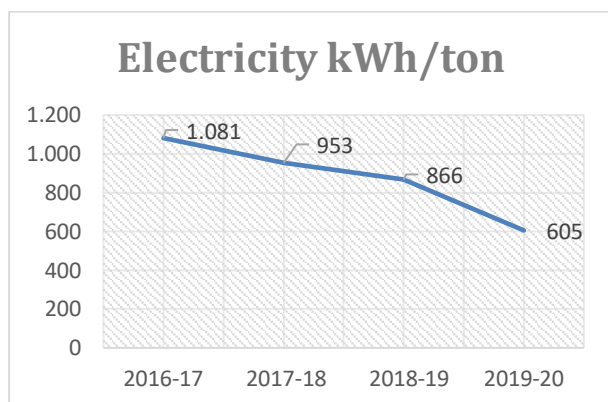


There is a positive development for electricity, gas/diesel and water. This is because of initiatives taken to reduce the energy consumption i.e. energy efficient equipment installed to reduce the electricity consumptions, air leakages arrested, steam optimization in process to reduce the gas consumption, etc.

The negative development for wastewater measurements compared to base year is due to small batches, new trials, extra CIP's (cleaning in place) and rain water inter-connecting discharge pipelines.

Site Wise. IFP EG

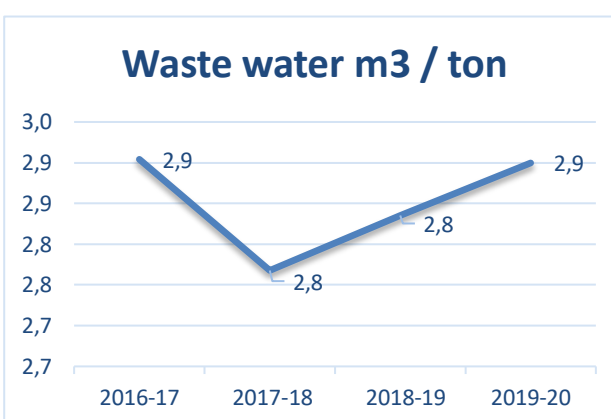
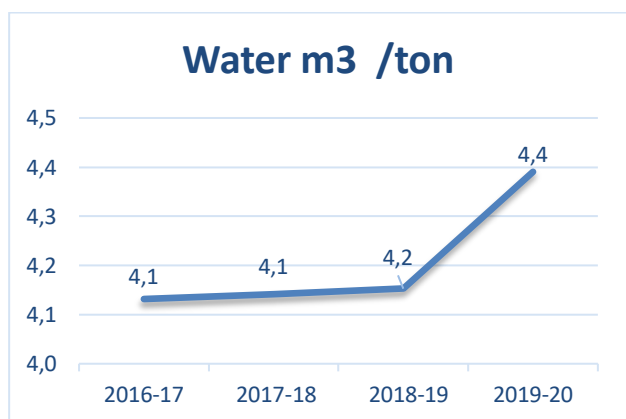
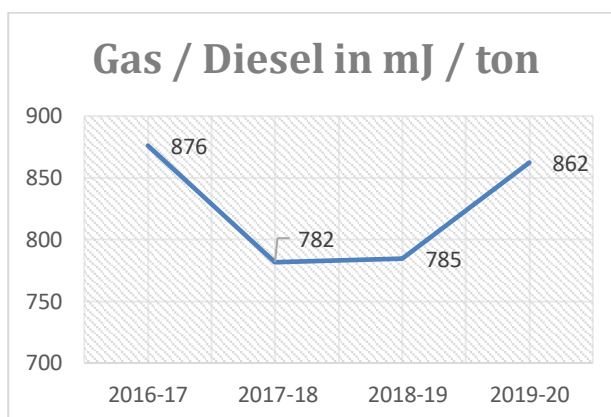
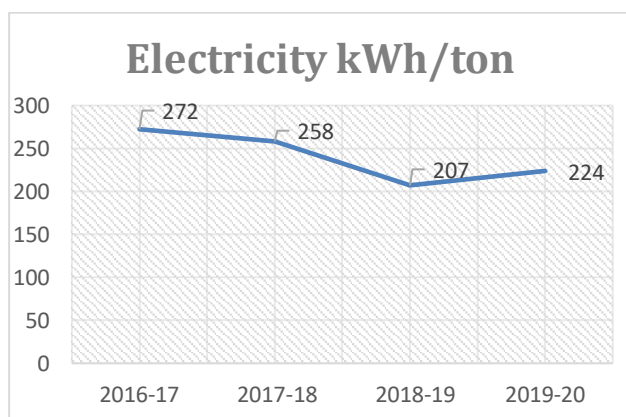
Energy consumptions	2016-17	2017-18	2018-19	2019-20	Delta Base Year	Delta % Base Year	Delta LY	Delta % LY
Electricity kWh/ton	1,081	953	866	605	-476	-44.0%	-260.9	-30.1%
Gas / Diesel in mJ / ton	1,824	1,255	1,299	873	-951	-52.2%	-426.1	-32.8%
Water m3 /ton	18.9	12.0	12.1	8.4	-10.5	-55.6%	-3.7	-30.6%



For electricity, diesel and water, we have a very positive development compared to base year and last year. This is due to initiatives taken to reduce the energy consumption i.e. installation of energy efficient LED lights, air leakage arrested inside the plant, steam optimization in process to reduce the diesel consumption, efficient production planning, etc.

Site Wise - IFP VN

Energy consumptions	2016-17	2017-18	2018-19	2019-20	Delta Base Year	Delta % Base Year	Delta LY	Delta % LY
Electricity kWh/ton	272	258	207	224	-49	-17.9%	+17	+8.0%
Gas / Diesel in mJ / ton	876	782	785	862	-14	-1.6%	+78	+9.9%
Water m3 /ton	4.1	4.1	4.2	4.4	+0.2	+5.9%	+0.2	+5.4%
Waste water m3 / ton	2.9	2.8	2.8	2.9	0.0	+0.7%	+0.1	+3.1%



Compared to base year, IFP VN is having a positive development for electricity, gas/diesel and waste water. Compared to last year, IFP VN is only having a positive development for waste water. For reason for the increases in electricity, water and oil compared to last year is due to small batches, new trials and extra CIP's (cleaning in place).

Carbon Foot Print:

As stated above, the Orana Group is currently measuring Scope 1, 2 and a few Scope 3 emissions as of 1st October 2018.

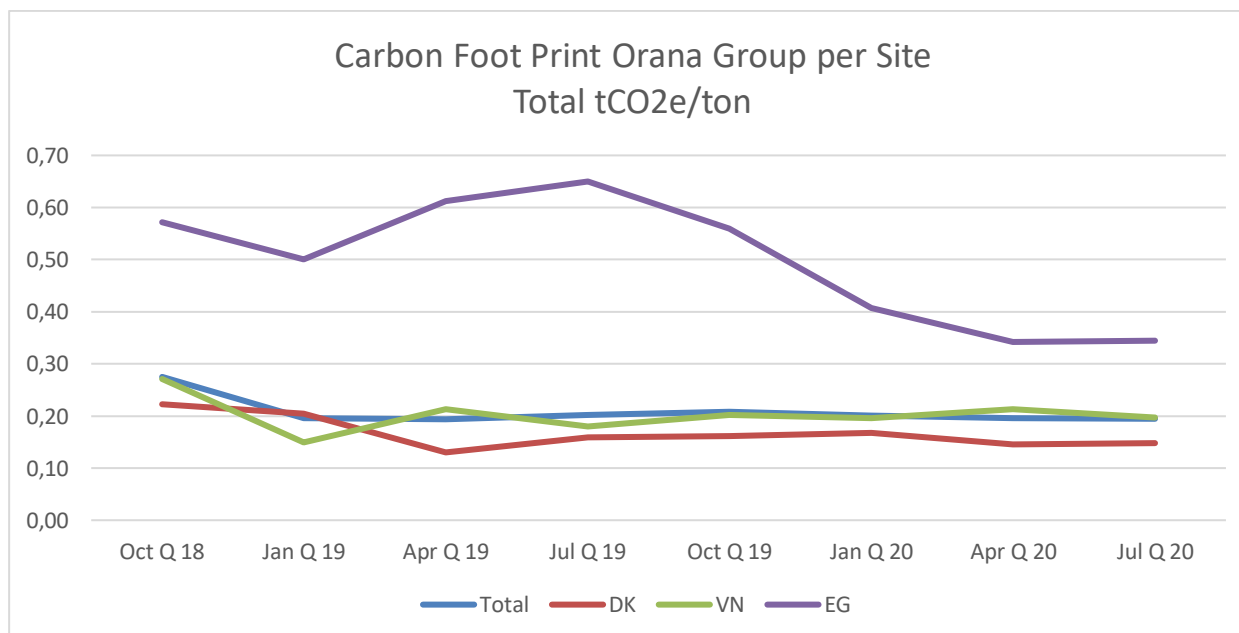
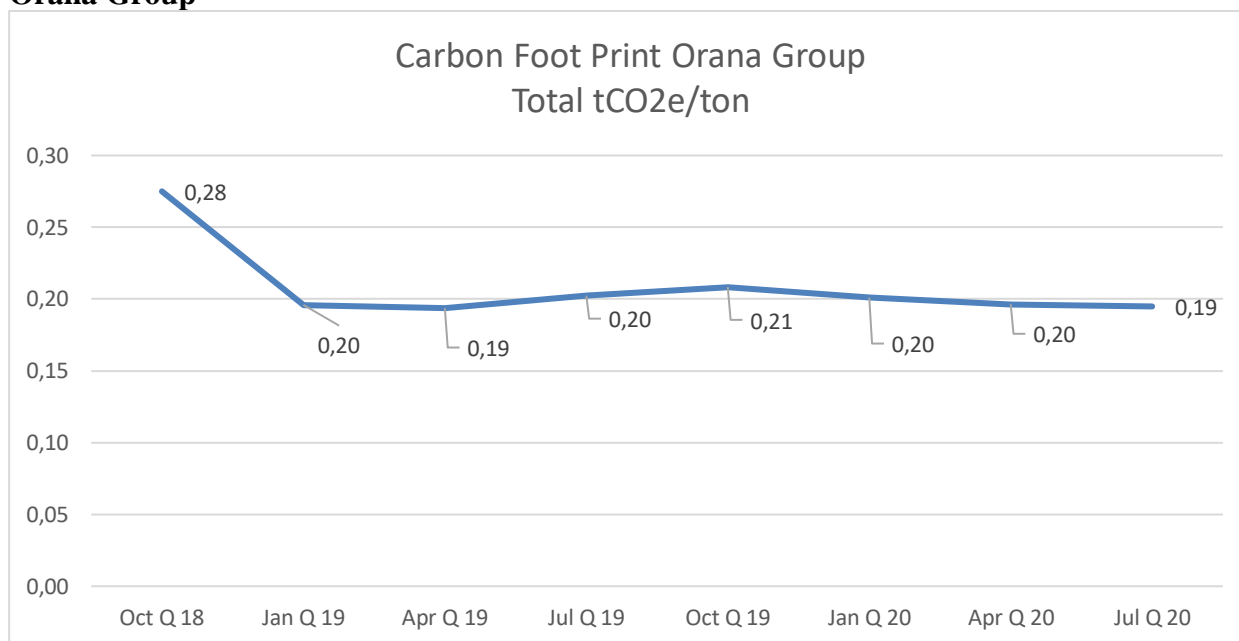
Scope 1 emissions are direct emissions from owned or controlled sources.

Scope 2 emissions are indirect emissions from the generation of purchased energy.

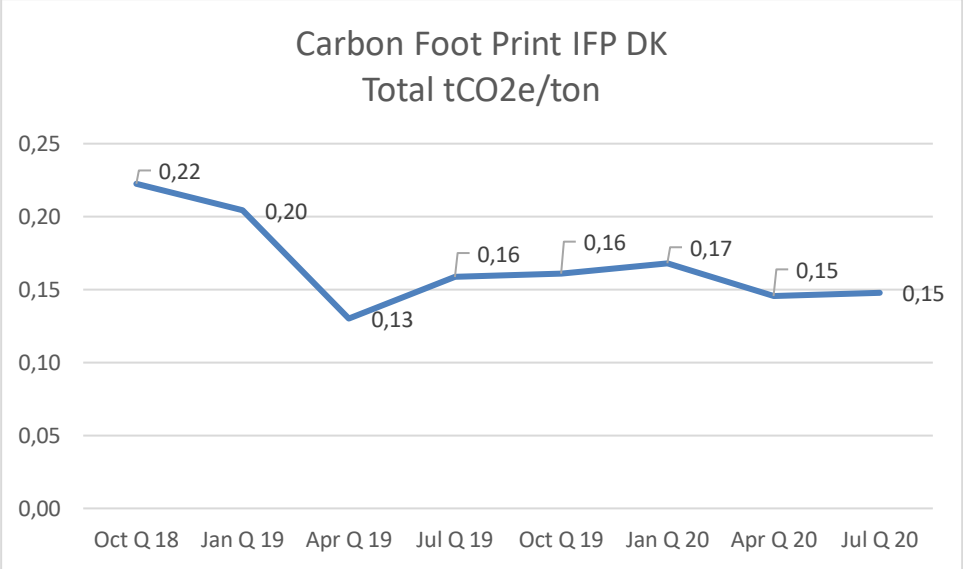
Scope 3 emissions are from sources not owned or controlled by the company.

It is under Scope 3 where the Orana Group is making a difference by having decentralized productions that reduce carbon foot print by reducing raw material and finished goods transportation.

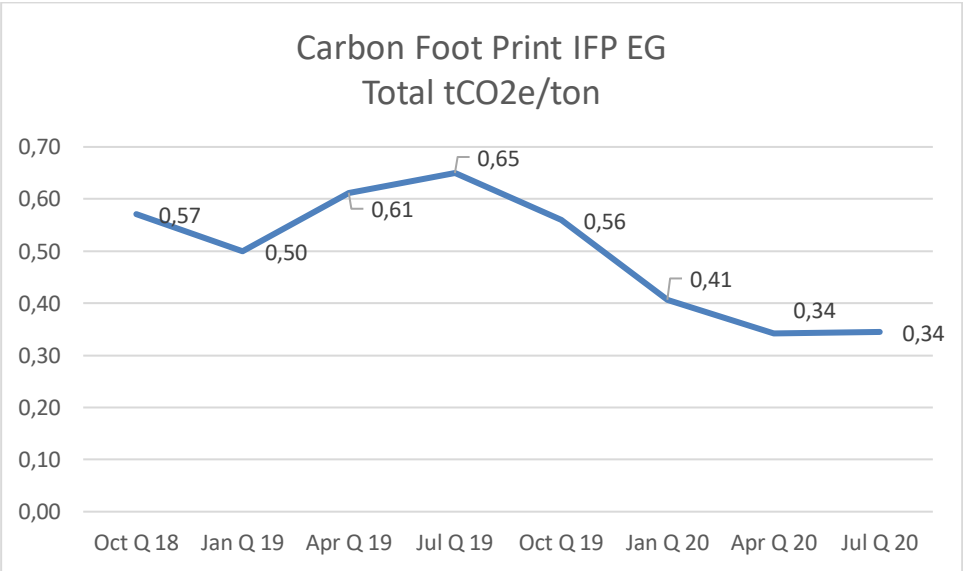
Orana Group



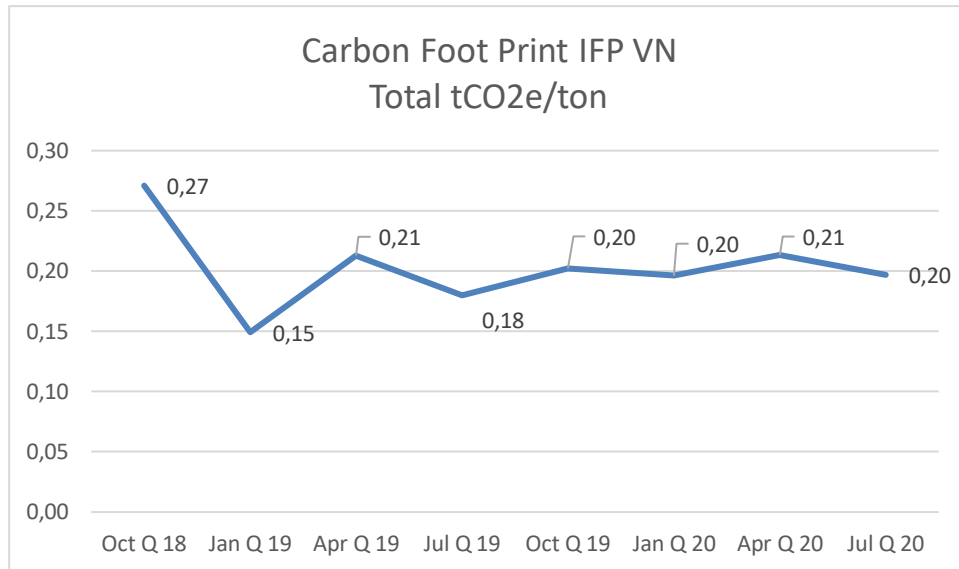
Site Wise - IFP DK



Site Wise - IFP EG



Site Wise - IFP VN



As can be seen from the above charts, the pattern is fairly similar for all companies. We are currently investigating whether it is possible to prepare carbon foot print for 2016/17 and 2017/18 also and how to split the numbers into production related and remaining factory. At a later stage, we will fix a goal for reducing the foot print and then prepare action points for how to achieve such a reduction for each factory. Finally, we are working on how to include more Scope 3 activities into the carbon foot print also.