



International Fruit Production - Egypt

UN Global Compact

Annual Report
June 2022

Contents

- 1. Period covered by our Communication on Progress (COP)**
- 2. Statement of Continued Support by the General Director**
- 3. Introduction**
- 4. Human Rights**
- 5. Labour**
- 6. Environment**
- 7. Anti-Corruption**
- 8. Conclusive Remarks**



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 International Fruit Production - Egypt (IFP – EG) 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,


Y. Nguyen
General Manager



3. Introduction

The Orana Group, hereunder IFP – EG, 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 IFP – EG, all staff is committed to following these principles. IFP – EG 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.

IFP – EG is 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

IFP – EG 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.

IFP – EG 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.

IFP – EG 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 medical insurance. Also, IFP – EG provides a weekly visit by a doctor from the medical insurance company.

IFP – EG 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, IFP – EG 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 IFP – EG in the period specific to this communication on progress.

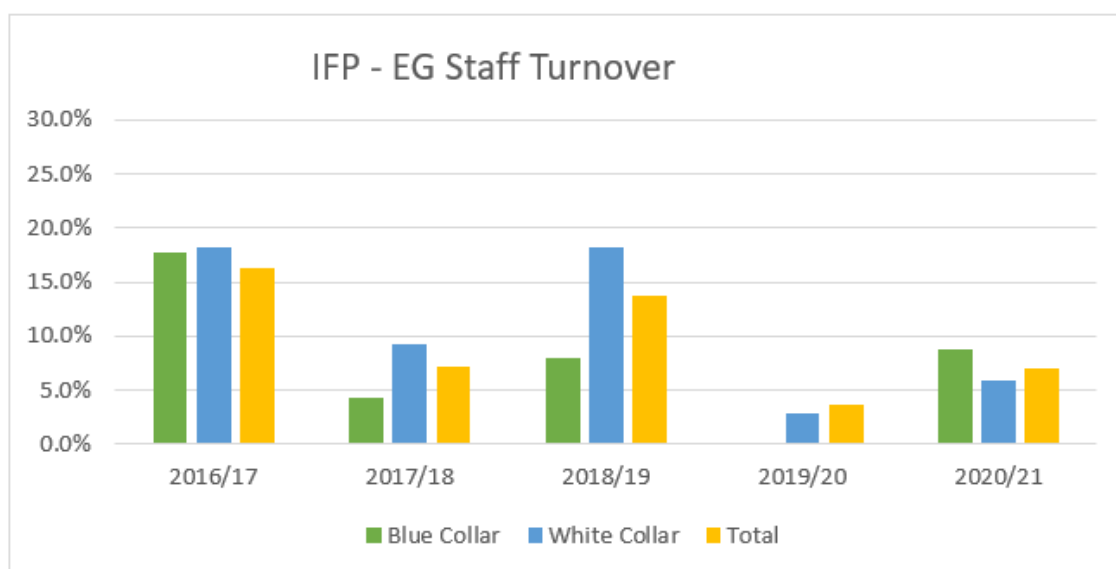
As it has been described, it is a corner stone in our business to ensure a good and safe work environment for all staff within the Orana Group. Two of the elements of measuring whether this is successfully achieved is to analyse the statistics on accidents and staff turnover. This said, it is important 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 IFP – EG, 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	17.8%	4.3%	8.0%	0,0%	8.7%
White Collar	18.2%	9.2%	18.2%	2.8%	5.9%
Total	16.2%	7.1%	13.8%	3.7%	7.0%

Graph 1: Staff Turnover



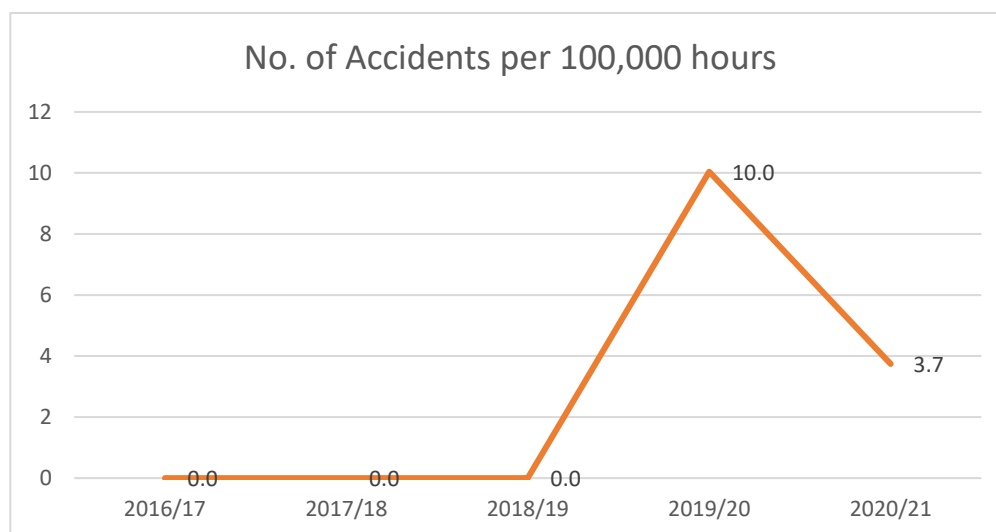
As mentioned, we value the health and happiness of our staff highly, and we are therefore continuously working on decreasing staff turnover.

We match market salaries and employee benefits, especially in terms of Covid-19, where we have been working to preserve the health of staff. We have provided continuous Covid-19 testing, made disinfectants and masks available for all staff, and we have provided safe transportation for each individual in order to avoid dealing with public transportation. As to normal benefits, we also offer foods, transportation, medical check-ups, life insurance, and apartments for all blue collar employees. Also, we have implemented a bonus agreement based on KPIs, as well as the opportunity for promotions in order to accommodate possible career development goals. All staff have the opportunity for career and personal growth through training and education, challenging assignments and be being handed more responsibility.

Occupational accidents are defined as accidents that occur due to the impact of an external factor causing injury to a body part or death, occurring in the process associated with the performance of work, work preparation/collection, and clean up after work.

All accidents are being reported to relevant authorities. The following graph presents the number of accidents occurred per 100,000 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 from 10.0 to 3.7 per 100,000 hours compared to last year. We are working to keep our staff safe, by addressing any defects or gaps in security. Due to high working pressure and new machines, unfortunately some minor accidents have occurred. All defects, which have been led to accidents, have been corrected, and we have made a more specific and technical training plan for our staff.

A lot of effort has been put in to implementing corrective actions and making sure that all necessary control measures have been taken to avoid similar accidents from occurring. At IFP – EG we ensure that all safety rules and procedures are in place including that a sufficient emergency response system is in place, and that fire drills are conducted regularly. We conduct risk assessment internally and, lastly, it is ensured that all equipment is in proper condition, and that all employees have received sufficient training. We are applying a specific system for organizing work spaces, in order to keep the areas safe and tidy so that work can be performed safely and efficiently.

During 2020/21 IFP – EG has passed 12 audits. These include customer audits, Halal audits and the National Food Safety Agency of Egypt (NFSA) focused on quality, food safety and hygiene. In addition, GMP audits are also being conducted by QC online staff on a daily basis as a routine practice. All findings, if any, are reported and discussed at daily meetings in order to perform corrective actions in a timely manner. Moreover, there is a GMP tour every 2 weeks conducted by the Quality Assurance Department and other related departments. The responsible departments work on the findings to close gaps in agreed time frames.

5. Labour

5.1. Description of Actions

IFP – EG 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.

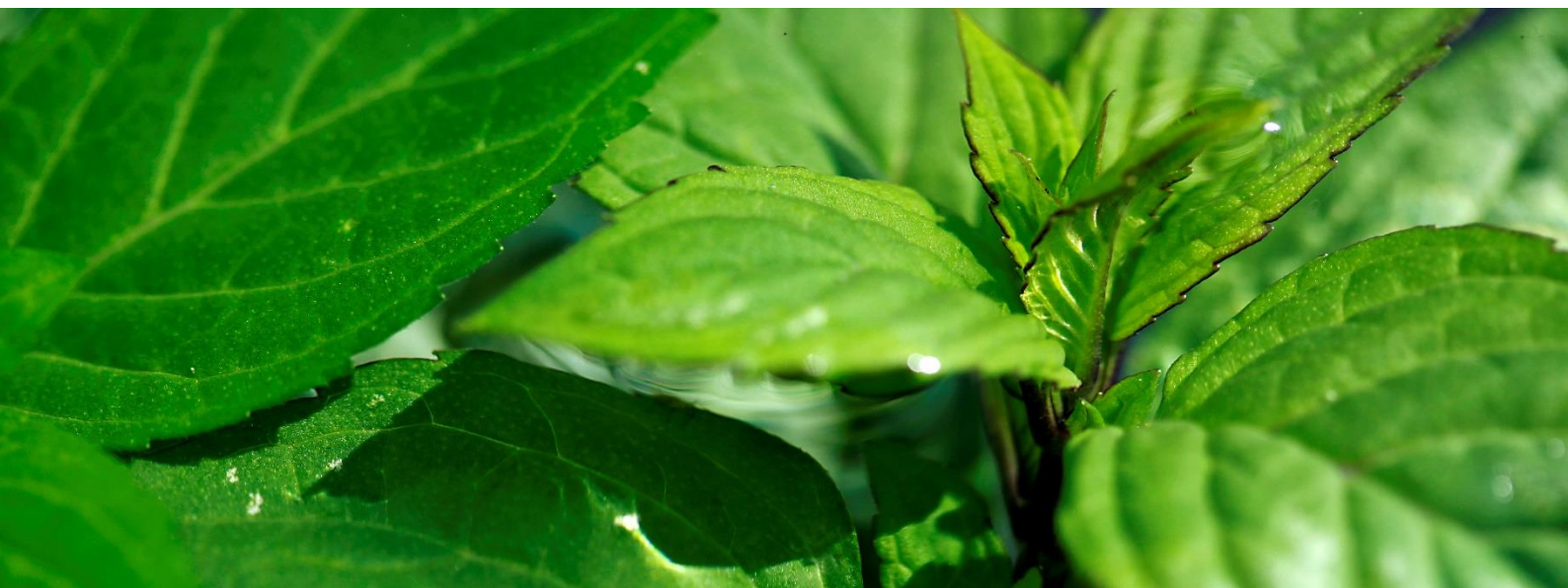
IFP – EG recognizes and encourages the freedom of association rights of its employees. Furthermore, we ensure that trade unions are able to communicate openly with management regarding working conditions without the threat of reprisal, intimidation or any kind of harassment.

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

5.2. Measurement of Outcomes

IFP – EG does not have a trade union but, as per Egyptian standard, IFP – EG has a Complaints and Suggestions Box, where all employees are able to place a complaint or suggestion. The box is located in the cafeteria for easy access for everyone, as well as to ensure a high level of anonymity. The procedure is that Human Resources open this box at the end of every month, and then the management team reviews the collected letters.

All IFP – EG's wages are as a minimum consistent with Egyptian Law no. 12/2003 as well as prevailing industry standards. Holiday, sick leave and maternity leave are also provided in agreement with Egyptian Law No. 12/2003. Working hours are also consistent with Page 7 of 10 27-06-21 14:37 7 Egyptian Law no. 12/2003 and prevailing industry standards. Overtime is voluntary and as per Egyptian Labour Law no. 12/2003





6. Environment

6.1. Description of Actions

IFP – EG 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, IFP – EG 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 IFP – EG 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 2018.

IFP – EG complies with local environmental regulations. All relevant permits and licenses are obtained, and the specific reporting requirements are followed.

6.2. Measurement of Outcomes

When discussing energy consumption, the following elements are measured:

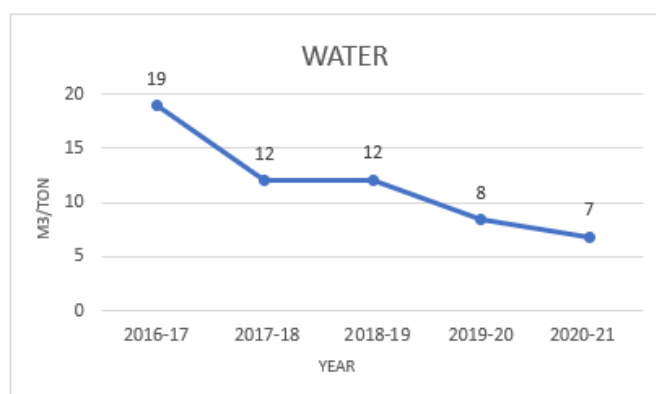
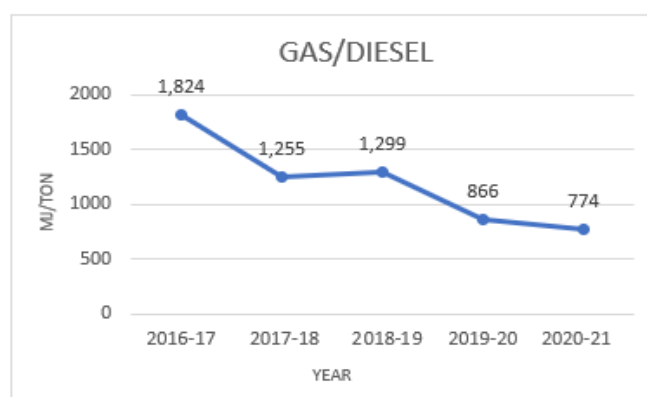
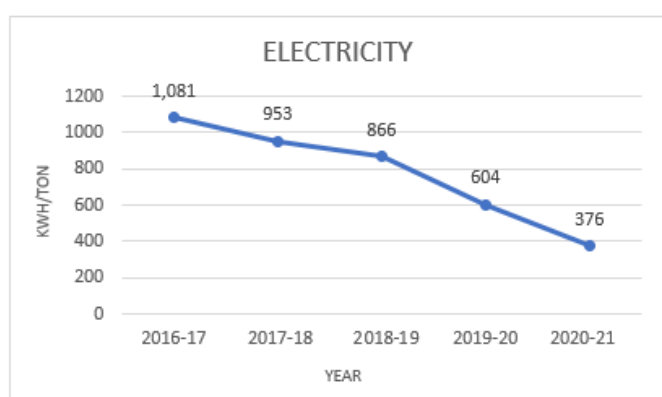
- Electricity in kWh/ton
- Oil /gas in MJ/ton
- Water in m³/ton
- Waste water in m³/ton

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

(Please see next page)

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	1,081	953	866	604	376	705	65.2%	229	37.8%
Gas / Diesel in mJ / ton	1,824	1,255	1,299	866	774	1,050	57.5%	91	10.5%
Water m3 /ton	18.9	12.0	12.1	8.4	6.8	12.1	63.9%	1.5	18.4%
Waste water m3 / ton	NA	NA	NA	NA	NA	NA	NA	NA	NA

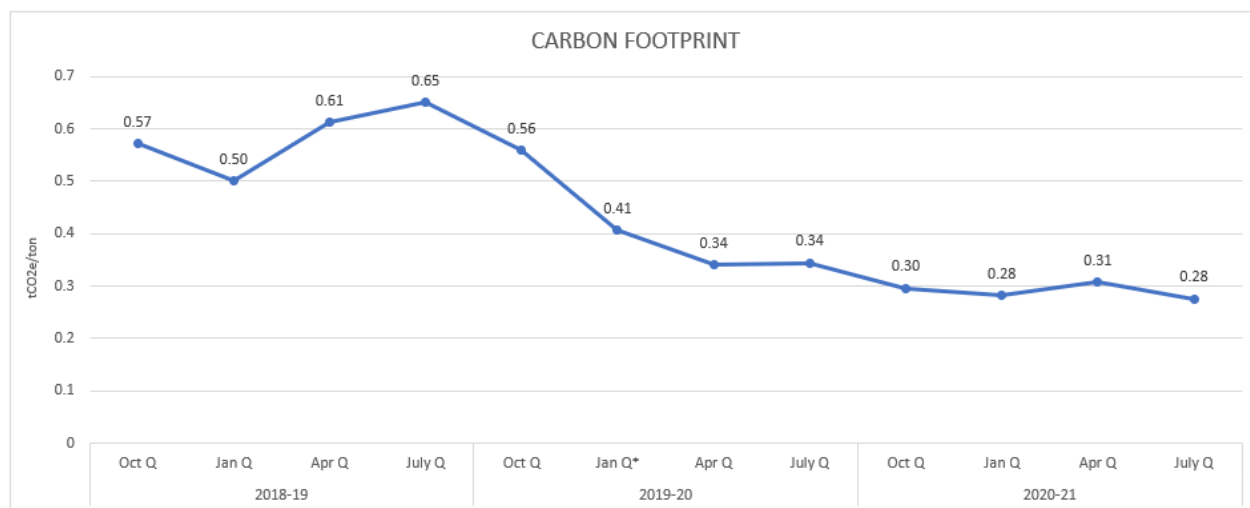


When analyzing the data, the following achievements can be noted:

1. Electricity: Saving of 65.2% compared to base year 2016/17
 - We changed to led lights in the administration building and in the production hall.
 - Increased production within time limit and thereby saving electricity.
2. Diesel: Saving of 57.5% compared to base year 2016/17
 - Savings in diesel consumption is mainly due to an increase in volume.
3. Water: Saving of 63.9% compared to base year 2016-17
 - CIP system has been changed from manual to semi-automatic.
 - Water consumption per produced ton is reduced due to an increased production volume.

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

IFP – EG 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. IFP – EG conducts business consistent with fair competition and in compliance with anti-trust laws.

IFP – EG’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 IFP – EG are instructed not to engage in any forms of bribery in order to unjustly influence public officials or suppliers. When deemed necessary, IFP – EG 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, the Orana Group has initiated a whistle blower function on corruption in Vietnam that is currently being tested before it will be rolled out across the entire Orana Group.



8. Conclusive Remarks

As introduced, we at IFP – EG 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.