



ORANA Vietnam

UN Global Compact

Annual Report
June 2022

ORANA

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UN Global Compact Reporting on Communication on Progress (COP)

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

From 01.10.2020 to 30.09.2021

2. Statement of Continued Support by the General Director

1st June 2022

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. Additionally, we commit to promoting accountability and transparency by sharing this information with our stakeholders using our primary channels of communication.

During the financial year 2020/21, we continued to operate with a shared set of values and principles for good and ethical business conduct, as well as to further intensify our efforts to generate and contribute to sustainable development.

Sincerely yours,



Le Trinh Thao
General Director



3. Introduction

The Orana Group, hereunder Orana Vietnam, is committed to sustainability in all business activities and aims to apply the highest ethical standards in order to ensure the long-term success of the Orana Group and its stakeholders. The Orana Group has implemented a Code of Conduct, which is based on the UN Global Compact principles for:

- a) Human Rights
- b) Labour
- c) Environment
- d) Anti-Corruption

It specifies the minimum standards for the Orana Group inclusive of all subsidiaries and all suppliers, and our code of conduct is therefore a cornerstone of our principle-based approach of doing business. For Orana Vietnam, all staff is committed to following these principles. Orana Vietnam further requires its suppliers to explicitly acknowledge and adhere to the principles embodied in the Code of Conduct in order to ensure that their own suppliers will also comply with these principles. Commitment is additionally confirmed through supplier audits and questionnaires.

The other foundational part of our business is the implementation of the UN Sustainable Development Goals (SDGs) directly into our business strategy. We see the SDGs as a business driver to support our vision to be a sustainable value-based company, and the principles of the UN Global Compact provide the perfect catalyst for our sustainable development.

In Orana Vietnam we are working with a strong and dedicated focus on goals 5: Gender Equality, 8: Decent Work and Economic Growth and 12: Responsible Consumption and Production.



4. Human Rights

4.1. Description of Actions

Orana Vietnam ensures 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 solely by skills, qualifications, and experience required for the position in question.

Orana Vietnam does 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.

Orana Vietnam has implemented health and safety prevention policies, which comply with national, international, and Orana company rules. These policies are made available in a language, which is understood by all employees. All employees are offered yearly general health checks, and female staff are additionally offered an extra health check on female issues.

Orana Vietnam documents accidents and adjusts processes accordingly to prevent future accidents if any. Workers and managers are trained to respond to emergencies, emergency exits are free from obstruction, and fire extinguishers are available. Work environments are maintained and kept clean. All areas on site have sufficient and suitable ventilation, lighting, and availability of potable water, washing facilities, sanitary facilities, as well as suitable eating areas. All employees are provided with protective equipment and the necessary training to safely perform the functions of their positions. Moreover, Orana Vietnam has implemented policies regarding hygiene, alcohol, and smoking.



4.2. Measurement of Outcomes

The Orana Group is a harassment and discrimination free organization. In the company CSR code, the principle of freedom of association and the non-discrimination policy are addressed. In cases of harassment, all staff are asked to report to their manager or to their trade union representative. No incidents related to any kinds of harassment or discrimination were reported at Orana Vietnam in the period specific to this communication on progress.

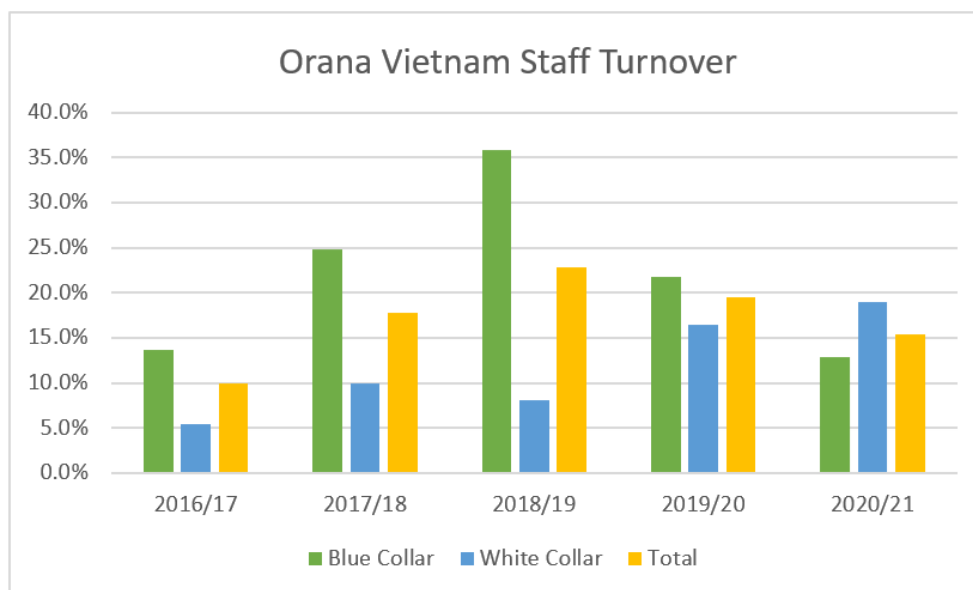
As it has been described, it is a corner stone in our business to ensure a good and safe work environment for all staff within the Orana Group. Two of the elements of measuring whether this is successfully achieved is to analyse the statistics on accidents and staff turnover. This said, it is important to note that there is not necessarily a direct correlation between for instance staff turnover and working environment, but the data can be used to identify if there are certain patterns or trends that should be investigated further.

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

	2016/17	2017/18	2018/19	2019/20	2020/21
Blue Collar	13.7%	24.9%	35.9%	21.7%	12.9%
White Collar	5.4%	10.0%	8.1%	16.5%	18.9%
Total	9.9%	17.8%	22.8%	19.5%	15.4%

Graph 1: Staff Turnover



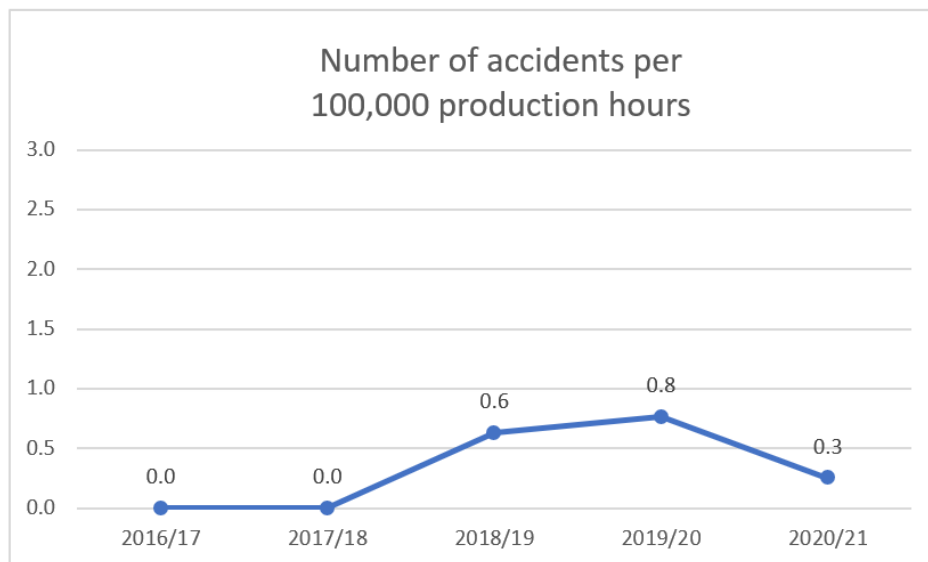
As it can be seen, the total staff turnover has been reduced compared to the past two years.

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

All accidents are being reported to relevant authorities, and in order to prevent similar accidents from occurring, corrective actions and necessary control measures are taken inclusive of further training of staff.

The following graph presents the number of accidents occurred per 100,000 production hours.

Graph 2: Number of accidents per 100,000 production hours



As can be seen from Graph 2, the number of accidents has been decreased compared to the previous two years, and corrective actions and necessary control measures have been taken, inclusive of training of staff, to avoid similar accidents from occurring.

7 customer audits have been conducted during 2020/21. Most of the customer audits have focused on food safety including hygiene. All audits were passed.

GMP/hygiene audits are also being conducted by QC online staff on a daily basis as a routine practice. If any findings, these are reported and corrective actions are discussed in a daily status meeting. Moreover, at Orana Vietnam there is a GMP tour of the factory site every 2 weeks, which is led by the Quality Assurance Department. The report of the GMP tour is submitted to the General Director. Additionally, hygiene related issues are addressed in Internal Audits. If any corrections are needed, the responsible departments will complete these tasks within an agreed upon time frame.



5.1. Description of Actions

Orana Vietnam will not hire any forms of forced labour or child labour, and we are committed to working for good, safe and fair working conditions for all of our staff.

Orana Vietnam recognizes and encourages the freedom of association rights of its employees. Furthermore, we ensure that trade unions are able to communicate openly with management regarding working conditions without the threat of reprisal, intimidation or any kind of harassment.

At Orana Vietnam there was a tendency for our female employees to leave work when they were married and/or had children. The long Vietnamese working days did not make it possible for them to also take care of their families and households. We have therefore implemented what we refer to as “Danish style working hours”, in order for the women to have the opportunity to both work and take care of their children

All workers are paid according to applicable wage laws, including minimum wages, overtime hours and mandated benefits.

5.2. 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 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.

6. Environment

6.1. Description of Actions

Orana Vietnam promotes better food quality and food safety, and we are continuously working on improving our environmental performance. We have a strong focus on resource and energy efficiency via improvements on energy consumption per produced ton, as well as via the safe handling, recycling and management of waste and wastewater discharges.

Additionally, Orana Vietnam engages in measuring our carbon footprint per produced ton according to ISO 14064-1 - Greenhouse gasses – Part 1: “Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals”. Engaging in measuring carbon footprint has allowed Orana Vietnam to start the process of assessing our impact in all areas of our business. We are therefore able to establish and work on initiatives to address opportunities for further improvement. The goal is to reduce our energy consumption and CO₂ emissions with 50% per produced ton by 2030 compared to the base year of 2016/17.

Orana Vietnam complies with local environmental regulations. All relevant permits and licenses are obtained, and the specific reporting requirements are followed.

6.2. Measurement of Outcomes

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

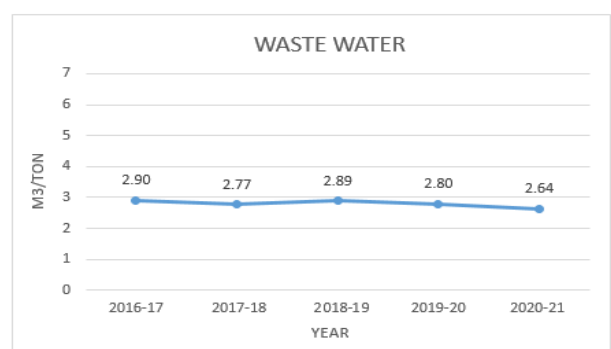
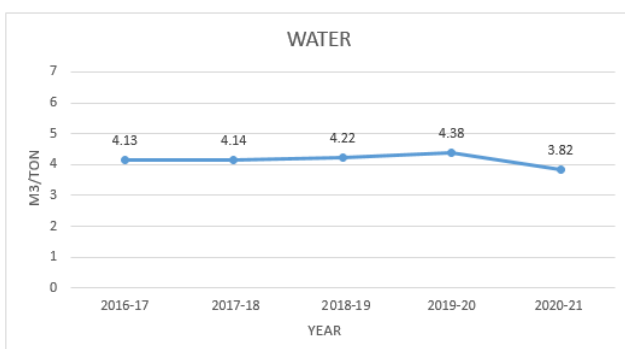
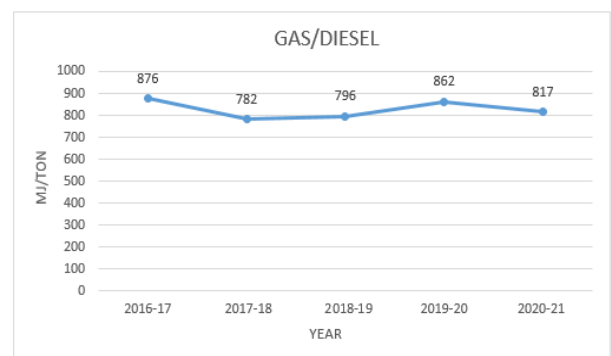
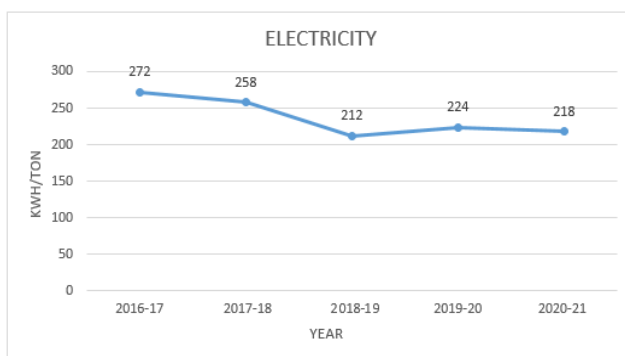
When discussing energy consumption, the following elements are measured:

- Electricity in kWh/ton
- Oil /gas in mJ/ton
- Water in m3/ton
- Waste water in m3/ton

The data is based on the collective consumption per site including production, offices, warehouses etc., and the following table and graphs illustrate the results for 2020/21:

Table 1: Energy Consumption

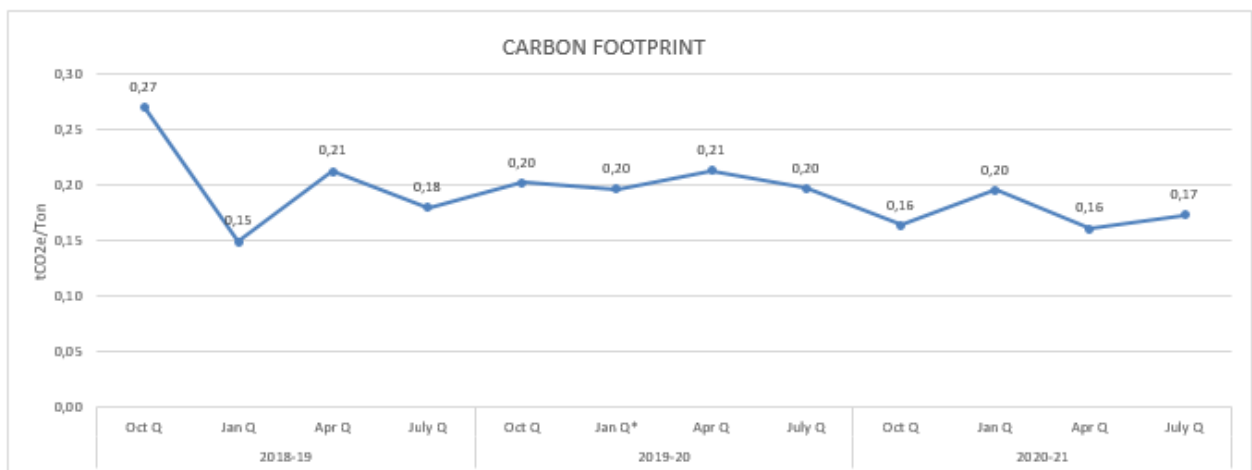
Energy consumptions	2016-17	2017-18	2018-19	2019-20	2020-21	Delta Base Year	Delta % Base Year	Delta LY	Delta % LY
Electricity kWh/ton	272	258	212	224	218	54	19.9%	6	2.5%
Gas / Diesel in mJ / ton	876	782	796	862	817	59	6.8%	46	5.3%
Water m3 /ton	4.1	4.1	4.2	4.4	3.8	0.3	7.6%	0.6	12.7%
Waste water m3 / ton	2.9	2.8	2.9	2.8	2.6	0.3	8.9%	0.2	5.6%



When analysing the data, there is a continued positive development compared to both the base year and last year. This is due to initiatives taken to reduce the total energy consumption, such as the installation of energy efficient LED lights, reduction of air leakages inside the plant, steam optimization in processes in order to reduce the consumption of diesel, and efficient production planning.

The following graph illustrates the produced carbon emissions during 2020/21:

Graph 3: Carbon Foot Print measured in total tCO₂e/Ton



It can be seen that there has been a positive and relatively stable development compared to last year, and we are currently investigating how to lower our carbon emissions even further.





7. Anti-Corruption

7.1. Description of Actions

Orana Vietnam has a zero tolerance against corruption. All corruption, extortion, and any forms of embezzlement are prohibited. Employees are not allowed to pay or accept bribes in business or government relationships. Orana Vietnam conducts business consistent with fair competition and in compliance with anti-trust laws.

Orana Vietnam's relationships with suppliers are based entirely on sound business decisions and fair dealings. Employees are not allowed to accept any gifts or forms of entertainment. Employees are not allowed to accept or give kickbacks when obtaining or awarding contracts.

7.2. Measurement of Outcomes

All staff at Orana Vietnam are instructed not to engage in any forms of bribery in order to unjustly influence public officials or suppliers. When deemed necessary, Orana Vietnam encourages employees to go to government officials/other relevant meetings two persons at a time, in order to discourage corruption and bribery. No instances of corruption were reported in 2020/21.

Additionally, Orana Vietnam has set up a whistleblower function with a local lawyer's office, which has been effective since 01st October 2019. There have been no reports in 2020/21.

8. Conclusive Remarks

As introduced, we at Orana Vietnam are committed to always challenging ourselves to be curious, willing to learn and to push the boundaries for innovative and sustainable solutions. We are committed to working with the UN Sustainable Development Goals and the UN Global Compact Principles as an integrated part of our business, and we look forward to continuing our work of striving to take responsibility, to communicating openly, and last but not least, to stay true to our values and vision of wanting to inspire people around the world with great taste – for the choice of a healthier and more sustainable future.