

Solina Denmark 2018

*CSR report
- UN Global Compact*



Statement of continued support UN Global Compact -by Solina Denmark General Manager

Solina Denmark reaffirm our 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 report (COP), Solina Denmark describes our CSR strategy and our activities to improve the integration of the Global Compact and its principles into our daily operations.

We also commit to share this information with the main company stakeholders using our annual report as well as our primary channels of communication.

Specific policies, including The Ten Principles of The United Nations Global Compact, have been defined for human rights, labour rights, occupational health and safety, environment and climate and anti-corruption.

Solina Denmark wishes to promote and develop its Corporate Social Responsibility with respect to human rights, social matters, environmental and climate matters and combating corruption.

Past year

Further integration with new partner: Solina have given possibility to work with suppliers in a more intensive manner. Being able to select suppliers based on higher volumes helps the selection of supplier on sustainable background. The one-site structure of Solina Denmark have simplified logistics and reduces internal transportation. At the same time LED lighting has been installed to reduce the energy consumption. On the purchasing side of our business we have continued our work by receiving letters of commitment from major suppliers that they comply with Solina Denmark Code of Conduct. We have progressed on gender equality within the local- and northern organizations. We are engaged in the change, and at the end of 2018 nearly 45% of the managers in the local site are women.

Comming year

The process of working with our suppliers in respect to the UN Global Compact will continue in the coming year. Solina Denmark will focus on further reduction of our CO2 footprint by buying electricity from sustainable resources - a hydropower plant in Norway. We are looking for a new supplier to collect and reuse our waste in more sustainable way – and demanding certificates to insure the continued handling of our waste in a sustainable way. Solina Denmark will continue to actively work on improvement of health for our employees and safe working environment.

Johnny Neergaard

Plant- and site manager
Solina Denmark

Solina Denmark, part of Solina Group, is a food producing and trading company situated in Denmark and has been selling primarily ingredients, utensils, packing materials to the food industry for more nearly 100 years.

- Our production handles production of more than 3,000 blends and liquid marinades
- Solina Denmark employ approx 110 people.

Being part of Solina Group strengthens our position worldwide with a broader knowledge of the market and giving better possibilities to work with suppliers on issues like social responsibility and environmental behavior.

Solina Denmark purchases products in many countries around the world and operate in accordance with International standards and relevant laws of the countries in which we operate.

- Purchasing of approx. 1000 ingredients from more than 200 suppliers.

Solina Denmark is committed to conduct its business in a transparent as well as socially and environmentally responsible manner. Specific policies including The Ten Principles of The United Nations Global Compact have been defined and incorporated in our Code of Conduct.

Solina Denmark acknowledges the increasing focus from the market on sustainability and social responsibility and the consumers positive interest in buying products with a good history throughout the supply chain from primary producer to final product.

It is the company strategy to work actively with issues related to Cooperate Social Responsibility.

Solina Denmark encourages our business partners to act accordingly by following the Principles expressed by the UN Global Compact 10 principles and carry this message on to their business partners, eventually join and support UN Global Compact.

Solina Denmark finds it important for ourselves and our clients / costumers, that the basic principles of UN Global Compact is respected throughout the supply chain in order to respect our fellow human beings and prevent bad will.

In order to communicate our message, Solina Denmark has set up a Code of Conduct for suppliers with a registration and approval.

It is the company policy to immediately take appropriate action in case of non-compliance with our Code of Conduct, ultimately withdraw from the assignment.

Human Rights (-Principles 1-2)

Assessment, policy and goals

Human rights and workers' rights are defined as priority areas for Solina Denmark.

This relates to the fact that Solina Denmark generally respects the principles as laid down in UN Global Compact and Danish legislation demands compliance with basic human rights.

As a leading Nordic player, Solina Denmark has therefore taken an active role in this work and compliance with human rights as described in UN Global Compact is part of company Code of Conduct.

Implementation

Solina Denmark has implemented the principles in our Code of Conduct and has developed questionnaires / self-assessment to be completed by our suppliers.

Measurement of outcomes

Through our Code of Conduct system, we will be able to monitor our suppliers regarding the Human Rights area, and based on our evaluation of the response from our suppliers.

Our Code of Conduct is tested through physical audit when visiting the suppliers.

The risk of not complying with the human rights principles would have strong negative effects on the reputation of the Company and our future recruitment and growth possibilities

We have so far found no breaches regarding the Human Rights principles.

Labour Principles (-Principles 3-6)

Assessment, policy and goals

Our employees are Solina Denmark most important resource. Therefore a good working environment is an important foundation stone in the company business strategy.

Implementation

Solina Denmark works according to Danish legislation that implements all issues related to labour rights as described in UN Global Compact.

Solina Denmark is working continuously to prevent discrimination on the grounds of gender, ethnicity or disability.

Solina Denmark prioritizes the provision of equal opportunities for all employees, regardless of gender.

Measurement of outcomes

Solina Denmark has received no grievances or complaints from employees or others in relation to (potential) labour rights violations, nor was the organization involved in any labour rights incidences during the reporting period.

Solina Denmark conduct on a regular basis interview with all employee to identify status and need for education. In 2018 we have had 12 employees in an education program enhancing competencies across the organization.

To reduce the handling of heavy product, Solina Denmark has expand the numbers of stackers. To minimize the dust from packing the products, Solina Denmark has installed air floss on the packing machines. Solina Denmark has initiated a program for employees to measure general health and help improve on individual basis. In 2018 Solina Denmark have continued to offer employees a program for training and massage, strengthening the back to reduce risk for injuries. Also, a new office environment at our service desk have been established with focus on using sound reducing materials and ergonomic correct tables and chairs.

Through our “Code of Conduct” covering UN Global Compact 10 principles, we have informed our suppliers on our demands / expectations regarding labour rights. By end of 2018 over 83% of our suppliers have signed the “Solina Code of Conduct”

The risk of not complying with the labour principles would have strong negative effects on the reputation of the Company and our future recruitment and growth possibilities

Environment & Climate (-Principles 7-9)

Assessment, policy and goals

Solina Denmark environmental policy is to follow governmental rules and monitor and look for possibilities to reduce energy consumption and emissions of greenhouse gases and other environmentally damaging substances. We work continuously at preventing and reducing the environmental effects of our own activity.

Implementation

Measuring key figures in relation to energy consumption.

In accordance with our action plans we have carried out work on packaging, pallet utilization and cooperation with suppliers to reduce costs and emissions in connection with transport.

The trend is in the context of targeted work to improve the utilization of load carriers in the transport system.

Measurement of outcomes

The building of new factory (production and warehouse) have reduced both the need for internal transportation as well as the overall energy consumption. The warehouse stock have been increased from approx. 2000 to 4500 pallet locations. Wastewater system is equipped with alarm, reducing the risk for unintentional emission of excess organic material (fat) which could be devastating for our surroundings and environment and incur costs to the Company for environmental cleaning.

Anti-Corruption (-Principles 10)

Assessment, policy and goals

Corruption is forbidden according to Danish law and is therefore a fully integrated part of Solina Denmark business strategy.

Solina Denmark does not accept any use of bribery nor to participate in business transactions where bribery takes place.

Implementation

Terms for anti-corruption is implemented in Solina Denmark through Danish legislation. Solina Denmark Code of Conduct also include the “non-acceptance” of corruption.

Measurement of outcomes

There have been no cases of corruption in the line of our work over the course of the organization’s existence. If such a situation might arise, Solina Denmark Code of Conduct requires us to take appropriate action and ultimately withdraw from the assignment. The situation will be evaluated afterwards.

If not complied the Company will incur high costs due to fines and also have a major impact on the reputation and trustability towards our stakeholders.

Mission:

"Solina Group aspires to become a European leader in the food market and a worldwide key supplier within 3 main areas of excellence..."

- **FUNCTIONAL SOLUTIONS**
- **TASTE & VISUAL SOLUTIONS**
- **NUTRITIONAL SOLUTIONS**

Vision:

"DESIGNING SUCCESS STORIES TOGETHER"

Values:

Solina Group's main focus are:

- *People commitment & customer proximity*
- *Food safety & sustainability*
- *Financial performance & entrepreneurial spirit*
-in order to become an international reference in customer service with a local approach.