



- Communication on Progress 2021

Welcome to Orifo's annual CSR report 2021.

In 2021 Covid-19 was still a challenge and had an impact on our global world. We have seen an increase in prices for raw material, shipments and long lead times for cartons, paper stickers etc. All these challenges has again made us aware of just how small and allied the world is. When being so closely connected as we are in the world, **we all have** an obligation towards our surroundings e.g. partners, environment etc. - therefore it is essential for us again to support the UN Global compact program 2021.

Enjoy the reading of our **Communication of Progress 2021**.



Ib Runge Hansen
Owner & Managing Director (CEO)
Orifo ApS

About OrifO

OrifO ApS is located in Haderslev, Denmark 60 km north of the Danish/German border. OrifO offer international experience and knowledge in the sales and distribution of shelf stable military and humanitarian aid 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.

Below are our mission and vision:

Our mission:

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

Our vision:

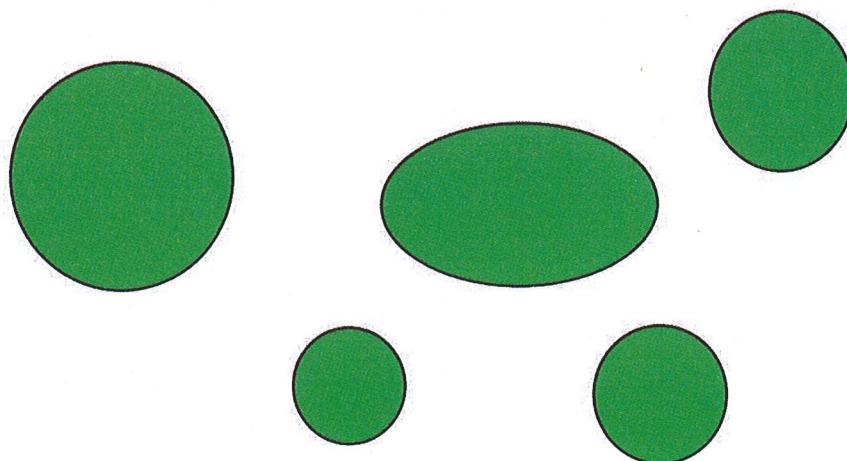
We wish to lead our core markets in the development and supply of shelf stable food products for the militaries in our core markets.

In 2017, we joined the United Nations Global Compact. It is important for us as a company to try to make positive footsteps not justonly in our local community but also in the world. It is Orifo's 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 (costumers, suppliers etc.)**

It is important that we are aware of the two ways that we can influence our surroundings/footprints. In our daily work life, we work with both approaches and therefore both ways will be described in this report.



The 10 principles in the UN Global compact:

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;

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 and discrimination in respect to employment and occupation;

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;

Anti-Corruption:

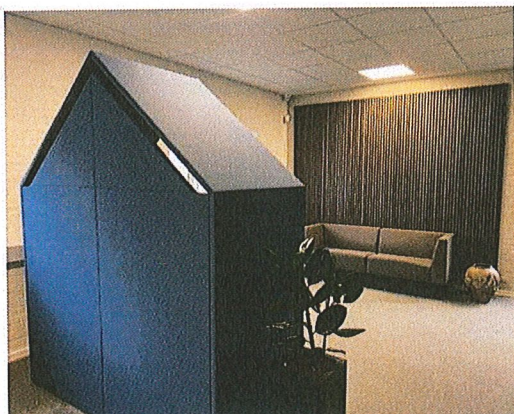
Principle 10: Business should work against corruption in all its forms, including extortion and bribery.

OrifO respect and support all the 10 principles in the UN Global Compact listed above.

Below are some examples of how OrifO incooperate the above principles in our everyday life.

Within our own working environment, we have direct influence on labor rights and working condition. The employees of OrifO are very important, as they are the key factor and the main engine behind all activities within the company. It is vital for OrifO to attract and maintain qualified employees and keeping them healthy. We work by the phrase *freedom with responsibility*, which means that the employees have the flexibility in their daily work to schedule for instance doctor's appointment etc. It is also possible to work from home, if the work is solved better at home. All employees have a health insurance through OrifO. It cover both physical and mental issues. In spring 2021 we moved to another office facility also located in Haderslev.

Below are some pictures of our new office.



OrifO encourage all employees to continuously participate in relevant courses and training so they are always up to date with relevant competences and knowledge. All this information is written in our Employee handbook. OrifO has a staff association, which arranges social events. These could for instance be golf, go-kart, seegway or wine tasting.

Furthermore, we have a lunch arrangement where fresh and healthy food is served every day. Besides this there is free fruit, coffee, tee etc. during working hours. After lunch it is possible to play table tennis, pool or go for a walk.



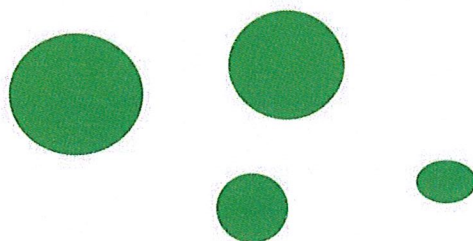
Besides protecting our own working environment, we also support our suppliers in improving and maintaining their good working conditions. We believe that a good, safe and healthy working environment is a priority among all our suppliers. Our suppliers must pass our **Supplier Approval Process** and within this, we are asking them to comply to the UN Global Compact Principles. We don't partner with suppliers that do not comply with the principles.

OrifO have a high awareness of the environmental challenges that we face, and we understand that even small changes and actions in our daily activities can have a huge impact. Therefore, we focus on recycling as much material as we possibly can e.g. paper, cardboard and plastic. Regarding the environment we practice direct influence in several ways. When printing for internal use, we make sure that we only print relevant papers, mostly in black and white and preferably on two sides.

As previously mentioned we moved in spring 2021 to another office facility. This new office is in a building with other offices. Because of that we can share the environmental and financial costs; for for instance:

- aqueducts
- sewers
- ventilation and heat
- meeting rooms
- garbage sorting
- implementation of LED lights

Another way OrifO can have a direct influence is on the way we ship our products. We don't have any production of our own, but we mainly trade with suppliers within our near market in the EU. Within Europe, we mainly use consolidated trucks. We have a few suppliers outside of the EU, and almost all products from overseas suppliers are shipped by Ocean Freight, as this is a less environmentally damaging transport procedure. Only very few of our products are being shipped by airfreight. We work with forecasts and schedule our production in time, so that we can avoid shipping by air. We continually work to optimize our shipping activities, and we always do our best to minimize our transportation impact on the environment.



We have very high requirements towards our suppliers. They have a huge impact on the quality of our products and they also have ethical obligations that comes with being a manufacturer. It is our expectation that our suppliers 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, customers, 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
- Food fraud

One of our focus areas in relation to our surroundings is food fraud. We take our precautions against food fraud by only working with approved suppliers, having either a BRC, IFS, HACCP or similar approved food safety systems. 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.

Finally, where it is possible, we support and encourage our suppliers to avoid raw material waste in their production process, by promoting ideas on how to optimize their production facilities and machinery and maybe to reduce the amount of energy used.

When we do inspections at our suppliers we talk about above issues/challenges.

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 cooperation. This questionnaire has the UN GC 10 principles incorporated. We ask our suppliers to confirm that they support these principles.
- Normally we regularly visit our suppliers and their production sites, where we watch and evaluate their production processes. Since the Covid-19 was still an issue in 2021 some visits with both suppliers and customers has been postponed.

Evaluation of last year's focus points

In 2021 we planned to have focus on the below points. In below section, we have described how we continually have worked on implementing these focus point in our business:

- **Increase focus on receiving signed QACs** and having more of our suppliers take an active part in our CSR strategy. We have successfully had an increased focus on receiving the signed QAC.
- **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. For every non-conforming, corrective actions are taken to avoid similar non-conformance.
- **Online meetings versus travelling.** Covid-19 was still an issue in 2021, and this have had an impact on our travelling. In 2021 we have been using online meetings as a preferred tool. This has reduced travelling drastically.
- **Ongoing focus on first-time-right procedures.** By implementing first-time-right procedures, we have focus on all aspects from start to end of an order process. This to ensure that we have thought of all aspects before and dye this way avoiding extra work that can have an influence on both workload and environment.
- **Increased focus on specifying the customer's requirements/needs.** When being specific regarding the requirements sometimes several steps can be avoided. Steps that can course increased workload and have an negative impact on the environment. We have increased focus on evaluating and reassessing the said requirements from the customers, suppliers and other business partners. Is it a requirement, or is it just "nice-to-have"? It is OK to question a wish from a customer, and to challenge them on their actual need, by sometimes proposing a different solution. This solution might be even more sustainable and efficient and can sometimes also be even more relevant for the customer in the end.
- **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 have expanded this management evaluation into a working tool. We believe that by making it a working tool – we can get much more out of it.
- **Implementing a new ERP system.** We have implemented a new ERP system which have made our working procedures easier and minimizing the risk of errors. All our products have also been added in to the ERP system.

Charity

The 2021 OrifO Christmas Donation

For Christmas 2021 we again decided to donate money for charity, that we otherwise would have spent on presents to customers and business partners.

In 2021 we again donated to below organizations;

1. 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.

2. Støt soldater og pårørende.

This organization aims to provide financial support who have been injured in service.

3. KFUM soldaterhjem i Haderslev.

This organization is providing a safe "home" for the soldiers while they are on duty and completing their tasks at the military base, but also a gathering point for retired soldiers.

Beside above, we donate non expired samples of food products from our warehouse to veterans. We are happy that our veterans enjoy these products.

Future initiatives

In 2022 we are planning to:

- Carry on our focus on having more of our suppliers take an active part in our CSR strategy.
- Continue focusing on the well-being of OrifOs employees, since they are essential.
- Proceed with having focus on specifying the customer's requirements/needs
- We will continue to develop our Internal Management Evaluation, to maintain focus and improve our internal resources and non-conformances.
- It is our goal to work towards being a paperless company, to minimize our global footprint.
- Execute Internal exercises in how and where we can be more efficient and where we can cut away unnecessary procedures and find more resources for the individual employee to improve the working environment.
- We are going to focus on where we can improve packaging material, packing methods and shipment processes.
- Carry on sourcing product in our near market, to avoid transportation.

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