

The background of the entire page is a close-up photograph of several bright red apples hanging from a branch with green leaves. The lighting is soft, highlighting the texture of the apples' skin.

ORANA

OANA DENMARK A/S

**UN GLOBAL COMPACT
COMMUNICATION ON PROGRESS 2021/22**

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We seek to inspire and present product solutions that are fit for future demands for healthy quality products from sustainable food systems. **Quality by Nature – the sustainable way**

Niels Østerberg, Chairman





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UN Global Compact Reporting on Communication on Progress (COP)

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

From 01.10.2021 to 30.09.2022

2. Statement of Continued Support by the Chief Executive Officer

17th December 2022

To our stakeholders:

We are pleased to confirm that Orana Denmark 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,

A handwritten signature in black ink, appearing to read "Betina Moldt Rasmussen".

Betina Moldt Rasmussen
General Manager
Orana Denmark A/S



3. Introduction

The Orana Group, hereunder Orana Denmark, 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 Denmark, all staff is committed to following these principles. Orana Denmark 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.

Orana Denmark 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

Orana Denmark 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 by skills, qualifications, and experience required for the position in question.

Orana Denmark 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 Denmark has implemented health and safety prevention policies, which comply with national, international, and Orana company rules. These policies are made available to

employees in a language, which is understood by all employees.

Orana Denmark 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 Denmark has implemented protocols regarding about 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 Denmark 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

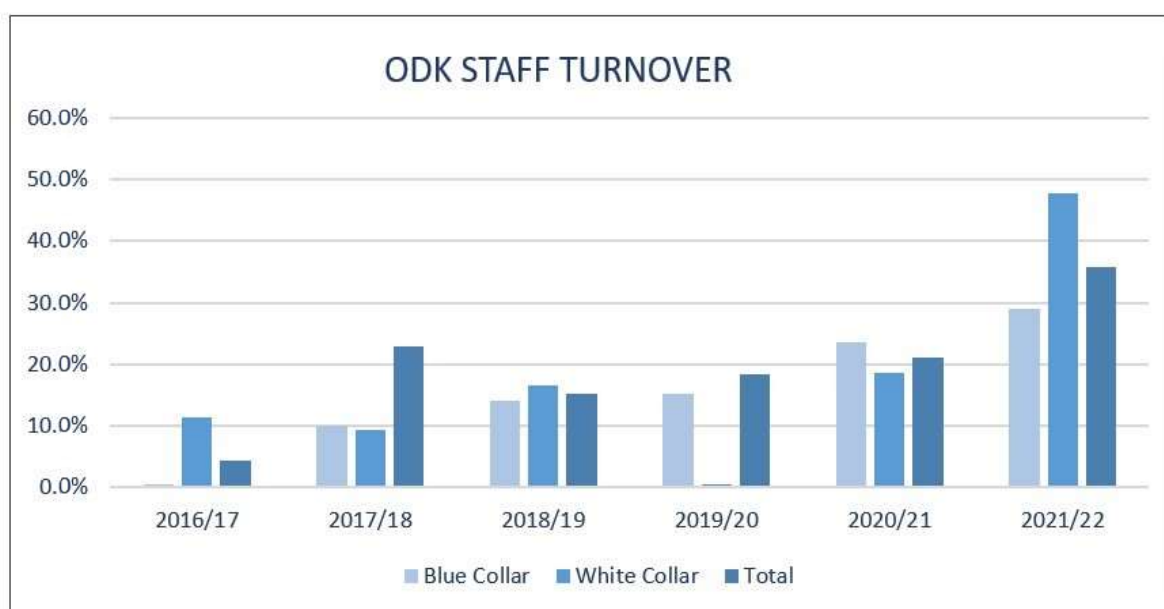
Orana Group. Two of the elements of measuring whether this is successfully achieved is to analyse the statistics on accidents and staff turnover. This said, it is important to note that there is not necessarily a direct correlation between for instance staff turnover and working environment, but the 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 Denmark, 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	2021/22
Blue Collar	0.5%	10.0%	14.0%	15.1%	23.5%	28.9%
White Collar	11.4%	9.3%	16.7%	0.5%	18.6%	47.8%
Total	4.4%	22.9%	15.2%	18.4%	21.1%	35.7%

Graph 1: Staff Turnover



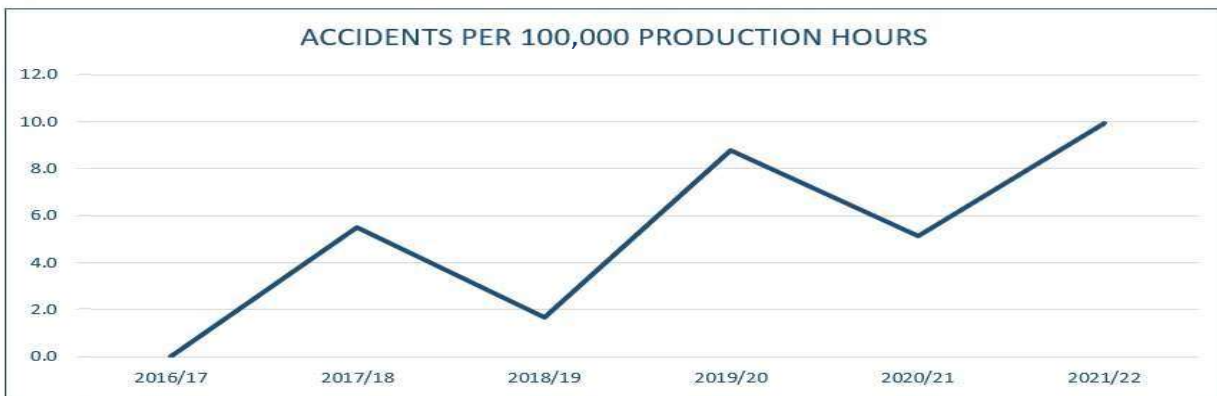
It can be seen that there has been a noticeable increase in both blue- and white collar staff turnover for Orana Denmark. Unemployment in Denmark has been at an all time low during the past financial year of 2021/22. This has led to a general shortage of blue and white collar staff all year, which has made it more difficult to recruit and retain staff, and this partially explains the high staff turnover for Orana Denmark. Also, our internal review processes have led to a redefinition of which competencies are needed, which has in turn also contributed to higher staff turnover. We did see a turn for the better during the July quarter of the financial year, when the national trend reversed, and we hope to see a positive trend during the next financial year of 2022/23. Additionally, we will as always evaluate if there are internal factors that have to be addressed. No incidents related to any kinds of harassment

or discrimination were reported in the period specific to this communication on progress.

In regards to accidents, these 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. Orana Denmark reports all accidents to the Danish Safety and Labour Inspectorate's electronic reporting system for occupational accidents. Even one accident is to many, and in order to prevent similar accidents from occurring, corrective actions and necessary control measures are always taken inclusive of further training of staff.

The following graph presents the number of accidents per 100,000 production hours at Orana Denmark:

Graph 2: Number of Accidents



There has been an increase in accidents, and we are taking all measures to try and change this trend. Internal departments for Quality Control, Quality Assurance and Product development are furthermore conducting GMP/hygiene audits every 2 months. Any findings are reported and discussed on HACCP team meetings. In addition, hygiene related issues are addressed in Internal Audits. The responsible departments

will work on the findings in order to close gaps in agreed periods. Regarding health checks, The Danish Health Service is financed through income tax, which means that state medical treatment in Denmark is available to all Danish residents free of charge. For Orana Denmark employees who are working night shifts, we further offer an extra health check once a year.

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4. Labour

5.1. Description of Actions

Orana Denmark will not hire any form of forced labour or child labour.

Orana Denmark 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.

different trade unions representing the various professions.

All Orana Denmark's wages are as a minimum consistent with Danish law and prevailing industry standards. Moreover, wages are based on qualifications. Holiday, sick leave and maternity leave are also provided in accordance with Danish law and prevailing industry standards. Furthermore, working hours and overtime are also consistent with Danish law and prevailing industry standards.

5.2. Measurement of Outcomes

Orana Denmark employees have the opportunity to be members of a trade union if they wish to. In Denmark, there are several

As described under the section 4. Human Rights, risk related to unsafe working conditions are effectively mitigated through the Orana Group Code of Conduct, which ensures that decent working hours and safety measures are implemented at all sites.

5. Environment

6.1. Description of Actions

The Orana Group promotes 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, as well as via the safe handling, reduction, recycling and management of waste and wastewater discharges.

The Orana Group, and therefore Orana Denmark, is currently working with a target of reducing our non-renewable energy consumption by 50% per produced unit in 2030 compared to what we used in the financial year 2016/17. Also, we have set a target of reducing our CO₂ emission by 50% by 2030 compared to the base year of 2016.

Orana Denmark complies with all applicable environmental regulations, and a system for the safe handling, recycling, and management of waste and wastewater discharges has been implemented.

Measuring our carbon footprint

In October 2018, Orana Denmark started to monitor the company's carbon emissions, as an effort to reduce the total carbon footprint. This includes measuring Category 1, 2, 3, 4 and 5 activities in reference to ISO 14064-1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals. Category 1 emissions are direct emissions from owned or controlled sources, Category 2 emissions are indirect emissions from the generation of purchased energy, Category 3 refers to indirect emissions from transportation, Category 4 refers to indirect emissions from products used by the

organisation, and lastly, Category 5 refers to indirect emissions from products used from the organisation. Category 3, 4 and 5 are the areas where the Orana Group is making a difference by strategically decentralising our productions. By establishing the measurement of carbon foot print, we are able to assess our impact in all areas of our business, as well as establish initiatives to address opportunities for improvement.

Orana Denmark is in the process of getting ISO 14001:2015 (environmental management system) certified within the financial year of 2022/23.

Improvements during the past financial year

During the past financial year, Orana Denmark has made several investments in order to reduce our overall energy consumption, as well as to impact our overall carbon emissions in a positive direction. The specifics of these operations will be discussed under the sections Energy Consumption and Carbon Footprint.

Additionally, Orana Denmark has been optimising the processes regarding sorting waste materials. By changing our service provider, it has been able to increase the sorting degree from 30% to 80%, meaning that we have been able to recycle 84% of all waste materials since November 2021. According to the national sorting directive issued by the Danish Ministry of Environment, this means a total saving of 141.398,00 kg CO₂, primarily distributed between the three sorting categories of Metals, Bottles and Glass Packaging, as well as Cardboard Packaging. Furthermore, the directive includes a target of companies being able to recycle 65% of all waste by 2035, a target we have thereby already been able to reach.

In regards to waste management, we have also engaged with Wefood, which is run by the Danish NGO DanChurchAid. The Wefood stores sell goods that regular supermarkets can no longer sell due to overdue 'best before' dates, incorrect labels or damaged packaging, but where the products are still edible and safe to consume according to the Danish food legislation. All proceeds go to DanChurchAid's work to combat famine in impoverished countries like South Sudan, Ethiopia and Bangladesh. Through a donation of drinks with a short 'best before' date, the Orana Denmark has been happy to support the mission of the Wefood project, while at the same time working to minimize our food waste.

6.2. Measurement of Outcomes

Orana Denmark has ensured that all required

environmental permits and licenses are in place, and that their reporting requirements are followed.

When discussing energy consumption, the following elements are measured:

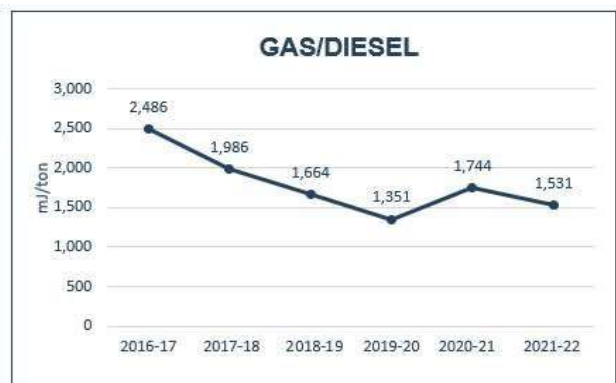
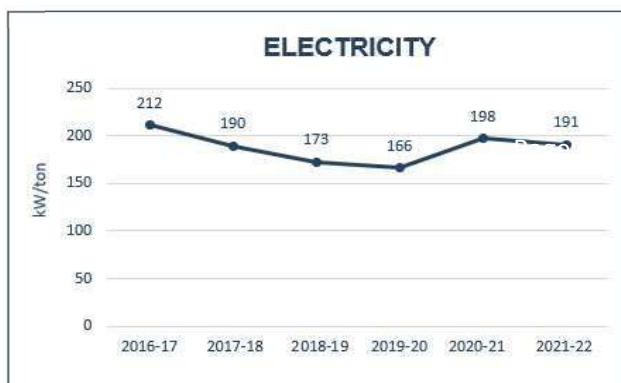
- Electricity in kWh/ton
- Oil /gas in mJ/ton
- Water in m3/ton
- Waste water discharge in m3/ton

The data is based on the collective consumption per site including production, offices, warehouses etc.

The following graphs illustrate this year's results regarding energy consumption:

Table 2: Energy Consumption

Energy consumptions	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Delta Base Year	Delta % Base Year	Delta LY	Delta % LY
Electricity kWh/ton	212	190	173	166	198	191	-20	-9.7%	-6	-3.2%
Gas/Diesel in mJ/ton	2,486	1,986	1,664	1,351	1,744	1,531	-955	-38.4%	-213	-12.2%
Water m3/ton	5.2	4.1	4.2	3.8	4.9	4.5	-0.8	-15.0%	-0.4	-8.9%
Waste water m3/ton	3.3	3.9	3.6	3.7	4.7	4.2	0.9	26.0%	-0.5	11.0%



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In the financial year 2020/21, Orana Denmark unfortunately saw a noticeable increase in the consumption of both electricity, gas/diesel and water. This impacted the otherwise positive trends that we were seeing for these categories compared to the base year. When looking at the data for this financial year 2021/22, it can be seen that there is now a positive development for all categories compared to last year.

Orana Denmark has been able to reduce the consumption of electricity by 2.4%, the amounts of used gas/diesel by 3.9%, the consumption of water by 4%, and lastly, the amounts of discharged waste water by 6.5%. ORANA Denmark are of course hoping to continue this positive development, and the site has additionally engaged in several sustainable investments, which should be able to contribute to this mission:

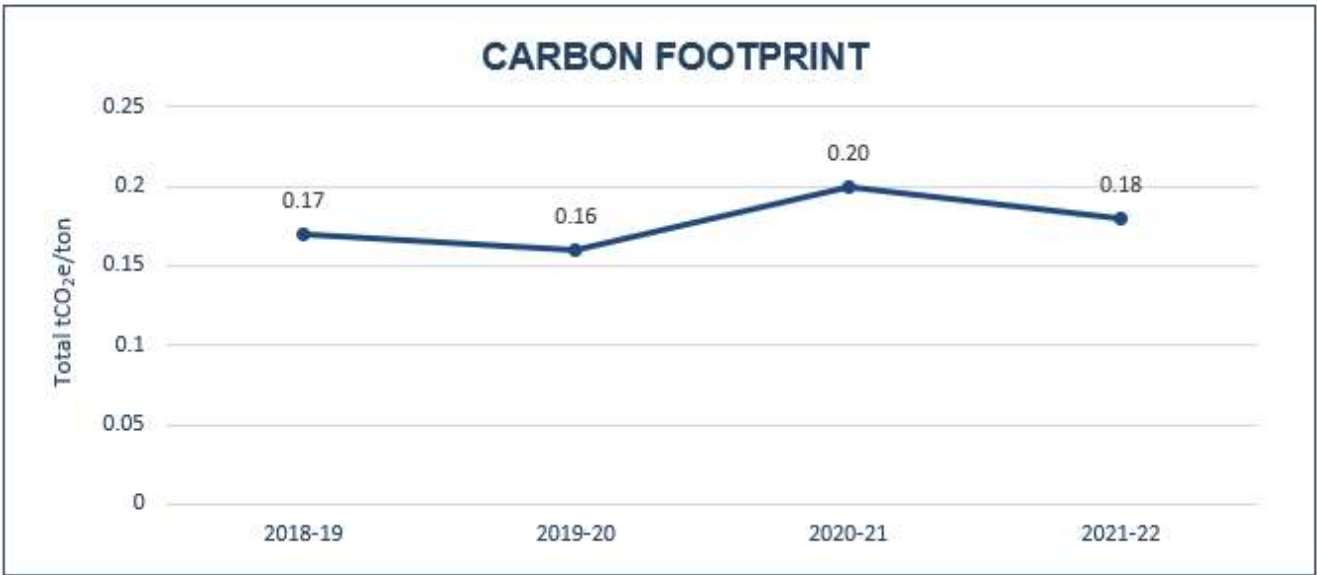
- 1) An older on-site freeze house has been renovated, which in turn now uses approximately 50% less electricity.
- 2) ORANA Denmark has been running an experiment on one of the production lines. The purpose is to see if the belts can run as smoothly

without adding water and soap, and if this is the case, then it will be possible to reduce the amount of consumed water, as well as adding less chemicals to the process. Also, since the belts in this case would be running with less friction due to the lack of water and soap, it will also be possible to reduce the amount of consumed electricity.

The experiment will be concluded during the financial year 2022/23, and if it produces positive results, then it will be implemented on other production lines.

- 3) Lastly, a project of replacing the water pumps has been undertaken. The pumps were built to serve the factory, when a much higher level of water was consumed during production. Replacing the pumps with smaller ones has resulted in an almost 30% reduction of electricity.

In regards to both our total energy consumption and well as our carbon footprint, we are always investigating how to lower these even further. The following graph will present this financial year's total amount of carbon emissions measured per produced ton:



It can be seen that Orana Denmark unfortunately saw a larger increase of the carbon footprint last year, due to break downs in the production and training of new staff. Since we measure our carbon footprint per produced ton, it effects the footprint when less tons are produced. This said, the site has already been able to make a noticeable reduction, and we are committed to working hard to get Orana Denmark back on the positive track that we set out on.

6. Anti-Corruption

7.1. Description of Actions

Orana Denmark 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 Denmark conducts

business consistent with fair competition and in compliance with anti-trust laws.

Orana Denmark'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 Denmark are instructed not to pay corruption or bribery in order to unjustly influence public officials or suppliers. When deemed necessary, Orana Denmark encourages employees to go to government officials or other relevant meetings two persons at a time in order to discourage corruption and bribery.

Additionally, Orana Denmark is planning to establish a whistle blower function in 2022/23.





7. Conclusive Remarks

As introduced, we at Orana Denmark 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.