



**ORIOR**

SUSTAINABILITY REPORT 2018



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## CEO Statement

GRI 102-14

### Dear readers

Sustainability is one of the most pressing issues of our time and it's become a universal issue in my professional and personal life. Not only because I'm the proud father of two sons and hope that they, too, will be able to grow up in and learn to appreciate a beautiful and intact environment. I believe everyone is called upon to take action to address the challenges our planet is facing.



As a company, our obligation to heed that call is even greater because the action we take, the values we share and the policies we institute have an impact not only on our own value chain but also on stakeholders up or down the food supply chain. Sustainability is much more than saving energy and creating less waste. To me, sustainability also means constantly striving to improve our products and achieve healthy corporate growth, that in turn helps us to create and safeguard jobs. Sustainable business practices means making decisions that give equal consideration to commercial as well as environmental and social aspects and that will help us to be successful tomorrow too.

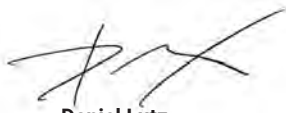
At ORIOR, we have recognised the importance of sustainability for a long time. Many of the issues are already ingrained in the way we think and act as a company, proactively embraced and progressively developed. Media coverage of a broad spectrum of sustainability issues will only increase going forward and that is in many respects a welcome development. Such coverage draws attention to unacceptable practices, behaviour and knowledge gaps and it opens up various avenues for addressing them. A greater awareness and understanding of the true value of responsible and sustainable lifestyles and consumption choices will ultimately contribute to a greater appreciation of the trade-off between product cost and product benefits from a sustainability perspective. And that should help to alleviate at least some of the tremendous pressure our food prices have been under. We welcome this new consumer thinking – consumers can play an equally significant role in promoting sustainability throughout the food supply chain through their purchase and consumption choices.

In this day and age, it is important to also let the public know the many things we are doing or have done in the name of sustainability. Highlighting our good deeds every now and then is important and fitting but that alone is no longer enough. Defining sustainability goals, taking corresponding action and reporting on the ensuing progress or lack thereof in a transparent manner that ensures consistency and comparability is now imperative. And that's the idea behind our sustainability reporting policy.

ORIOR Group consists of a collection of SMEs that – in keeping with the philosophy behind our decentralised centre of excellence structure – are firmly anchored in regional markets with their own particular culture, products and brands. This makes defining common denominators that are truly applicable and meaningful across the entire Group somewhat challenging. At the end of 2017 we decided to publish a sustainability report based on the GRI Standards (Global Reporting Initiative). In 2018, we executed a detailed sustainability strategy process including various functions and involving all Swiss competence centres in a multi-functional approach. That allowed us to take the perspectives of highly diverse operations into account and address the particular circumstances and requirements of each organisational unit as well as their customers and business partners. In the fall of 2018 we presented our sustainability strategy "The ORIOR Responsibility", depicting a wheel with three categories: "Product responsibility", "Environmental responsibility" and "Social responsibility". Within these three areas, we identified nine areas of activity where we determined that our actions would have the greatest impact. During the course of a workshop with representatives from the management teams of every Swiss competence centre, goals and measures in all areas of activity were defined. They are described in this report.

We have thus laid the groundwork for our GRI-compliant sustainability reporting process as far as contents and structure are concerned. Yet we also acknowledge that there is room for improvement with regard to data completeness, presentation and comparability. We will actively pursue improvements on these fronts for future sustainability

reports. We are now focusing on embedding sustainability even more deeply across the organisation. To that end, we are integrating sustainability objectives and metrics into our management tools, adding more resources to the sustainability task force, intensifying cooperation with the Champion Groups, and working on our systematic data collection methods. We are looking forward to it. After all, embracing sustainability is all about shouldering responsibility and standing up for tomorrow.



**Daniel Lutz**  
CEO ORIOR Group

## The ORIOR values

We have defined core values that serve as a compass for our organisation.  
We are convinced that...



...the company needs contented employees, customers, suppliers and shareholders to achieve its goal of steady value creation;



...a steadfast focus on the constantly shifting needs and preferences of consumers and customers is a precondition for innovation and growth;



...motivated and competent employees who are happy and proud to celebrate craftsmanship day after day are the key to our success;



...each and every employee must assume full responsibility for their conduct and their work, and that our business conduct must be guided by high ethical standards and respect;



...unremitting efforts towards the attainment of superior quality and constant advancement in our daily work are a precondition for sustainable and profitable growth;



...open, honest and transparent communication is the basis for successful team work;



...sustainability is an integral part of our core business.

# 1. The ORIOR Group

GRI 102-2, GRI 102-3, GRI 102-5, GRI 102-6, GRI 102-45

## Group profile

ORIOR is an internationally active Swiss food and beverage group headquartered in Zurich that combines craftsmanship with a pioneering spirit and thrives on entrepreneurship and strong values. ORIOR is a specialist for fresh convenience food, premium meat products and organic vegetable and fruit juices and holds leadership positions in growing niche markets in Switzerland and abroad. The Group consists of well-established companies and brands: Rapelli, Ticinella, Albert Spiess, Fürstenländer Spezialitäten, Fredag, Pastinella, Le Patron, Biotta, Culinor and Vaco's Kitchen. ORIOR products are primarily sold to retailers, to food service channels and to specialised retailers; 75.9% of the revenues are generated in the domestic Swiss market. ORIOR's second-largest market is the Benelux, which is also where the operating sites of the Culinor Food Group centre of competence are located. The Group's other major markets are France and Germany. Ultra-premium products are exported from Switzerland to customers around the world, but this entails very small quantities accounting for less than 1% of consolidated revenues.

ORIOR's goal is to steadily create value for all stakeholders. Market intimacy, strong partnerships, a lean, agile group structure and the intradisciplinary ORIOR Champion Model provide the framework from which ORIOR is shaping and driving the market landscape with innovative products, concepts and services.

ORIOR Group's business model is based on a decentralised centre of competence structure and a strong focus on growing premium niche markets. To facilitate management of the company, the Group is organised into three business segments: the Convenience segment, the Refinement segment and the International segment. In this Sustainability Report ORIOR provides an overview of the strategy and activities of the Convenience and Refinement segments. The International segment will be included in ORIOR's sustainability reporting at a later date.

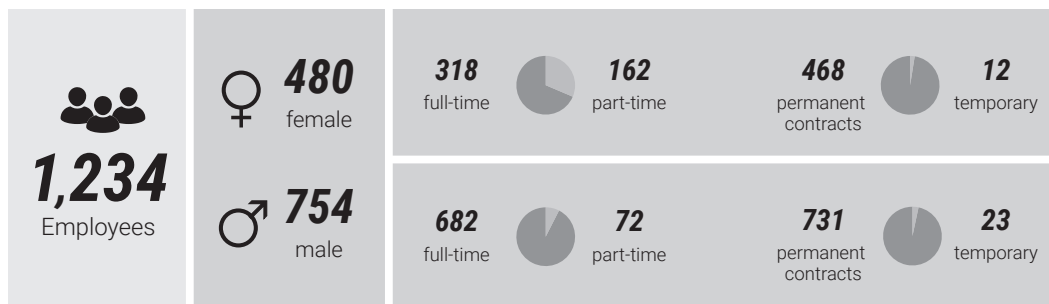
ORIOR is a public corporation and has been listed on SIX Swiss Exchange since 2010 (ORON, ISIN CH0111677362). Detailed information about ORIOR Group's shares and legal structure is provided in ORIOR Group's annual report.

GRI 102-8

## Employees

ORIOR has 1,155 employees in Switzerland (Ø FTE 2018); the total number of persons employed in Switzerland at the end of 2018 amounted to 1,234.

ORIOR employees in Switzerland, 31 Dec. 2018



GRI 102-4, GRI 102-6, GRI 102-7, GRI 102-45

## Our segments and their centres of competence

ORIOR operates eight centres of competence at 17 sites located in various regions of Switzerland and in Belgium, Germany and France. ORIOR holds a 35% minority interest in Casualfood (DE) and plans to increase this to a majority interest during the autumn of 2019, after which Casualfood will officially become part of the International segment. Casualfood is not yet included in the consolidated figures but it is included in the following graph for the sake of completeness.

## ORIOR Group locations

### ORIOR Switzerland



**Rapelli SA, Stabio**  
Ticino charcuterie specialties



**Albert Spiess, Schiers**  
Graubünden specialties



**Möfag, Zuzwil**  
Fürstenländer specialties



**Fredag, Root**  
Poultry, meat and vegetarian specialties



**Le Patron, Böckten**  
Pâtés and terrines, ready meals



**Pastinella, Oberentfelden**  
Fresh, filled and unfilled pasta



**Biotta, Tägerwilen**  
Organic vegetable and fruit juices

### ORIOR International



**Culinor Food Group, Destelbergen (BE)**  
Ready meals and meal components



**Vaco's Kitchen, Olen (BE)**  
Chef meals and meal components



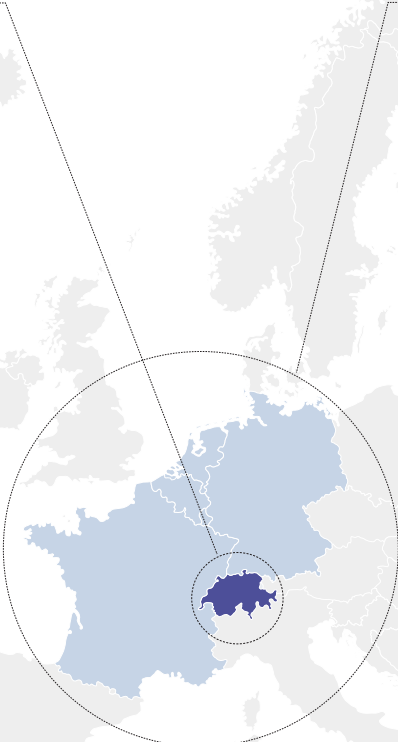
**Gesa, Neuenstadt-Stein (DE)**  
Organic vegetable juices



**Casualfood, Frankfurt am Main (DE)**  
To-Go food islands



**ORIOR/ Spiess Europe, Haguenau (FR)**  
Slicing, packing and delivery



#### GRI 102-7

#### Company snapshot

Key information on the organisational scale of ORIOR Group for the year 2018:

- Employees: 1,630 (Ø FTE)
- Business locations /operating sites: 8 centres of competence and a total of 17 business locations (excl. Casualfood); of which 7 centres of competence and a total of 10 locations in Switzerland
- Revenues: CHF 576.7 million; of which 75.9% is generated in Switzerland
- EBITDA: CHF 58.6 million
- Net profit: CHF 31.8 million

The **ORIOR Convenience segment** consists of the Fredag, Le Patron, Pastinella and Biotta competence centres and it specialises in producing fresh convenience products as well as organic vegetable and fruit juices. The segment operates five processing sites in German-speaking Switzerland and sells its products to retailers, food service providers and specialised retailers.



**Fredag**

Fredag produces premium poultry and meat convenience products and is a strong pioneer in fast-growing vegetarian and vegan product categories, where it has established leadership positions. Fredag also refines and markets a select range of seafood products.



**Le Patron**

Le Patron – Créations Culinaires. The market leader for pâtés and terrines and a boutique supplier of premium delicacies. It specialises in ultra fresh ready-made meals and meal components, fresh pasta dishes and other specialities featuring superb quality and taste.



**Pastinella**

“Un amore di pasta.” Fresh pasta in every form and flavour, tasty and unique. Gnocchi, tagliatelle, tortelloni or ravioli – classic and seasonal – with and without fillings. Pastinella also created the world’s first pre-cooked, chilled gluten- and lactose-free fresh pasta.



**Biotta**

“All the Goodness of Nature in a Bottle!” 100% natural, organic vegetable and fruit juices. Besides the “Biotta” brand and its 60-year tradition, Biotta also offers a range of trendy creations such as organic ice tea “Vivitz” or “C-ICE” and “Traktor”, a cult line of smoothies.



The **ORIOR Refinement segment** consists of the Rapelli, Albert Spiess and Möfag centres of competence and it produces premium refined meat specialities. Fine craftsmanship and the best quality ingredients are the hallmarks of their traditional as well as newly interpreted premium products. The Refinement segment operates five production plants and sells its products to retailers and food service channels.



**Rapelli**

Rapelli embodies the skills and traditions of “mastri salumieri” and stands for authentic Mediterranean tastes and flavours. “Rapelli” and “Ticinella” represent the fine art of salumeria with uncompromising quality. They offer the full range of classic Mediterranean deli specialities in both traditional and modern interpretations and have done so with pride since 1929.



**Albert Spiess**

High in the Alpine region of Grisons with its special climate and fresh, clean air, Albert Spiess produces distinctive specialities such as Bündnerfleisch, cured ham and Salsiz at the highest meat-drying facility on the European continent. Meat convenience products and trendy snacks round out its product portfolio.



**Möfag**

Möfag is a producer of fine meats based in eastern Switzerland known especially for its “Appenzeller Mostbröckli”, smoked cold cuts, and ham and bacon specialities. Its range of hearty specialities also includes lamb, horse and poultry meats as well as products for the outdoor-grill season.

The **ORIOR International segment** consists of all our business activities outside Switzerland. It currently comprises the Culiner Food Group in Belgium, the export business from Switzerland to neighbouring countries, and the Biotta subsidiary Gesa. In the autumn of 2018 ORIOR acquired a 35% interest in Casualfood, a German company. ORIOR plans to acquire an additional stake in Casualfood in the autumn of 2019, after which it would join the ORIOR Group as a standalone centre of competence within the International segment.



**Culiner Food Group**

Together with its two subsidiaries Vaco's Kitchen and Hot Cuisine, Culiner is an innovative force shaping the premium fresh convenience market in the Benelux. Its large portfolio of top-quality products boasts a wide selection of fresh prepared meals and ready-made meal components.



**Casualfood**

True to its motto "The taste of travelling", Casualfood's core competency revolves around the customised, location-specific establishment and operation of mobile and stationary grab-and-go food islands with innovative brand concepts for travellers on the go.



**Gesa**

Gesa, Biotta's subsidiary in Germany, produces fresh-pressed, lightly processed premium vegetable juices and concentrates for the beverage and food industries. Its products are made with 100% all-natural ingredients and are sold throughout Europe.



**ORIOR/Spiess Europe**

ORIOR Switzerland established the ORIOR / Spiess Europe platform in Haguenau, France as a slicing, packing and delivery hub for the Group's Swiss-made products beyond its domestic market. Bündnerfleisch is currently the most important speciality exported by ORIOR.

GRI 102-16

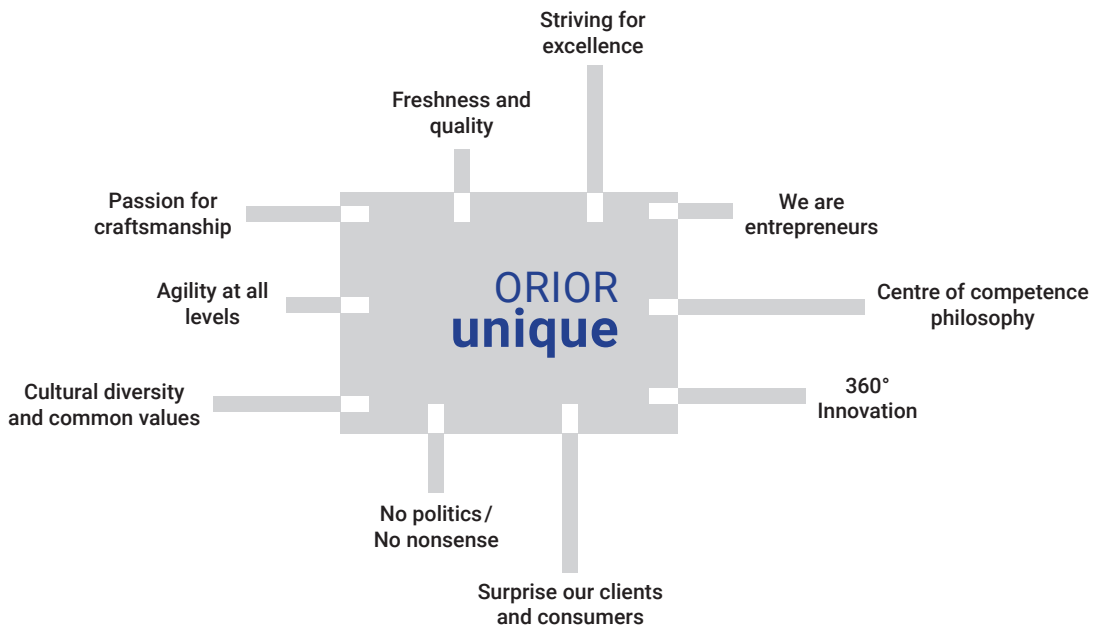
**We are ORIOR**

Our approximately 1,630 employees stand behind the “We are ORIOR” idea and every day they make a personal contribution to the ORIOR story. We acknowledge that the directors and executives and operating managers are the strategists and leaders and they are the ones at the helm navigating the company towards its given goals. A sturdy base supported by all employees who, as a whole, strive to achieve these same goals during their daily work and thus advance the development of the entire ORIOR Group is no less important. This attitude exemplifies “We are ORIOR”, which forms a key pillar of our overall strategy.

In addition to this basic attitude and sound leadership principles, how we communicate with each other, a general openness, and taking pleasure in the work we do are also very important to us. Living, sharing and actively supporting our core values (see page 5) is what we demand of all our employees.

ORIOR Group also published a Code of Conduct in 2017. It is based on fundamental company values such as a participative leadership style, open and direct communication, ethical and respectful business conduct, and personal development and responsibility at all levels of the organisation. Many of the key sustainability issues presented in this report can also be found there, such as our approach to human resources issues, our commitment to quality, ensuring employee health and safety, and our environmental stewardship. We also uphold fair and upstanding management and business practices predicated on honest dealings with business partners and we strongly condemn bribery, corruption and other disreputable practices.

Our ambition is to be unique and commercially successful. To accomplish this, we seek to align our actions and decisions on the following core elements:



## 2. Sustainability at ORIOR

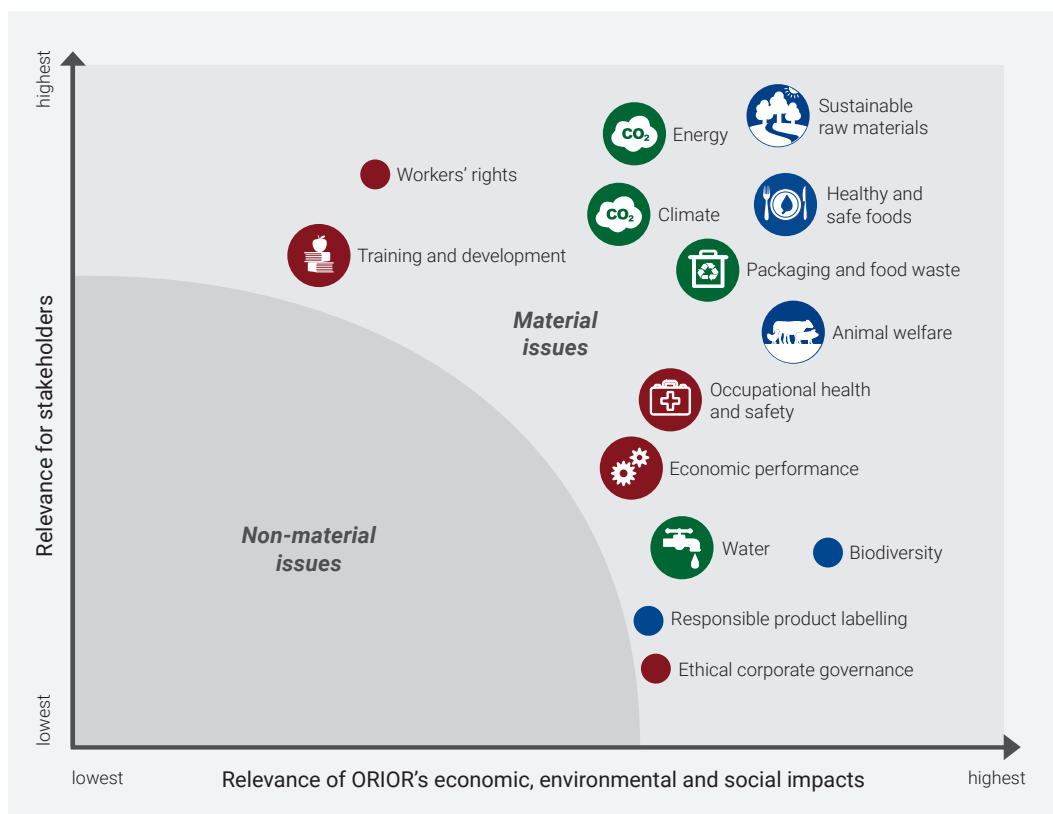
Sustainability – we call it “The ORIOR Responsibility” – is part of our core business and a precondition for Excellence in Food. ORIOR assumes responsibility throughout the entire value chain, addresses the interests of the stakeholder groups and aligns its activities to the principles of sustainable development. Core issues are “Product responsibility”, including sustainable sourcing of raw materials, respect for animals, and healthy products; “Environmental responsibility”, which includes responsible management of energy and emissions, water and waste; and “Social responsibility”, which forms the basis of all interaction with our employees and society at large.

GRI 102-46

### 2.1 Materiality

We implemented a materiality process in 2018 to identify the sustainability issues that are relevant for us and pinpoint the main leverage points. After determining stakeholder expectations and the impact of the company’s activities on sustainable development, we finalised “The ORIOR Responsibility”. We used context analysis to identify issues of possible relevance for us. Our analysis took in account industry studies, the GRI Standards, customer expectations, NGO reports, and employee and investor expectations. We prioritised the list of issues based on the criteria of stakeholder expectations and impact on sustainable development (for further details, see our materiality matrix) and used that information to draw up the nine areas of activity featuring in our sustainability strategy, “The ORIOR Responsibility” (for further details, see our sustainability strategy on page 15). Internal specialists from a range of disciplines and competence centres validated the matrix and the strategic areas of activity in a workshop. After further refinement by the sustainability team the strategy was submitted in the first instance to the Swiss Leadership Team and then to the Board of Directors for approval.

Materiality matrix



GRI 102-11, GRI 102-47, GRI 103-1

This prioritisation exercise resulted in a list of 14 material issues. Given the overlap between several of these issues, we shortened the list to nine key issues for the purposes of our sustainability strategy.

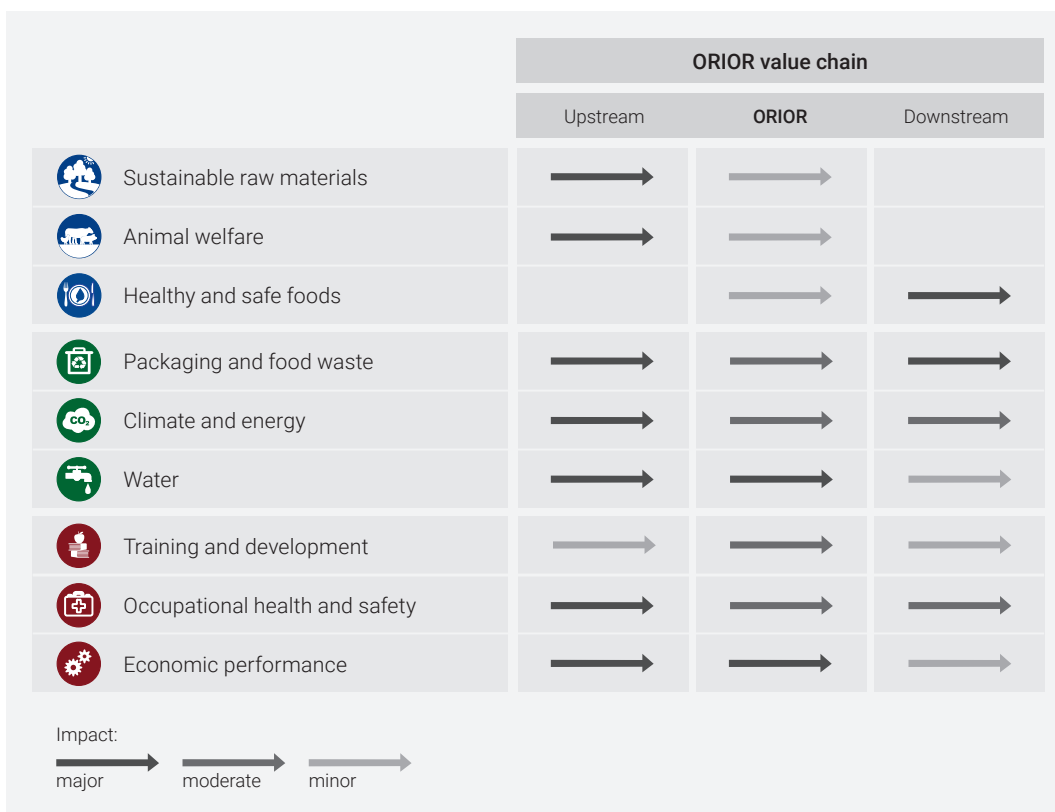
The key issues marked with an icon are the ones covered in detail in this report. We manage the four issues that are not marked with an icon and thus not detailed in a separate chapter of this report as follows:

- ● Workers' rights and ● biodiversity are issues that have a major impact, especially on processing stages further up the supply chain (production / cultivation of raw materials). We have therefore integrated these two issues into our management approach for "sustainable raw materials".
- ● Responsible product labelling is, of course, highly relevant across our product range. Compliance with all pertinent laws is self-evident and we go beyond the minimum legal requirements with our "Clean Label" and other initiatives (see chapter 3.3).
- ● Ethical corporate governance is likewise a given and a necessary precondition for all our activities, which is also why it is one of our core values (see page 5).

We want to align our strategic ambitions to where we can deliver the greatest contribution to sustainable development – throughout the entire value chain. We will implement targets and measures in those areas where we can make a big impact and a real difference, and to prevent negative impacts and reinforce positive impacts.

We see our main responsibility in the nine listed activity fields. The graph below shows where along our value chain they unfold their impact.

ORIOR's impacts along the value chain



GRI 102-40, GRI 102-42, GRI 102-44

Our aim is to meet the expectations of our internal and external stakeholder groups, as they encourage us to set high ambitions in the relevant areas and support us in achieving our goals. They are essential to the implementation of "The ORIOR Responsibility".

In developing our strategy, we used stakeholder mapping to identify our main stakeholder groups and their sustainability concerns. That analysis is reflected in the materiality analysis presented before. This report shows our goals and the progress we have made in our nine priority areas of activity and in addressing our stakeholders' concerns.



GRI 102-43

We engage in continuous dialogue with our customers, employees, and suppliers as well as with the Board of Directors and shareholders through personal conversations, surveys and meetings. We receive feedback from consumers of our products primarily on our website or indirectly via our customers. We engage with the media, legislators, interest groups, trade unions, banks, NGOs, local communities and rating agencies at meetings and in personal conversations as needed.

## 2.2 Our sustainability strategy: “The ORIOR Responsibility”




Sustainability is part of our core business and a precondition for Excellence in Food, and is therefore defined as one of the strategic pillars. “The ORIOR Responsibility” comprises three spheres – “Product responsibility”, “Environmental responsibility” and “Social responsibility” – which we have subdivided into nine main areas of activity:

### Strategic pillars of ORIOR 2020 strategy

<p><b>HOUSE OF INNOVATION</b></p> <p>ORIOR is striving to bring innovation beyond the actual product along the whole value chain and into the areas of food concepts, services and processes.</p>	<p><b>AGILITY AND COST EFFICIENCY</b></p> <p>Strengthening the differentiation and continuous development of the core brands to increase the core brand awareness and appeal and thereby generate more growth.</p>	<p><b>BRAND STRENGTHENING AND EXPANSION</b></p> <p>Economies of scale will be harnessed across all centres of competence, to raise efficiency, enable knowledge transfer and steadily improve production and process workflows.</p>	<p><b>THE ORIOR RESPONSIBILITY</b></p> <p>Sustainability is part of our core business and a precondition for Excellence in Food. We assume responsibility at every stage of the value chain and are attentive to the interests of our stakeholders.</p>	<p><b>WE ARE ORIOR</b></p> <p>“We are ORIOR” is rooted in true entrepreneurial values: leadership, open, frank and honest communication, ethical and respectful behaviour and responsibility at all levels.</p>
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#### Our ambitions

-  By 2025, we aim to significantly increase the relative share of the sustainable raw materials and organic ingredients we source.
-  By 2025, we aim to source all meat for the Swiss market from Switzerland, from other producers that comply with Swiss animal protection laws or are certified by a sustainable/organic label.
-  By 2025, we aim to significantly increase the relative share of healthy products.
-  By 2025, we aim to reduce our waste intensity by at least 25% compared to our 2018 baseline.
-  By 2025, we aim to reduce our greenhouse gas emissions intensity by 10% compared to our 2018 baseline.
-  By 2025, we aim to reduce our water intensity by 15% compared to our 2018 baseline.

-  We aim to significantly expand the range and number of personal development opportunities.
-  By 2025, we aim to establish a harmonised employee health management plan for the entire Group.
-  Our overarching goal is steady value creation to the benefit of all stakeholders.



## 2.3 Governance and implementation

GRI 102-18, GRI 103-2

We have clearly assigned the responsibilities for implementing “The ORIOR Responsibility” in our organisation. Targets and standards, measures and ongoing initiatives, and target achievement are discussed and defined in an annual workshop attended by representatives of various disciplines and competence centres in collaboration with the responsible issue managers. Intradisciplinary Champion Teams consisting of representatives from the different competence centres play a central role in this process. The Champion Team leaders represent them at the annual workshops. The proposals for action emerging from these workshops are specified and refined by the issue managers before being submitted to the permanent Sustainability Committee for approval.



<sup>1</sup> Additional member as of 1 October 2019: CFO Andreas Lindner.



The Sustainability Committee is composed of three members: Group CEO Daniel Lutz; Milena Mathiuet, Head of Corporate Communications & Investor Relations; and Stefan Graf, Head of Supply Chain Excellence. The main task of the Sustainability Committee is oversight and ongoing discussion concerning all the initiatives, measures, progress and challenges to do with sustainability. They also involve and report to the Executive Committee and the Board of Directors of the ORIOR Group.

The sustainability goals are cascaded and embedded throughout ORIOR at every level: All employees closely involved with sustainability – including the Group CEO and the other members of the Executive Committee – may receive variable compensation for their efforts as measured by progress towards project goals.

At competence centre level, sustainability goals are an integral part of the strategy papers that are drafted annually in alignment with the applicable criteria and submitted to the Executive Committee and the Board of Directors for approval. The CEO of each competence centre is responsible for the achievement of all the targets set forth in the strategy paper and his or her bonus depends directly on the level of achievement accomplished. As an extension of that, the management teams of the competence centres receive a variable compensation component that is partly based on progress on sustainability. All the key sustainability performance indicators are included in monthly financial reports and thus subject to permanent monitoring. All other sustainability performance indicators are managed and monitored by the competence centres and will be reported once a year for a consolidated overview. ORIOR has appointed "KPI owners" for every key performance indicator who are directly responsible for one or several performance indicators. The same goes for sustainability performance indicators. Owners are expected to drive progress towards the defined goals. Any deviations and (corrective) actions are outlined by the owners in the monthly financial reports.

#### GRI 102-45

Our sustainability strategy has been initially defined for the Swiss sites, i.e. the Refinement and Convenience segments. It will also be made applicable to our sites outside Switzerland within the next two years, with adjustments if necessary. This will enable us to report on the sustainability efforts and performance of the entire ORIOR Group at a future date.

### Our ambitions for product responsibility



By 2025, we aim to significantly increase the relative share of the sustainable raw materials and organic ingredients we source.



# 100%

By 2025 we aim to source all meat for the Swiss market from Switzerland, from other producers that comply with Swiss animal protection laws or are certified by a sustainable/organic label.



By 2025, we aim to significantly increase the relative share of healthy products.



Richard Hörenberg, an organic farmer by conviction – his vegetables have been processed into premium juices by Biotta for years.

### 3. Product responsibility

“Excellence in Food” rests not only on our superb craftsmanship and the recipes and production processes, but also on the raw materials we use.

Three central sustainability issues were identified within the area of product responsibility during our materiality assessment process: Sustainable raw materials enable us to have a positive impact on social and environmental aspects further upstream in the food supply chain. Equally important is for us the welfare of the animals that are bred for our products. Last but not least, we have a commitment to produce safe and healthy products that are a culinary delight. Our entire business revolves around this point. True to our reputation as a pioneer and innovation leader, we seek to set new standards in all aspects of food excellence.



### 3.1 Sustainable raw materials

We care about the raw materials we buy and process, as well as about where and under which social and environmental conditions they are produced. We must take all of these aspects into consideration to promote sustainable development across the entire value chain.

GRI 103-2



**Our ambition:** By 2025, we aim to significantly increase the relative share of the sustainable raw materials and organic ingredients we source.

Following milestones will help us to achieve this goal:

- By 2025, we want to increase the proportion of raw materials we source that is certified sustainable by 15% (compared to our 2018 baseline).
- We want to steadily increase the relative share of organic raw materials that we purchase.
- We want to completely refrain from using palm oil in all our products by 2022 at the latest.

GRI 103-1

**What it means to us**

ORIOR's commitment to responsibility is clearly visible in the products it makes and the ingredients it selects to produce them. As a food processor, our greatest impact on sustainability can be traced to our decisions that affect activities further upstream in the supply chain pertaining to the agricultural raw materials. According to the World Resources Institute the agriculture sector accounts for approximately 13% of global greenhouse gas emissions. Agriculture also ranks among the largest consumers of freshwater. The use of pesticides and, in some cases, precarious working conditions in the countries of origin are all increasingly pressing challenges as the global population continues to grow.

ORIOR is aware of its responsibility and has established a long-term commitment to making food production more sustainable. Where the agricultural raw materials are sourced is a critical factor here, as is the question under what conditions in terms of social and environmental impact. These points are becoming increasingly relevant in a globally networked economy and for our consumers. By using sustainable raw materials, ORIOR is mitigating negative impacts further up the supply

chain and thus making a positive contribution to sustainable development.

GRI 103-2, GRI 103-3

**How we will reach our goals**

To achieve our goal we are pursuing the following three measures: We are developing an internal policy for sustainable sourcing of agricultural raw materials that will be implemented at all centres of competence. We want to use local and regional producers and Swiss ingredients wherever possible. Further, we know how important good partnerships are in achieving our sustainability-related goals and want to maintain lasting, close relationships with our customers, suppliers and partners.

The ORIOR "Quality" Champion Group is responsible for the issue of sustainable raw materials. It sets the relevant goals and standards in a process involving the various competence centres and also monitors subsequent progress and compliance. Quality managers at every centre of competence are responsible for implementing the related measures at the respective production facilities. The Champion Group reports directly to the Swiss Leadership Team on a regular basis and submits its goals and action plans for every calendar year to the Swiss Leadership Team for approval.

The "Procurement" and "Sales" Champion Groups, marketing and R&D units also share responsibility for achieving our goals within the "Sustainable raw materials" area of activity. Therefore, these other actors are also briefed on the goals and commitments we have established with respect to raw material sustainability. In addition, we organise a so-called ORIOR Champion Day once a year where all Champion teams share information about their current initiatives and projects. Attention is also given to topics that go beyond the typically concerned parties or that are relevant group-wide (refer to page 49 for further information on our Champion model).

GRI 103-2, GRI 103-3

**Responsible sourcing policy**

In 2018 we launched the Group level "Clean Label" pro-

ject (see page 29). Its primary objective is to optimise our recipes with the aim of eliminating the use of artificial additives as much as possible. The “Quality” Champion Group has also formulated the internal “Responsible sourcing policy”, which sets minimum sustainability requirements when sourcing raw materials in key raw material categories.

**ORIOR Policy**  
Responsible Sourcing

Our commitment is reflected in the minimum requirements set:

- We fully comply with the requirements of the “Swissness law” (HasLV) and the Swiss Trademark Protection Act (MSchG).
- We dissociate ourselves from genetically modified organisms. As a rule, we comply in full with the ordinance of the Swiss Federal Department of Home Affairs on genetically modified food (VGVL).
- We use Swiss meat in our branded meat products for the Swiss market. If domestic supply is insufficient or non-existent, foreign sources of raw materials are also used for poultry and niche meats.
- In our branded products, we exclusively use eggs that at least meet Swiss or EU free-range standards.
- All of the soy-based ingredients we process come from either Switzerland or Europe.
- By 2022, we will have completely eliminated the use of palm oil from all of our products.

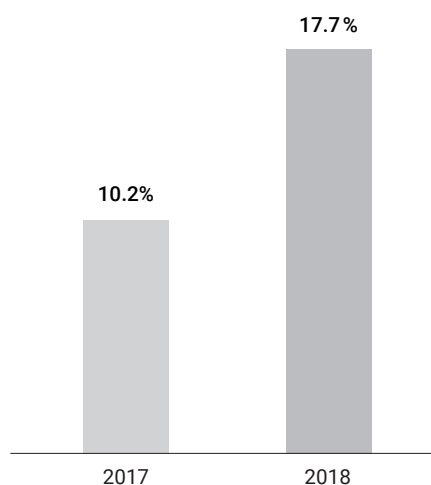
In addition to that, we are trying to increase the proportion of sustainably sourced agricultural products in terms of traceability, certified organic and/or recognised sustainability labels across all major raw materials categories. We aim to increase the share of sustainably sourced raw materials within the scope of the defined milestones by 15% by 2025. Part of this is also to increase the share of processed raw materials that are certified organic.

**GRI G4 FP 2**

Based on our processing volumes, our major raw material categories are vegetables, beef, pork, poultry, durum wheat and whole-egg mix. We are also increasing the sustainable share of environmentally sensitive raw ma-

terials we process, examples of which are fish, shellfish, soybeans and palm oil. Collecting the data and shares across all raw material categories is at this stage not yet possible for reasons of complexity.

**Percentage share of certified organic<sup>1</sup> and/or sustainable<sup>1</sup> raw materials of purchased volumes in key raw materials (kg)**



The year-on-year increase shown above is largely attributable to Biotta, which ORIOR acquired in 2018. All of the vegetables it processes are organically grown.

The availability of meat produced in accordance with recognised organic<sup>1</sup> and/or sustainability<sup>1</sup> labels is still limited. Consequently, the corresponding proportion of purchased meat certified as organic<sup>1</sup> and/or sustainable<sup>1</sup> in 2018 was also very low: Beef 7.6% (2017: 10.9%), pork 5.7% (2017: 6.7%) and poultry 18.3% (2017: 15.9%). The changes from the previous year are attributed to shifts in the product mix and to inventory management.

In 2018, more than 99% of the soybeans we used were certified organic<sup>1</sup> and/or sustainable<sup>1</sup>, which was unchanged compared to 2017. In the seafood category, the relative share of fish we sourced that was certified organic<sup>1</sup> and/or sustainable<sup>1</sup> was 83.2% (2017: 79.0%); for shellfish it was 42.2% (2017: 51.2%).

A very small number of ORIOR products still contain palm oil. Palm oil production has been controversial for years because swaths of tropical forest in many countries have been logged, burned or bulldozed or the land of smallholder farmers expropriated for oil palm expansion. To mitigate these issues, ORIOR intends to

<sup>1</sup> The organic and sustainability labels found on our products and included in our statistics are listed in the index on page 62.

cease using palm oil entirely latest from 2022 onward. We are continuously testing alternative, regionally cultivated fats and oils that could be used to replace palm oil. We are already quite close to achieving our goal of phasing out palm oil completely by 2022. Palm oil currently represents less than 0.02% of our aggregate procurement volume (kg). The number of products we sell that still contain palm oil is therefore quite small. For those products only organic or RSPO-certified palm oil according to the supply chain models Identity Preserved (IP) or Segregated (SG) is used.

**GRI 102-9**

As a food producer, ORIOR Group acts as a link between the producers of agricultural raw materials and our customers, most of whom are either food retailers, food service channels or specialised retailers. While the value chain may differ somewhat depending on the product group or segment, at a fundamental level it is the same for every competence centre.

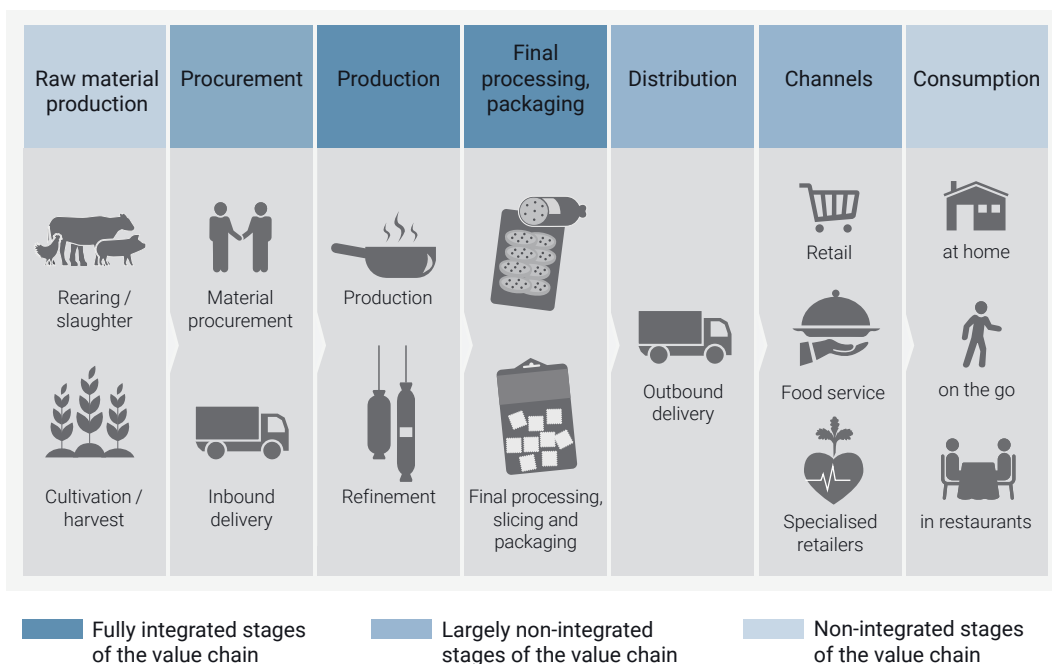
**GRI 103-2, GRI 103-3**

**We promote regional and local sourcing**

We buy our agricultural raw materials from local sources wherever possible and sensible. Firstly because it's part of our commitment to our production sites, as this policy supports primary sector activity in the surrounding local economy. Secondly, to keep transport distances as short as possible, which lowers the environmental impact. Thirdly, because we are convinced that agricultural raw materials produced in Switzerland meet world's leading standards in terms of food safety and sustainability. The latter applies to both livestock production and food crops – which can then also be better monitored and assessed thanks to the geographical proximity – and also to social and ethical production conditions. The aggregate share of the major agricultural raw materials we process that were sourced from domestic producers amounted to 71.2% in 2018 (2017: 69.1%). A detailed breakdown by beef, pork, poultry and whole-egg mix is given in the following chapter 3.2 "Animal welfare".

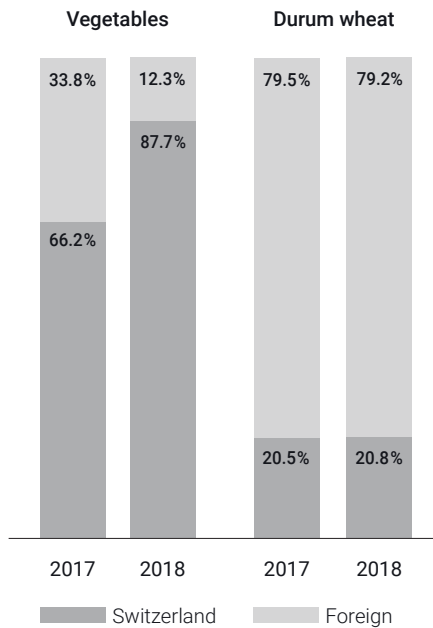
**GRI 102-9**

**ORIOR Convenience and ORIOR Refinement – value chain**



In 2018, 87.7% of the vegetables we processed were grown in Switzerland. This increase from 2017 is attributable to Biotta. Very little durum wheat is cultivated in Switzerland, so most of it we import from foreign sources, Canada in particular.

**Country of origin for vegetables and durum wheat**  
(% of purchasing volume in kg)



GRI 103-2, GRI 103-3

**Close, long-lasting relationships with suppliers**

Long-lasting close relationships with suppliers are important to us and we seek to implement fair conditions in our business relationships. To ensure sustainability and quality, we rely on partnership programmes, such as the BTS programmes (a voluntary Swiss programme for animal-friendlier housing requirements), which our suppliers in foreign countries are also requested to meet (refer to chapter 3.2, Animal welfare). We additionally audit our suppliers on a regular basis. All audit findings are regularly discussed by the "Quality" Champion Group, so that other competence centres can also benefit from the insights. An audit management tool is currently being tested at Fredag. If it proves its worth, a large-scale rollout will be planned.

If a supplier does not meet or comply with our sustainability specifications, we will first contact them to identify the reasons for the situation at hand. If non-compliance is not corrected within a reasonable period of time, a warning will be issued. If a repeated

failure to comply with our requirements is established during our follow-up inspections, a decision will be made whether to terminate the business relationship with the supplier in question.

GRI 103-3

**Outlook**

We are confident that we will reach our set goals thanks to the the outlined activities we have initiated. Some challenges over which we have little influence will no doubt confront us as we go forward. Limited availability of certain agricultural raw materials that are certified organic and/or have other sustainability labels is one such challenge. Demand for these ingredients cannot be satisfied in every raw material category so procurement costs are bound to rise. Volatile weather patterns are another challenge. This was obvious in 2018 when hot, dry conditions across Europe had a severe impact on crops and crop yields.

2019 will see the start of the rolling implementation of the "Responsible sourcing policy" for our branded products. As part of that, organic and sustainable raw materials in ORIOR's major raw material categories will be separately captured. We will continue to work on our recipes and improve our products from qualitative, culinary and nutritional standpoints.

**Growing popularity of organic food**

Growing organic niche market

Organic food products have been growing in popularity for years and the variety of such products on offer in the food retail and food service channels has steadily increased. We produce a large number of organic food products on behalf of our customers. The most frequently used labels for our organic products are Migros Bio, Knospe Bio Suisse, Naturaplan and Naturafarm (Coop), the EU organic logo, and Demeter.

We also brought the pioneering Swiss producer of organic products into the ORIOR family through the acquisition of Biotta in May 2018. This transaction clearly strengthened our capabilities in organic processing and production. Biotta has a long tradition of producing quality juices from organically grown vegetables.

## 3.2 Animal welfare

Respect for farm animals along with responsible and humane breeding, husbandry and slaughter methods are fundamental to our corporate culture and these basic principles must also be embraced by every supplier we do business with, in Switzerland and abroad.

GRI 103-2



# 100%

**Our ambition:** By 2025, we aim to source all meat for the Swiss market from Switzerland, from other producers that comply with Swiss animal protection laws or are certified by a sustainable/organic label.

We have formulated the following milestones towards that goal:

- By 2022, we will exclusively process fish and shellfish from sources certified as sustainable.
- By 2025, ORIOR will exclusively process meat for the Swiss market that either came from Switzerland or was produced in compliance with Swiss animal protection laws as a minimum.
- Our aim is to continuously raise the proportion of eggs sourced from Swiss free-range or EU KAT-certified<sup>1</sup> free-range producers to 100% by 2025.

GRI 103-1

### What it means for us

Respect for farm animals along with responsible and humane breeding, husbandry and slaughter methods are basic principles that must be embraced by our Swiss and foreign-based suppliers. We take uncompromising and convicted care that our meat products as well as the self-procured eggs come from animal-friendly husbandry. Farm animal welfare has received more attention through the media and it will remain a topic of growing general interest. Consumer awareness of this issue has therefore also increased.

ORIOR's decision to report on its sustainability commitment and goals was influenced not least by this growing public awareness. Greater awareness and understanding of the value of responsible and sustainable raw materials ultimately increases consumer appreciation of a fair trade-off between product cost and benefits. That has alleviated the tremendous pressure on

product selling prices, although only to a minor extent thus far. Considering the above, we clearly welcome this growing consumer awareness and concern, because the food choices consumers make likewise play a vital role in improving farm animal welfare.

GRI 103-2, GRI 103-3

### How we will reach our goals

We shoulder our responsibility as a producer of premium quality meat specialities and view it as our duty to promote the welfare of farm animals. We are raising the proportion of meat sourced from suppliers who adhere to animal friendly practices and/or have received sustainability certification. We are achieving this by steadily increasing the proportion of Swiss-sourced meat and of imported meat that, at a minimum, is in compliance with the provisions of the Swiss Animal Protection Ordinance (TSchV), among other efforts.

In our seafood sourcing activities, the purchasing volume of uncertified fish and shellfish is now very small and none of the seafood we buy is listed as a threatened or endangered species. We are striving to achieve our goal of exclusively processing fish and shellfish that have been sustainably farmed or caught by 2022 and we are willing to forgo sales if necessary in order to reach this goal. The welfare of laying hens is equally important to us: We require compliance with Swiss free-range and KAT-certified<sup>1</sup> EU free-range standards when buying eggs directly.

Close relationships with suppliers and business partners are indispensable in our efforts to advance farm animal welfare. We source meat and eggs directly from producers we know and can audit ourselves on-site, or from certified intermediate suppliers with whom we maintain long-standing, close partnerships. Moreover, we are members of several associations lobbying for change in society, politics and business, including on topics such as agriculture and animal welfare.

Responsibility for the issue of animal welfare has been delegated to the "Quality" and "Procurement" Champion Groups. The former ensures that the given goals are systematically pursued while the latter monitors goal

<sup>1</sup> See explanation KAT in the GRI content index on page 63.



progress. Guidelines and requirements have also been established in our internal "Responsible sourcing policy" (see page 21) that the quality managers are introducing and implementing on a rolling basis, at the present time only at the Swiss production sites. The quality managers ensure seamless communication with procurement staff so that they are goal-oriented too. Quality managers report to the Swiss Leadership Team at regular intervals; the Swiss Leadership Team has decision-making power over the targets and the corresponding measures drawn up by the quality managers.

GRI 103-2, GRI 103-3

**We are increasing the volume of meat sourced from animal-friendly environments**

By 2025, we aim to source all meat for the Swiss market from Switzerland, from producers outside of Switzerland that comply with Swiss animal protection laws or from farms that are certified by a sustainable/organic label. We want to achieve this by continuous improvement, in order to promote animal welfare at ORIOR.

Already today, most of the meat we buy for the Swiss market complies with national and/or regionally certified animal welfare and sustainability standards and transport distances are relatively short, which lessens the environmental impact. Switzerland has some of the strictest animal welfare laws in the world, so we source as much meat as possible from Switzerland (see chapter 3.1, Sustainable raw materials) or – if that's not possible – from foreign suppliers who are in compliance with the provisions of the Swiss Animal Protection Ordinance (TSchV). Monitoring by public-sector agencies serves as an additional guarantee of compliance with the stated requirements. Unfortunately, in some of the meat categories we process – poultry and beef, for example – it is not possible to use Swiss meat only because total demand exceeds domestic supply.

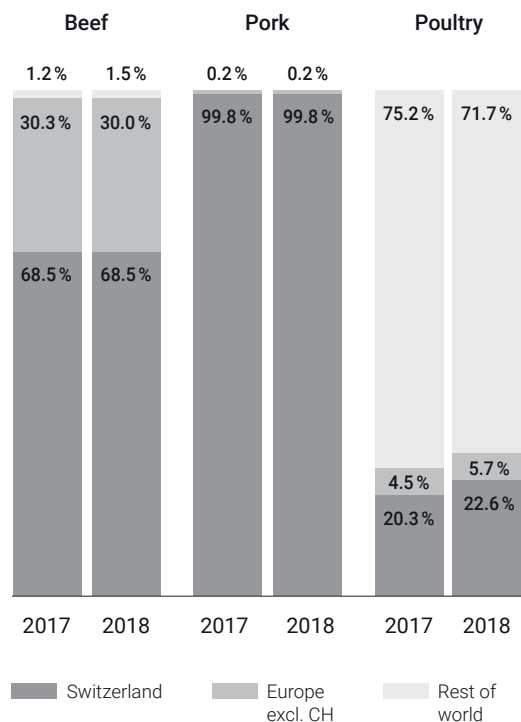
We eschew any kind of force-feeding practices in foie gras production and process only duck or goose liver that has been produced without force-feeding. In addition to traceability and certified husbandry practices, labels or certificates concerning animal welfare or sustainable production practices serve consumers as a guide when making food choices.

Already today, ORIOR sources and processes a wide range of ingredients for products with sustainability labels such as "Suisse Garantie", "Knospe Bio Suisse", "IP-Suisse/Terra Suisse", "Aus der Region. Für die

Region.", "V-Label", "Bio Suisse", "Migros-Bio", "Miini Region", "MSC" and "Fairtrade".

The most important meat categories used at ORIOR are beef, pork and poultry. The aggregate share of these meat categories sourced from domestic producers stood at 76.2% in 2018 (2017: 76.9%). Viewed separately by meat type, there are considerable differences. The reason for this in poultry, for example, is that Swiss supply is insufficient so poultry products must be imported from foreign producers. On the other hand, almost our complete pork demand can be satisfied by domestic producers.

**Origin of main meat categories**  
(% of purchasing volume in kg)



Domestic supply of niche meat products such as game, lamb, horse, rabbit, duck and goose is limited, so these products are imported from European countries, Australia, New Zealand or Uruguay. The relative share of the products we sell that contain these niche meat raw materials is currently less than 5%. Therefore, they are not listed among our main agricultural raw material categories.

The availability of meat produced in accordance with recognised organic<sup>1</sup> and/or sustainability<sup>1</sup> labels is still

limited. Consequently, the corresponding proportion of purchased meat certified as organic<sup>1</sup> and/or sustainable<sup>1</sup> in 2018 was also very low: beef 7.6% (2017: 10.9%), pork 5.7% (2017: 6.7%) and poultry 18.3% (2017: 15.9%). The changes from the previous year are attributed to shifts in the product mix and to inventory management.

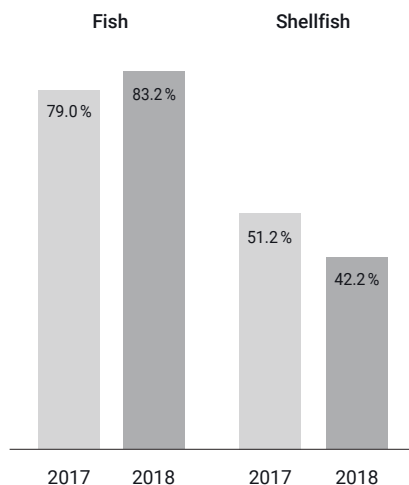
Our meat import business is conducted solely with recognised and internationally certified suppliers who demonstrate a sufficient level of respect for both human and farm animal rights. We maintain close partnerships with the cooperative for imported livestock and meat (GVFI) and with foreign suppliers of raw materials and request that their animal husbandry is in compliance with Swiss animal protection laws. We want to enforce this requirement with all of our suppliers by 2025.

GRI 103-2, GRI 103-3

**Going all the way for sustainable fish**

Our competence centres process small amounts of fish, seafood and shellfish. These products cannot be sourced from Switzerland, or only to a very limited extent, and so are mainly imported from elsewhere in Europe or fisheries and fishing activities in more remote locations such as Bangladesh, Vietnam, New Zealand or the Pacific Ocean. Overfishing, catastrophic general conditions and inhumane transportation of living creatures are unacceptable to us. Our aim is to source 100% of our fish and seafood from sustainable sources by 2022. This means all our purchases will be from MSC-, ASC- or organic-certified fisheries or have a WWF fish guide rating of “recommended” or “acceptable.”

**Share of fish and shellfish with organic<sup>1</sup> and/or sustainability labels<sup>1</sup> (% of purchasing volume in kg)**



The downward change for shellfish can be attributed solely to inventory management. We use lobster only in very tiny amounts; all lobster sourced is cooked and frozen and has a WWF rating of at least 3.

GRI 103-2, GRI 103-3

**We maintain long-lasting, close relationships with our suppliers and partners**

Long-lasting and close relationships with our suppliers are crucial in our efforts to promote animal welfare. Thanks to such relationships, we can participate in partnership-based programmes and also set new requirements if necessary and sensible.

We source meat, fish and eggs directly from producers whom we know or, should this not be the case, from certified intermediate suppliers. To ensure sustainability and quality, we audit our suppliers at regular intervals. Suppliers who fail to meet our requirements are immediately issued a warning and they must correct their non-compliance within a short period of time. Any supplier that fails a follow-up inspection will be taken off our list of authorised suppliers.

GRI 103-2, 103-3

**We are committed to Swiss free-range and EU KAT-certified<sup>2</sup> free-range eggs**

We care about the welfare of laying hens. There is huge disparity in hen housing systems and welfare, ranging from strict organic standards to “happy” free-range chickens to deplorable battery cages.

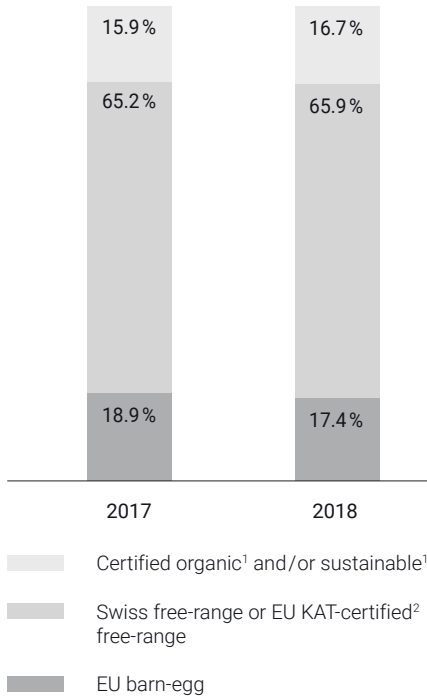
Our Convenience segment uses a lot of eggs, notably at our Pastinella fresh pasta production plant in Oberentfelden. Eggs, or whole-egg mix, therefore, qualify as a major raw material category for us. On that account, we devote a lot of thought to where we source our eggs and to the housing conditions for laying hens. We source all the eggs we process in Switzerland from a Switzerland-based partner who imports the whole eggs, processes them to a liquid form and sells the whole-egg mix. Our partner sources the eggs in Europe based on quality and availability criteria. Most of these eggs come from the Netherlands, Italy and Germany.

Our aim is to continuously raise the proportion of eggs sourced from Swiss free-range or EU KAT-certified<sup>2</sup> free-range producers to approximately 100% by 2025. In 2018, 82.6% of sourced product met our targets, 16.7% of which additionally met the criteria of internationally recognised organic<sup>1</sup> and/or sustainability<sup>1</sup> labels.

<sup>1</sup> The organic and sustainability labels found on our products and included in our statistics are listed in the index on page 62.

<sup>2</sup> See explanation KAT in the GRI content index on page 63.

**Relative share of eggs of certified quality  
(% of purchasing volume in kg)**



**GRI 102-13**

We are members of several associations lobbying for change in society, politics and business, including on topics such as agriculture and animal welfare. By doing so, we raise our own awareness of pressing issues and also get the opportunity to position and discuss our views and needs on a wider platform.

ORIOR representatives are current members of Fial (Swiss food industry federation), SFF (Swiss meat industry association), Proviande (organisation of Swiss meat producers), the VBF (association of Swiss Bündnerfleisch producers), the EPG (European Poultry and Game Association - wholesale and foreign trade), the Swiss Fishery Association, the SCFA (Swiss Convenience Food Association) and the Ticino Chamber of Industry and Commerce. This list is not exhaustive; a complete list of the associations and interest groups of which ORIOR is a member can be found in the GRI content index on page 60 under GRI 102-13.

**GRI 103-3**

**Outlook**

We want to steadfastly pursue our goals and underscore the great importance we attach to our measures

as well as the relationships we maintain with our suppliers and partners by addressing sustainability issues at regular intervals and through our involvement in various organisations.

Internally, we will give the issue of farm animal welfare from a sustainability perspective greater standing in the ORIOR "Quality" and "Procurement" Champion Groups and delegate responsibilities more clearly than before. Furthermore, implementation of the internal "Responsible sourcing policy" will also entail the rolling introduction of systematic data collection practices so we can provide an even better overview of our efforts and increase the informational value of our disclosures.

**Award for Pastinella**

Two stars from Superior Taste Award



Pastinella's Signature Suisse product line has raised the bar for pasta products in terms of regionality and identity: A delightful dough made with Swiss wheat and Swiss eggs, stuffed with fillings inspired by traditional Swiss recipes, likewise made with the very best agricultural raw materials Switzerland has to offer. The triondo with Herens beef was recently awarded a Superior Taste Award with two stars from the International Taste Institute. We were honoured to receive this award, which for us is further proof of the importance of regionality for our claim of Excellence in Food. We are constantly working on new creations that will add more new chapters to our success story while having a positive impact on our sustainability goals and commitments.

<sup>1</sup> The organic and sustainability labels found on our products and included in our statistics are listed in the index on page 62.  
<sup>2</sup> See explanation KAT in the GRI content index on page 63.

### 3.3 Safe and healthy food

It is our mission, responsibility and duty to produce food that meets high standards in terms of culinary excellence, top quality and wholesome nutrition. To achieve these aims, we are willing to take action and invest in numerous projects and initiatives.



GRI 103-2



**Our ambition:** By 2025, we aim to significantly increase the relative share of healthy products in total production output.

Following milestones will help us to achieve this goal:

- Continuously increase the share of sales generated by certified sustainable<sup>1</sup> and organic<sup>1</sup> products by 2025.
- Revise and optimise our recipes on an ongoing basis to make our products even better from a nutritional point of view.
- Reduce our use of artificial additives in the manufacture of our products wherever possible by 2025.

GRI 103-1

**What it means for us**

The goal to achieve continuous improvement in the production of healthy and safe food is part of ORIOR's commitment to responsible business practices. Hence, this objective is already deeply embedded in how we think and act and fully integrated in our strategy. As a Swiss food manufacturer, anything else would be simply unthinkable for us. Nevertheless, for the sake of completeness, it must and will be included in our sustainability reporting. Our efforts in this area need to be transparent and visible to others, after all.

A healthy and balanced diet in combination with other factors such as exercise, fresh air and getting enough sleep is crucial to our well-being and health. Product range and availability, diversity and eating habits pose new challenges for consumers. Possible consequences include food-related disorders such as obesity and cardiovascular illnesses, while intolerances and nutritional deficiencies are quite commonly attributable to an imbalanced diet. We see it as our mission and responsibility to strive for continuous improvement of our products on every front, including quality, culinary excel-

lence and nutritional value. We take pains to make our products healthier by measures including the reduction or replacement of fats, sugar, salt and allergens. At the same time, we invest continuously in new production systems and workflows to conserve vitamins and other nutrients more effectively. Food safety is non-negotiable for us, and we view existing food safety legislation as minimum requirements which we observe and strive to exceed.

GRI 103-2, GRI 103-3

**How we will reach our goals**

Our overarching goal is to manufacture foods that are safe, healthy and meet high culinary standards. We want to improve our performance all the time and improve our products in all three areas. To achieve this, we are working on three fronts: We improve our recipes both from a culinary and a nutritional point of view by identifying ways to reduce fat, salt and sugar content and by doing without artificial additives wherever possible. We invest on an ongoing basis in our production methods and systems and improve our processes in order to retain the valuable vitamins and other nutrients of all ingredients in the finished product. And thanks to rigorous quality management, we guarantee our uncompromising commitment to unflinching food safety.

A number of units and representatives of various functions who are working together in close coordination are jointly responsible for ensuring progress towards our product improvement goals. In early development and in marketing, product improvement ambitions resulting in new creations need to be able to flourish. Again, our multi-disciplinary Champion groups have an important role to play here, because Group-wide sharing of knowledge and expertise is the main driver of improvement, especially in areas such as recipe design and technology. The "Quality" Champion Group plays a leading role in recipe management and food safety and it works closely together with staff in the R&D, marketing and production operations.

Manufacturing methods and our process architecture are permanently reviewed and adjusted by the Supply

<sup>1</sup> The organic and sustainability labels found on our products and included in our statistics are listed in the index on page 62.

Chain Excellence Manager in collaboration with the site operations managers. The parties involved in both cases report directly to the Swiss Leadership Team comprising all the CEOs of the ORIOR's Swiss competence centres and other key personnel.

Goals and goal achievement are identified and monitored by the "Quality" Champion Group and the Supply Chain Excellence Manager. Progress on measures and initiatives is formalised in the personal goals and objectives we set with our top-level management and key operations personnel and part of the performance-based component of their salary is based on the actual progress achieved.

GRI 103-2, GRI 103-3

**We improve our recipes**

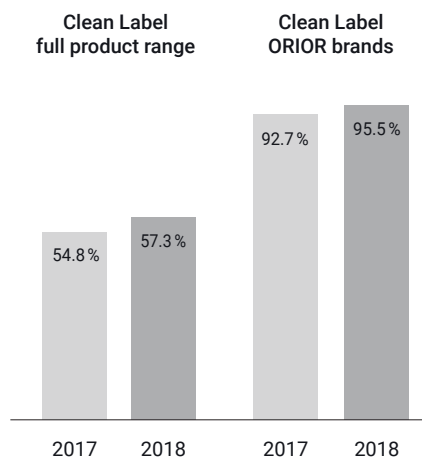
As part of our efforts to promote consumer health, it is important to us to perfect the nutritional value of our products on an ongoing basis. These efforts centre on reducing salt, sugar and fat, and preserving vitamins and minerals, while avoiding flavour enhancers and artificial additives. We plan to continuously increase the percentage of products the recipes of which we have improved in this way by 2025. To achieve this, we are continuously optimising our recipes and investing in our production systems.

Because of ORIOR's decentralised structure and the different product portfolios, recipe management was historically under local responsibility, as a result of which it was not always possible to make the best use of recipe-related knowledge and expertise. A Group-wide "Recipe Management" initiative has been pursued by the "Quality" Champion Group since 2017. Data is now captured in a Group level system that is accessible by every competence centre. Through this information-sharing system, the departments responsible for quality management can easily generate automated assessments which then form the basis for analysing additional potential improvements. Moreover, the R&D departments have improved their speed and agility, which ultimately benefits our customers because of the associated increase in innovation cadence.

Our recipe management efforts include the "Clean Label" project. It is our premium label for products with the shortest possible label wording, no flavour enhancers, no artificial aromas, colours or preservatives<sup>1</sup>, and minimum use of allergens. Sophisticated natural spice blending and ongoing investment in state-of-the-art

production techniques help us to reduce or do without salt and additives without compromising on taste. We are already very strict about our "Clean Label" requirements for our branded products. The chart below illustrates this. It shows the percentage of sales generated with products that meet our stringent "Clean Label" criteria.

**Sales generated with Clean Label products**  
Total products / ORIOR brands (% of sales in CHF)

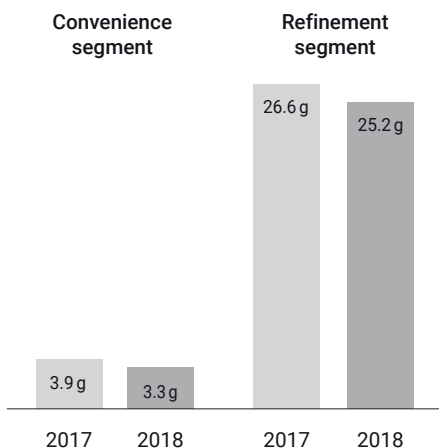


In areas that are not yet fully compliant with the "Clean Label" criteria, we are working untiringly to meet these requirements and we generally intend to reduce the content of fatty acids, trans fats, sodium, sugar and superfluous additives in all our products. Comprehensive, separate and detailed quantification by ingredient is highly complex because the spice mixes and sauces we use as ingredients may contain additives in their own right. We are working hard to identify and itemise the additives contained in these purchased products. The available data shows however that a broad range of the products we buy are already made without any artificial additives and contain very low salt levels per kilogram of product produced.

Thanks to years of work on optimising recipes, the processed salt content per kilogram of product produced in 2018 is very low, at just 11.6 g (2017: 13.7 g). Some salt losses, e.g. when boiling water or during meat maturation and other processes, cannot be quantified separately. This lost salt is therefore also included in the figures for processed salt per kilogram produced. However, the salt content of the spice mixtures and/or of semi-finished products that we purchase is not included in these statistics.

<sup>1</sup> Excluding preservatives that are necessary to ensure food safety.

**Salt content in grams per kilogram of product produced**



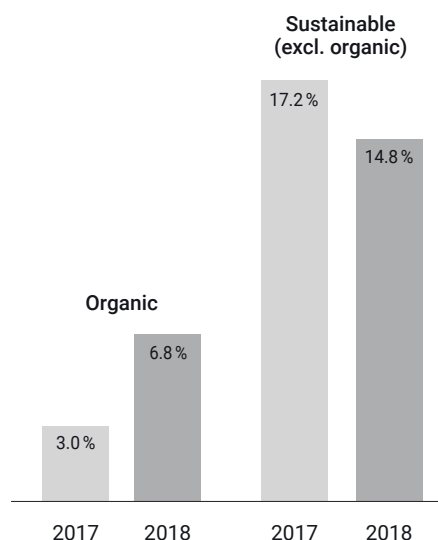
The amount of salt processed per kilogram of produced product in the Convenience segment in 2018 was 3.3 g. That is a very low figure considering that the Convenience segment contains our fresh pasta production range, Pastinella, and salt is used for blanching the pasta specialities. Sodium content in the Refinement segment for 2018 was significantly higher, at 25.2 g per kilogram. That is because salt is an integral and indispensable part of the maturation process for air-dried meat products such as Bündnerfleisch, dry-cured ham and other Refinement specialities. Despite already low baseline levels, both segments have managed to reduce the processed salt content even further by using herbs and natural flavourings.

By virtue of its strong culture of innovation, ORIOR has been a pioneer for many years in the development of products for people with food intolerances and allergies. Affected individuals need to keep to a special diet, but naturally prefer not to forgo tastes and flavours that are appealing. This is the background to our “Care” range. As well as delivering to hospitals and homes, we supply “Care” products to the retail segment, with examples including gluten- and lactose-free pasta and lactose-free menus. The main labels in the Swiss market are “aha!”, issued by the Allergy Centre of Switzerland, and Coop’s “free from” label. Quite a few of our products have been awarded these certificates.

Another important indicator is the percentage of products awarded organic<sup>1</sup> and/or sustainability<sup>1</sup> labels. The standards and requirements underlying these labels generally take health-related aspects of food prod-

ucts into account, such as pesticide use. For further details, see chapters 3.1 Sustainable raw materials and 3.2 Animal welfare. In 2018 the overall proportion of ORIOR products (in CHF) that were certified as organic<sup>1</sup> and/or sustainable<sup>1</sup> was 21.6% (2017: 20.2%). A breakdown by certified organic and sustainable reveals a disproportionate increase in the relative share of organic products. This can be traced to Biotta, which ORIOR acquired in May 2018. The decline in the proportion of products with a sustainable label is attributed to changes in the product mix.

**Proportion of product sales (in CHF) certified as organic<sup>1</sup> and sustainable<sup>1</sup>**



GRI 103-2, GRI 103-3

**We invest in our production systems and workflows**

Besides recipe optimisation, technology and technology-driven solutions also play a key role when it comes to producing safe and healthy food. Progress here is driven on the one hand by improving our production systems and technology and, on the other hand, by refining and optimising our workflows. We have always invested in our production systems and processes because we are convinced that this delivers multiple benefits at a stroke. Besides the nutritional benefits, for example thanks to even more efficient retention of vitamins, minerals and other nutrients, investments in our production systems are also good for our business profitability and for the environment. Modern production facilities are more energy efficient and reduce the amount of waste generated, which has a positive impact on our cost base as well as our overall energy and waste footprint.

<sup>1</sup> The organic and sustainability labels found on our products and included in our statistics are listed in the index on page 62.

GRI 103-2, GRI 103-3

### **We guarantee food safety**

Seamless management of product quality and safety is the very foundation of our success as a company. Our customers, along with consumers in general, have high expectations when it comes to food quality and safety, and rightfully so. We have developed and deployed a systematic quality management plan that on most points goes well beyond the minimum legal requirements.

GRI FP5

100% of the production output in the scope of this report comes from certified production facilities. All seven of ORIOR's production plants have GFSI (Global Food Safety Initiative) recognised certifications from FSSC 22000, International Food Standards (IFS) and other bodies. These standards are reviewed by an external, accredited certification body. The "Quality" Champion Group that was established approximately two years ago ensures a Group-wide dialogue and knowledge sharing. Mutual audits of all production sites are routinely performed by the members of this Champion Group.

In addition, the competence centres also comply with strict product certification programmes such as Suisse Garantie, Bio Knospe or PGI certified (Protected Geographical Indication), in accordance with their particular product range and customer structure.

Our largest customers are active in the retail, food service, specialised retail, and food processing industries. We communicate closely with all our customers and there are direct points of contact between the competence centres and their customers. Customer complaints go directly to these points of contact and are individually handled by the unit they relate to, in accordance with our internal complaint handling procedures. All incidents of policy non-compliance or product defects must be reported by employees to their supervisors. End consumers can contact us through the websites of the competence centres and share their concerns with us. At every competence centre of the ORIOR Group, such messages are received by a central office and then forwarded to the appropriate recipient for response.

GRI 103-3

### **Outlook**

An internal "Responsible sourcing policy" is currently being deployed at the Swiss competence centres. Be-

sides sustainability aspects, it also sets forth various requirements in regard to nutrition and compliance with legal provisions and/or recommended practices and guidelines. "Clean Label" is another project that is being advanced Group-wide. Further, the Group-wide recipe management project that has been pursued by the "Quality" Champion Group since 2017 is likewise under way. Under this project, we are also increasing the granularity of the data we collect so that we can achieve even greater transparency in tracking our progress. Continuous optimisation of our production operations and the certification of our production sites are fundamental to our business approach. Here we are striving for continuous improvement from the high levels we have already achieved by exploring and embracing progressive new methods and possibilities and integrating them into our operating processes.

**Our ambitions in regard to environmental responsibility**



**-25%**

By 2025, we aim to reduce our waste intensity by at least 25% compared to our 2018 baseline.



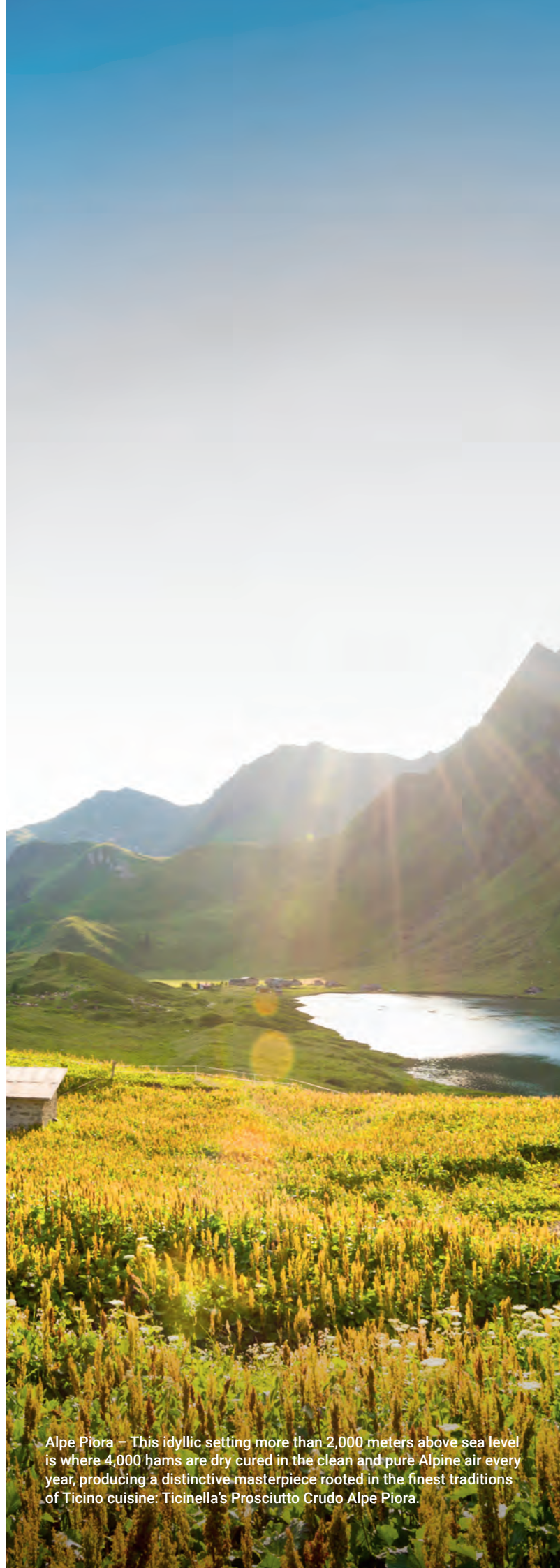
**-10%**

By 2025, we aim to reduce our greenhouse gas emissions intensity by 10% compared to our 2018 baseline.



**-15%**

By 2025, we aim to reduce our water intensity by 15% compared to our 2018 baseline.



Alpe Piora – This idyllic setting more than 2,000 meters above sea level is where 4,000 hams are dry cured in the clean and pure Alpine air every year, producing a distinctive masterpiece rooted in the finest traditions of Ticino cuisine: Ticinella's Prosciutto Crudo Alpe Piora.



## 4. Environmental responsibility

We are well aware of our environmental impact. Astute management of resources is a top priority at the Group level and at every centre of competence.

After reporting on the sustainability of our products in chapter 3, this next section describes our efforts to enforce and promote environmental responsibility throughout the company. We are currently focusing on three priority areas of activity – “Packaging and food waste”, “Climate and energy” and “Water”. Goals were formulated for each area in 2018, covering the period to 2025. In this sustainability report, we look most closely at the specific links in the value chain pertaining to ORIOR (see value chain, page 22) because this is where we can exert the greatest influence. Rigorous standards and procedures and the basic values and rules we have defined are vital to our ambition of assuming responsibility for our environmental impact, even in the upstream and downstream value chain processes. For example, the issue of environmental responsibility is also addressed under Product responsibility (see chapter 3).



## 4.1 Packaging and food waste

For years, we have been optimising our production processes and logistics to reduce the volume of waste we produce. Equally important for the reduction of packaging and food waste is even closer collaboration with our partners.

GRI 103-2

**-25%**



**Our ambition:** By 2025, we aim to reduce our waste intensity by at least 25% compared to our 2018 baseline.

Following milestones will help us to achieve this goal:

- We want to reduce our waste production by approximately 5% every year.
- We want to develop and introduce a policy for considering waste even at the capital equipment acquisition stage.
- We are strengthening Supply Chain Excellence for further process optimisation along the entire value chain.

GRI 103-1

### What it means for us

All over the world, far too much food is still ending up as waste. This is a concern because the amount of used and discarded resources has an impact on ecosystems, biodiversity, local communities and the climate. Throwing away food is also wrong on moral grounds, and it reduces our cost efficiency. Packaging is another area of concern and needs to be reduced or optimised wherever possible to minimise negative ecological impacts. The importance of the issue is reflected in its high media profile and, increasingly, in its resonance among consumers. The global waste mountain is vast and all of us bear responsibility in equal measure to minimise the amount of waste we produce. Packaging and food waste is generated throughout the value chain. As we see it, our responsibility to make a difference is not limited to the section of the value chain in which we operate but extends beyond that to upstream and downstream value creation processes.

GRI 103-2, GRI 103-3

### How we will reach our goals

Mindful resource management is a declared goal and a top priority at all ORIOR competence centres. Our efforts to reduce waste are focused on three areas of action. For years, we have been optimising our busi-

ness processes and logistics to reduce waste volumes right from the manufacturing stage. Collaboration with upstream and downstream partners in the value chain is equally important for more accurate planning and coordination of procurement and production activities, among other reasons. Last but not least, we make every effort to make good use of semi-finished and finished products that are perfectly fit for consumption but no longer marketable by the usual channels. This includes donating such products to partner organisations such as food banks (e.g. "Tischlein deck dich" in Switzerland).

Our analysis of packaging and food waste volumes differentiates between process waste and surplus waste. Process waste, in turn, is divided into two categories: One is waste generated due to a process, for example when starting or stopping production equipment, rejects that do not comply with product specifications, or losses due to error. The second is losses arising during final processing, slicing and packaging. This category typically includes trimming spillage (e.g. dough left over after cutting out ravioli shapes). Surplus waste is semi-finished or finished product that cannot be marketed through normal distribution channels. Reasons for such surpluses range from overproduction and inaccurate planning to fluctuations in demand or when a retailer discontinues a product line.

Food waste is a highly complex issue, the successful management of which requires the meticulous attention of many different roles in many areas of each competence centre. In our quest for continuous improvement, we have embedded the issue of food waste across a broad base of the organisation, from strategy formulation and performance targets to R&D and the subsequent links in the value chain – procurement, production and sales. The importance of this issue and the need for continuous improvement must be acknowledged throughout the company.

We have already made significant strides and achieved relevant improvements in recent years. However, we can still achieve more, and we intend to do so. That is why we have set ourselves the ambitious goal of improving our waste footprint by another 25% by 2025. This will require the efforts of the entire organisation, in

particular our Supply Chain Excellence and the “MRO” Champion Group (Maintenance, Repairs and Operations Procurement), which is tasked with optimising processes throughout the organisation. The “Operations”

GRI 103-2, GRI 103-3

**We are strengthening Supply Chain Excellence for further process optimisation**

At all our competence centres we are continuously striving to improve our process landscape to minimise waste generation right from the production stage. These efforts include the introduction in early 2016 of the role of a Head of Supply Chain Excellence whose job is to initiate Group-wide improvements and to be involved in their implementation. Supply Chain Management (SCM) – which we call Supply Chain Excellence – includes all the processes and workflows involved in adding value in a company and as such is not restricted to a single unit or department. The concept embraces the entire organisation, from procurement to development and innovation, to production operations and sales. Decisions and strategies need to be based on this overarching analysis, the objective being to boost our competitiveness and long-term corporate performance end to end.

**Carton consumption reduced by 10 tonnes**

Pastinella phases out bag toppers



Less is more: Pastinella is switching to much greener packaging for two of its product lines by dispensing with carton bag toppers and header cards and printing all the necessary product information directly on the food bags. At first you might think that doesn't make much of a difference, but this decision will reduce Pastinella's annual carton consumption by about 10 tonnes based on the production volumes for these two product lines and, further up the value chain, it will conserve 20 tonnes of wood, 1 million litres of water and other natural resources that were required to produce the carton.

The sustainability of our processes is part of that effort, and this includes the issue of packaging and food waste. The Head of Supply Chain views and analyses the processes from a holistic perspective and incorporates the experience of the other competence centres, resulting in sound and robust optimisation solutions. Lateral thinking and readiness for change, coupled with commitment and teamwork, are key factors; a sound and strong body of data for measuring performance is a basic prerequisite.

We are thus striving for a holistic view of the value chain with the objective of maximising leverage potential and impact. This all starts with the new machines and equipment we buy: Food waste is a non-negotiable part of these decisions and sustainability in general must also be taken into consideration. Particularly when investments are being made in new technological resources, it is vital to take process waste and process efficiency into consideration, in addition to energy and employee efficiency. That applies to both food product and packaging material investments. We are therefore working on an internal “Group policy for capital equipment purchases” that will formalise procedures and set forth all the applicable minimum requirements.

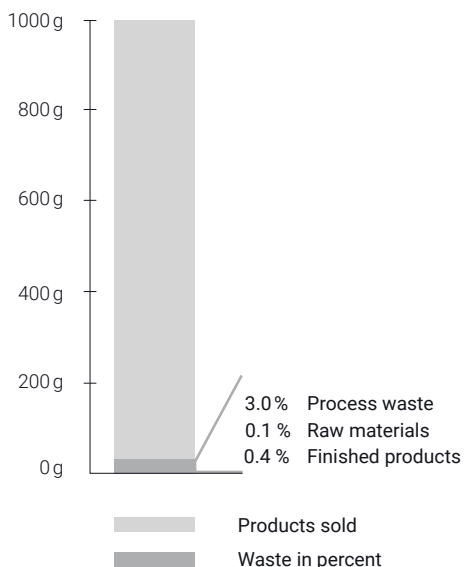
Champion Group shares some of the responsibility since operations managers are responsible for continuous improvements in day-to-day business and they are the ones who ensure that the teams are following the established policies and procedures and moving in the right direction. Last but not least, the sales teams and marketing departments have an essential role to play, given that ordering methods and intervals, volume agreements and packaging design determine much of what happens later during the actual production process. Packaging and food waste statistics (organised into the categories described above) have been included in monthly financial reports. The resulting statistics and trends are an integral part of the quantitative models used to calculate the compensation of the competence centres' management teams.

Because many different departments and employees at every level of the hierarchy need to be part of our effort to reduce food and packaging waste, training in these areas is essential.

**GRI 306-2<sup>1</sup>**

In fiscal 2018, waste accounted on average for 3.5% of each kilogram of product manufactured. This equates to less than 10 g of waste per 250 g of product. Process waste accounts for 3.0% of total waste. As stated before, it is reduced by improving processes and equipment and through appropriate employee training. There is no way to eliminate process waste entirely, however, since it includes unavoidable waste such as inedible fruit and vegetable peelings. The remaining waste of 0.5% per kilogram of product manufactured comprises 0.1% raw materials and 0.4% finished products. The latter category includes all semi-finished and finished products that cannot be distributed through the usual channels or sold at the usual prices. Hence, this category contains also products given to charitable organisations or served in employee restaurants.

**Waste per kilogram of product manufactured**



ORIOR does not produce hazardous categories of waste for disposal. Pork rinds are required by law to be collected separately and incinerated, but they do not qualify as toxic or hazardous waste. For some of our products, we use lye or acids, which can be potentially harmful in a concentrated form. We use chlorine products for instance for cleaning or lye and acids in the manufacture of certain specialities. All potentially hazardous substances are stored in a separate location in the competence centres, access is strictly controlled and granted to qualified personnel only. All these sub-

stances are safe after processing or dilution, which is essentially the state they are in when sent for disposal in line with applicable regulations.

**GRI 103-2, GRI 103-3**

**We are strengthening our partnerships in the upstream and downstream value chain**

A holistic approach to waste throughout the value chain of our products is very important to us. That is why we strive to have a positive impact on our business partners' waste footprint through our business practices and the choices we make. Close connections and a working relationship of trust and respect are fundamental to those efforts.

Arguably one of the most powerful drivers in waste prevention of any kind is accurate planning. That goes for R&D, marketing, procurement, production and sales in equal measure. We see close collaboration with upstream and downstream partners in the value chain as an essential tool in improving the accuracy of our planning. This can be achieved in particular by identifying customers' needs early and precisely in order to align purchasing volumes and production processing volumes as closely as possible with those needs.

Timely and precise planning also helps avoid duplication in logistics, with positive effects on efficiency and energy consumption. Conversely, it is also important that we know our suppliers well and that they do not end up discarding raw materials. We see ourselves as the link between our suppliers and our customers and attempt to sell volumes accordingly. Where feasible and worthwhile, raw materials can be pre-manufactured and stored on our premises as semi-finished or finished products. While that may not always reflect positively in our own waste footprint, it does help to minimise wastage of perfectly sound raw materials in the upstream value chain. In that manner, we contribute to a more positive overall waste footprint across the value chain, not just in our own operations.

**GRI 103-2, GRI 103-3**

**We try to make effective use of surplus but perfectly sound semi-finished and finished products**

No matter how hard we try, food waste cannot be completely eliminated. Because of damaged packaging, short sell-by dates or overproduction, certain products may no longer be marketable via the usual channels. In such cases, we look for solutions with partners to make good use of surplus food that is perfectly fit for human consumption. The partners we work with include food

<sup>1</sup> The waste statistics for 2018 in this report do not yet include Biotta data. These figures should be available in full from 2019 onwards, ready for inclusion in the next report.

**Together against food waste**

Biotta is saving carrots



30 metric tons of organic carrots left unsold in the north-eastern corner of canton Zurich known as Weinland narrowly escaped being ploughed under late in 2018. Grassrooted, an organisation pledging to battle food waste, bought the carrots from the farmer and, in Biotta, found the right partner to turn them into premium organic carrot juice. The juice was sold in Coop stores in a limited edition labelled "Together against food waste" – a great campaign that shows what people can achieve when they come together and connect.

marketing teams in sustainability issues because they are the ones who come up with new sustainable products and who market and sell them. All in all, we are confident that all the measures and initiatives we have brought forth will enable us to improve our waste intensity by 5% annually as targeted.

Packaging, especially plastic packaging, is a hugely important and much-discussed topic. Embracing targets for handling plastic is an indispensable part of our sustainability drive. Holistic analysis and measurement across competence centres is challenging and complex. We have limited influence on packaging choices for most of the products we make. Nevertheless, we see it as our duty to propose more sustainable packaging solutions to our customers on an ongoing basis. Consolidating the initiatives and measures under way on this front is not yet possible. However, we aim to examine appropriate forms of presentation for next year that will enable us to report on our contribution towards reducing plastic waste.

banks like "Tischlein deck dich", "Schweizer Tafel" and Ticino-based "Tavolino magico". These organisations collect food and distribute it to people in need in Switzerland. Whatever remains is used for animal feed or in biogas production.

GRI 103-2

**Outlook**

We intend to improve Supply Chain Excellence throughout the Group in order to explore and implement ways of further reducing packaging and food waste throughout the value chain. We will also be promoting information-sharing, collaboration and the readiness and commitment to work for change, proactively and affirmatively, across and within disciplines through various measures, including the Group-wide ORIOR Champion model. As regards capital equipment purchases, we are establishing and launching an internal Group policy with minimum requirements that include sustainability criteria such as waste prevention and saving energy.

Another goal we have set for 2019 is to broach sustainability issues proactively with our partners and offer them innovative products and services that help to make all of us more sustainable. To this end, we are deepening the involvement of our R&D, sales and

**ORIORinside**

Cutting paper use



ORIORinside

The ORIOR app "ORIORinside" offers lots more features in addition to sharing information: Not long after its launch, the first competence centres started using ORIORinside to send out rosters and payslips. The benefits are obvious: employees get convenient and immediate access to their rosters and work-related documents, and we save huge amounts of paper – and paperwork!

## 4.2 Climate and energy

World energy consumption is steadily increasing and has become one of the most challenging environmental issues of our times. We believe it is our duty to continue our efforts to reduce our energy consumption and protect the climate for future generations.

GRI 103-2



# -10%

**Our ambition:** By 2025, we aim to reduce our greenhouse gas emissions by 10% compared to our 2018 baseline.

Following milestones will help us to achieve this goal:

- Steady reduction in electricity consumption.
- Continuous improvement in energy intensity, through infrastructure optimisation and other measures.
- Investment in a wood chip heating system at Biotta.

GRI 103-1

### What it means for us

The food industry is a significant contributor to climate change because of the greenhouse gases that are emitted throughout its value chain. Most of these emissions arise from processing stages further up the supply chain, for example livestock production. At the global level, the agricultural sector is responsible for about one quarter of all greenhouse gas emissions. We manage this topic in our approach to sustainable materials (as described in chapter 3.1). Greenhouse gas emissions also arise in food production processes, for example from the energy that is consumed during these processes. It is our duty as a food producer to assume responsibility for our impact on the environment. We aim to continuously optimise our greenhouse gas emissions by implementing energy efficiency measures, for example, and using renewable energy produced from sustainable sources. Such action is also intended to make us a reliable and attractive partner for the companies we do business with and to enable us to positively influence their upstream value chains as well. We encourage and urge our business partners to pursue similar efforts.

GRI 103-2, GRI 103-3

### How we will reach our goals

ORIOR formulated an environmental responsibility policy in 2008 that applies to every centre of competence. In it, we took it upon ourselves to minimise our environmental impact as much as we can. Energy consumption and greenhouse gas emissions are key metrics for a manufacturing company. We want to reduce our energy consumption through continuous improvements and to lower our carbon emissions by at least 10% by 2025. We intend to achieve these goals by making our production operations more energy-efficient and through the greater use of renewable energy.

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### Pioneering project

Biotta invests in wood chip heating



Biotta is investing in the future and building a wood chip heating system. In perfect alignment with Biotta's business and philosophy, from 2020 onwards, the unique vegetable and fruit juices will be manufactured using carbon-neutral heat (and thus without fossil fuels) for the production processes and building heating. The project would not have been feasible without teaming up with Rathgeb Bio and funding from KliK, a climate protection and carbon offset foundation and the canton of Thurgau. All the same, Biotta is investing a very large sum to bring this project to life. Moreover, its energy costs are set to rise because a natural gas system would have been more economical. But the extra investment is worth it: Biotta will be using 100% renewable energy while lowering its carbon emissions by some 400 metric tons annually and supporting the local economy by purchasing wood chips. The system is scheduled to go on stream in October 2019. A milestone in Biotta's history and a pioneering breakthrough project for the whole of ORIOR.

Big-picture thinking will be crucial towards the attainment of our goals. Energy and climate issues are deeply embedded in our thoughts and actions. They help to guide our business activities and processes, beginning with the investment decisions we make. We set specific goals and measure our performance in terms of the amount of power, heating oil, crude oil, natural gas and fuels that we consume. Training and support are offered to ensure that everyone is pulling in the same direction and we expect all teams to actively contribute to our progress towards our goals.

Ultimately, then, each and every ORIOR employee is engaged in our approach to energy and climate topics. Leading by example and employee training and development help to anchor the relevant issues in the minds of all of us at ORIOR, so that they become a reflexive part of our actions. Some employees play a vital role in achieving our energy and climate goals by virtue of their roles. These are the members of the "MRO" Champion Group (Maintenance, Repair and Operations), which is responsible for purchasing activities in these areas, and the "Operations" Champion Group. The "Logistics" Champion Group is responsible for management of energy and climate issues further up or down the value chain. The R&D and marketing teams also bear a major responsibility for they are the ones who produce new innovations and thus lay the groundwork for process optimisation at later stages of the production process.

The Champion Groups report directly to the Swiss Leadership Team, which is also responsible for setting objectives, evaluating performance and for reporting the relevant information to the Executive Committee. The underlying key figures on energy consumption are an integral part of the monthly reporting process – and thus integrated in employee performance reviews – as well as one element of unit management compensation schemes.

GRI 103-2, GRI 103-3

**We embrace energy-efficient production methods**

All production companies at ORIOR are engaged in collaborative programmes with the Energy Agency for Industry (EnAW). As a service platform for businesses, the EnAW advises manufacturing companies on how they can reduce their CO<sub>2</sub> emissions and raise their energy efficiency. The voluntary participation of the centres of competence in EnAW programmes reflect ORIOR's commitment to these goals. In collaboration with EnAW advisors, annual site-specific reduction targets and measures in keeping with the principle of

**Fredag optimises operations**

Saving electricity and heating oil



The competence centres teams regularly explore ways to make operations even better. There is no alternative route in a fiercely competitive business like ours where there is relentless pressure to boost efficiency. Our sustainability goals are another increasingly important driving factor. In collaboration with an external partner, Fredag set out to optimise its HVAC systems. Evidently with success: peak ventilation and air-conditioning time-of-use is now almost perfectly aligned with actual production time. At off-peak times, the output of the HVAC systems is turned down to a minimum. The move also involved fine-tuning the mix between cooling and ventilation. Fredag expects for these two modifications to save 400,000 kilowatt-hours of electricity per year. In parallel, system combustion and heat distribution were optimised, and this has reduced Fredag's consumption of heating oil. The results speak for themselves, and other competence centres plan to seek the support of the same external partner.

economic efficiency are formulated and outcomes are monitored. Our steadfast efforts to achieve the goals we set are paying off. All ORIOR sites in Switzerland are now exempt from Switzerland's federal carbon tax. The ongoing optimisation of our business processes and systematic improvement of production infrastructure and equipment are also important aspects of our efforts to address these topics. Before we invest in new machinery and equipment, for example, we will research and compare all available options based on numerous business-relevant aspects ranging from cost, lifespan and functionality to energy consumption and carbon intensity. Over the long run, far-sighted and smart investment decisions can have a tremendous positive impact. For example, the smart use of technology

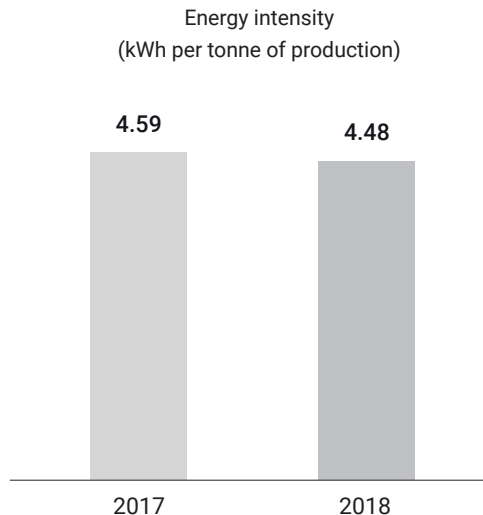
is helping us to achieve the efficiency and productivity gains that we have targeted – and that are imperative in today's highly competitive environment. This, in turn, secures the viability of our production operations and the jobs we offer in Switzerland (see also chapter 5.3, Economic performance).

A systematic and effective maintenance concept for the machines and equipment we operate is likewise important as this increases operating efficiently and thus keeps energy consumption as low as possible. Various projects promoting sustainable, value-oriented maintenance programmes for plant machinery and equipment are underway. Objectives here range from enhanced availability and lifespans to reducing production costs, and they will be achieved through interdepartmental collaboration guided by sound data and analysis. Another ongoing process is the institutionalisation of rigorous and systematic analysis in the event of machine failures or malfunctions, given that solely reactive behaviour is bad for productivity and absorbs a greater amount of resources.

The "Lean" and "5S" projects are closely linked with our value-oriented maintenance approach and likewise embedded in our value chain processes. "Lean" aims to prevent or minimise all types of losses and thereby optimise productivity. This, too, will help to reduce energy consumption per unit of sales. "5S" originated in Japan and is a systematic approach to organisational management. Under the aspects of "organise/sort", "orderliness/set in order", "cleanliness/shine", "standardise" and "self-discipline", workspaces and work environments are organised in ways that increase process reliability, which, in turn, saves time, improves efficiency and reduces process waste. The actual execution of the "Lean" and "5S" projects varies by site and the lead manager for both projects is the Head of Supply Chain Excellence. Improvement approaches that have proven the most successful are gradually being rolled out at all other sites. One example is Taktboard, a tool that visualises tasks and objectives in regard to productivity, quality, efficiency, work safety and planning accuracy on a day-by-day basis. Taktboard also serves as a channel for distributing special information and memos to specific teams.

**GRI 302-3**

We track our energy intensity (kWh per tonne of production) in our efforts to improve our energy efficiency performance. The total for 2018 was 4.48, a slight improvement on 2017 (4.59).



Energy intensity varies greatly between the competence centres, mainly because of the differences in their product portfolios.

**GRI 103-2, 103-3**

**We are committed to renewable energy**

We are committed to renewable energy wherever possible and sensible. At Le Patron, Pastinella and Möfag, non-recoverable food waste is converted to bioenergy, which helps to reduce the use of conventional energy sources. We are also committed to reducing electricity's share of our total energy consumption by at least 10% by 2025. Nonetheless, the figures for 2017 and 2018 indicate a minor 0.06% increase in electricity consumption year on year and are an indication that new measures are required.

We have centralised the purchase of electricity for all Swiss centres of competence since 2016. A project launched in early 2019 will broaden this scope to include the International segment. In addition, our electric power procurement strategy was reviewed and modified in response to steadily rising electricity prices. Our top priority now is to reduce our electricity consumption. The next step will be to optimise the electricity mix and increase the share of green electricity consumed.

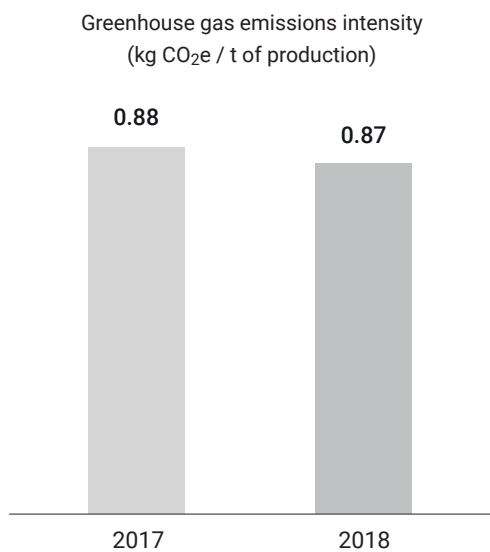
A very large project under way at Biotta entailing a considerable investment for ORIOR is scheduled for completion by the end of 2019. It involves the construction of a wood chip heating system that will be a carbon-neutral source of heat from 2020 onwards (see also page 38).



GRI 305-4

**We are reducing our greenhouse gas emissions intensity**

Reducing our energy intensity is currently the most effective way of steadily lowering our relative greenhouse gas emissions (CO<sub>2</sub>e per t of production), which amounted to 0.87 t in 2018. The slight reduction from 0.88 in 2017 is a step in the right direction, but we are aware that further measures are necessary if we are to reach our goal of -10% by 2025.



103-2

**Outlook**

Current guidelines for the purchase of new machines, equipment and vehicles will be harmonised by the "MRO" Champion Group and standard group-wide guidelines will ultimately be issued. These guidelines will include minimum standards for energy classes and exclusion criteria that will apply to all purchases of capital assets. Group guidelines are scheduled to be introduced and implemented during Q1 2020.

All Swiss sites will continue to cooperate with the EnAW and adhere to the objectives defined with the EnAW. At the same time, the "Lean", "S5" and value-oriented maintenance projects will be actively advanced and the two Champion Groups, "MRO" and "Operations", made up of representatives from several competence centres, will strive to make the sustainability goals a permanent fixture of the topics they address.

Our current data collection methods do not yet capture losses related to cooling systems. We intend to include this data in our reporting on sustainability by 2021 at the latest.

The largest capital expenditure project currently under way is a wood chip heating system for Biotta and it will be completed in October 2019 (refer to page 38).

**ORIOR Group  
Environmental responsibility policy**

Environmental awareness is one of our core values.  
Respect for natural resources and the environment is a clear goal of ORIOR.

ORIOR measures the progress and effectiveness of its environmental responsibility policies. They are monitored and measured just like productivity gains. Annual objectives are continuously assessed, and improvement measures are developed based on them.

Profitability and having the smallest possible environmental footprint are not a contradiction in terms but are rather increasingly important factors for success in today's world.

ORIOR employees are made aware of the considerable importance ORIOR attaches to sustainability; their actions have a positive influence on the company's ecological footprint.

## 4.3 Water

Water is a global issue. In Switzerland, water availability is not in jeopardy at the present time. Nevertheless, rather than viewing this as an immutable given, we are endeavouring to use this resource sparingly and wisely.

GRI 103-2



# -15%

**Our ambition:** By 2025 we aim to reduce our water intensity by 15% compared to our 2018 baseline.

Following milestones will help us to achieve this goal:

- A reduction in the amount of water used for cleaning processes.
- The formulation and implementation of a "Group policy for capital equipment purchases" that will include water efficiency standards.
- Steady optimisation of the amount of water we use in relation to output.

GRI 103-1, GRI 303-1

### What it means for us

Water is a global issue, not only because it is vital for sustainable and peaceful forms of coexistence but also because intact ecosystems are dependent on this resource. The food industry consumes large quantities of water throughout its entire value chain, for example in agriculture to water crops or during production to process foods and in washing and cleaning processes. Many important crop-producing countries have repeatedly endured water shortages that have been exacerbated to some extent by intensive farming practices. We bear responsibility for this issue throughout our value chain and therefore embrace sustainability when procuring raw materials for our products (see chapter 3.1, Sustainable raw materials). Wherever possible, we purchase raw materials from regional or local sources to reduce transportation distances. This is not possible with every raw material we use, however, either because they cannot be sourced from nearby producers or not in the quantities and/or quality we require.

We aim to reduce the amount of water per produced kg by 15% by 2025. This goal, which will help us to comply with SDG 6.4 targeting efficient water use, was set in 2018 during the course of the materiality assessment that various units of the company participated in. Furthermore, we consider it our duty to source raw mate-

rials from producing countries that offer accredited crop certification labels, so as to not support unsustainable agriculture practices (see chapter 3.1, Sustainable raw materials and chapter 3.2, Animal welfare).

GRI 103-2, GRI 103-3, GRI 303-1

### How we will reach our goals

Our production facilities use large quantities of water, for cooking processes, for example, or to clean food processing machines and production areas. We receive drinking water from the respective local water utilities. Our business activities contribute to the water footprint of the industrial sector, which in Switzerland accounts for about one quarter of the country's total water consumption. We have set a goal of reducing our water consumption in relation to production volume by 15% by 2025. Many different measures and a change in mindset throughout the workforce will be necessary to achieve this ambitious goal. To do so, we are pursuing a three-pronged strategy, concentrating on machines and production processes, cleaning systems and methods, and people. Continuous optimisation of our machine fleet – by investing in more water-efficient machinery

### Water carafes at Le Patron

1,000 fewer plastic bottles per year



Carafes of tap water now grace every conference room table at Le Patron. Besides the obvious sustainability benefits, not having to buy 1,000 PET plastic water bottles every year saves money too. This great idea has also inspired other competence centres to rethink their use of PET plastic bottles.

for example – and continuous production process improvements offer substantial potential for lowering our water consumption. We are also raising employee awareness of this issue – especially the awareness of workers who perform cleaning tasks – through special training inputs to reduce water usage in manual production processes too. Last but not least, our efforts towards raw material sustainability (see chapter 3.1) will also help to reduce the water consumption of production processes throughout the entire food value chain, because most of the food industry's water footprint can be traced to activities further up in the value chain, in agriculture and in livestock farming.

We do not conduct water risk assessments per se, but management does track our water consumption by competence centre. This variable is a fixed component of our internal monthly financial reports and it is monitored in relation to production volume because that provides more informative data and can reveal what impact the mix effect of the various product lines has on our water consumption over a rolling period, which, in turn, enables us to introduce adaptive measures relatively quickly. Efficiency has been defined as one of the strategic cornerstones of ORIOR Group and we are therefore striving to steadily improve it – also in regard to our use of water resources – for reasons of sustainability and operational performance.

Responsibility for optimising our water efficiency and reducing water consumption lies first and foremost with the respective site operations managers. They are responsible for ensuring that the cascading of our ambitions regarding greater water efficiency and water savings is effectively delivered to the various units and teams, clearly understood, and then successfully implemented. The Head of Supply Chain Excellence is involved in decisions to purchase new machinery. He is also responsible, together with the "MRO" Champion Group, for formulating and implementing a "Group policy for capital equipment purchases" that will include water efficiency standards and he advises the competence centres on all matters pertaining to process optimisation. There is a direct line of reporting to the respective line manager or, in the case of the Champion Groups, to the Swiss Leadership Team.

GRI 103-2, GRI 103-3

**We are optimising production systems and processes**  
 Projects and action plans that, from a general perspective, help to optimise and sustain the value of our productive assets are conceived every year on a site-by-site

basis. Projects pertaining to supply chain excellence are particularly important here. Of special mention are the value-based maintenance projects and measures, "Lean" and "5S", all of which are described in detail in chapter 4.2, Climate and energy. They help to improve our organisational agility and efficiency and to conserve resources. The "MRO" Champion Group will play an important role in achieving future improvements too. The tasks assigned to this Champion team include the cross-departmental exchange of knowledge and cooperation, the harmonisation of similar production assets, the joint purchasing of consumables and the optimisation of plant maintenance processes. Highly productive, efficient and agile production sites that run smoothly is the ultimate goal that we are pursuing here. For example, the harmonisation of production assets should have a positive impact on production efficiency in the medium to long term and, consequently, also lead to improvements in energy efficiency and water efficiency. The introduction of the "Group policy for capital equipment purchases", which will likewise cover the environmental issues of energy, water and waste, will be a big milestone along the path toward this goal.

**New ham tumbler**

An investment in more energy- and water-efficient machinery



Many Möfag ham delicacies are massaged gently for hours in so-called ham tumblers while marinating in a special blend of spices to create the perfect flavour. The older models were starting to become a concern. This prompted Möfag to invest in new tumblers for massaging hams. Naturally, sustainability metrics played a role in Möfag's purchasing decisions. The new tumblers save on energy and water alike. And what's more, the production process is even more efficient.

**Züri water**

ORIOR Zurich now also opting for carafes

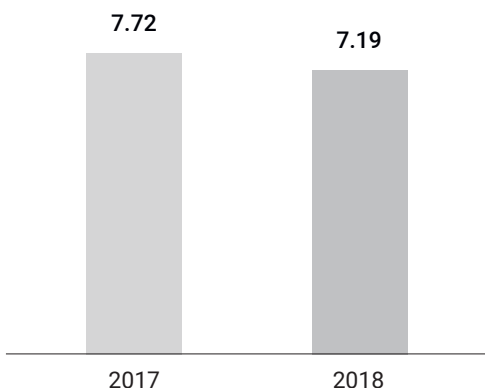


Inspired by the use of top-quality Swiss tap water by the competence centres, the Zurich team is following suit and using Zurich tap water in carafes rather than bottled water in PET containers. The move is projected to eliminate the use of about 3,500 PET plastic bottles per year.

GRI 303-3<sup>1</sup>

Water intensity (withdrawal) at the Swiss competence centres in 2018 was 7.19 litres per kilogram of product produced, which corresponds to a 6.8% decrease year on year.

Water withdrawal in litres per kilogram of product produced



This positive trend is the outcome of many small measures and initiatives across the company. One is saving water by reducing water flow at the cleaning stations. Another is permanent training in the importance of responsible water management.

<sup>1</sup> Excl. Biotta

The Group's recent expansion will also change its overall product mix and lead to increased water consumption in the future. It is therefore all the more important that we concentrate even more on the measures and projects that will enable us to achieve our reduction target of 15% by 2025.

GRI 103-1, GRI 103-2, GRI 103-3

**We are raising awareness of water conservation**

Employee training and development is an integral part of our management style (see also chapter 5.2, Employee training and development). Here the conservative use of our natural resources is no less important than occupational health and safety, or process efficiency.

These training courses are organised several times a year at regular intervals and are usually given by the team managers. Employees are also informed of resource-conserving practices through internal memos and other sources of information as well as through constant on-the-job training. A commendable work ethic and attitude is a defining feature of our corporate culture. We promote this in our everyday work and conduct and we demand the same from each and every ORIOR employee.

The water used at ORIOR's competence centres to clean production equipment and produce the products

**Le Patron**

Saving water by reducing flow

Cleaning production facilities is crucially important given the high standards of hygiene we implement. Much of the water we use is for cleaning, and that is also the case at Le Patron. Supply Chain Excellence activities here included optimising the use of water for cleaning purposes as a first step. Reducing water volumes at the cleaning stations was enough to slash water consumption without any detrimental effects whatsoever on cleanliness or hygiene – a simple and uncomplicated adjustment with a consistently positive impact on our water usage. We are exploring the feasibility of implementing this option at other competence centres, as well as working on a holistic analysis of cleaning processes to explore additional ways to save on water.

they make accounts for most of the company's total water consumption. To comply with very stringent hygiene standards, our production facilities are cleaned several times a day depending on order volume and product range. For this reason, the teams involved in cleaning and production processes receive specific training on the conservative use of water. We plan to investigate the specific requirements and current procedures on site with the local teams and, using external water and/or cleaning specialists if necessary, initiate appropriate improvements.

**GRI 103-2**

**Outlook**

The "MRO" Champion Group is currently working on the wording of the "Group policy for capital equipment purchases". We plan to finalise and issue this policy, which will be binding for all competence centres in Switzerland, during the first quarter of 2020 at the latest. This same Champion Group is concurrently work-

ing on setting up a centralised spare parts warehouse, optimising our maintenance management concept and on rolling out the "Lean" and "S5" (see page 40) projects at all Swiss competence centres. As regards raising employee awareness, we will introduce the sustainability-relevant issues as a given standard and ensure that a culture of exemplary environmental awareness continues to spread and be acknowledged throughout the workforce.

Our competence centres differ greatly in their product portfolios. The type of product and the associated manufacturing process is a huge factor in determining water consumption. Processing air-dried meat products like Bündnerfleisch requires very little water, for example, while the production of fresh ravioli naturally needs a lot of water for the blanching process. Strategic decisions pertaining to our product portfolio must be reasonably taken into consideration with regard to our water consumption. All the same, we are aware that we must and can do a lot more to promote sustainable water management.

**Biotta opts for TreeBottles**

Nikin beats plastic



We have an abundance of top-quality water in Switzerland that's fit to drink straight from the tap. Biotta is setting new benchmarks at ORIOR by switching from bottled water in PET containers to Nikin bottles, elegantly designed personalised stainless steel bottles that were distributed to everyone on staff. They are ideal receptacles for finest Tägerwilten tap water or hot beverages. Best of all, for every Nikin bottle we use, a tree is planted in collaboration with the non-profit "One Tree Planted" organisation.

### Our ambitions in regard to social responsibility



We aim to significantly expand the range and number of personal development opportunities.



# 100%

By 2025, we aim to establish a harmonised employee health management plan for the entire Group.



Our overarching goal is steady value creation to the benefit of all stakeholders.

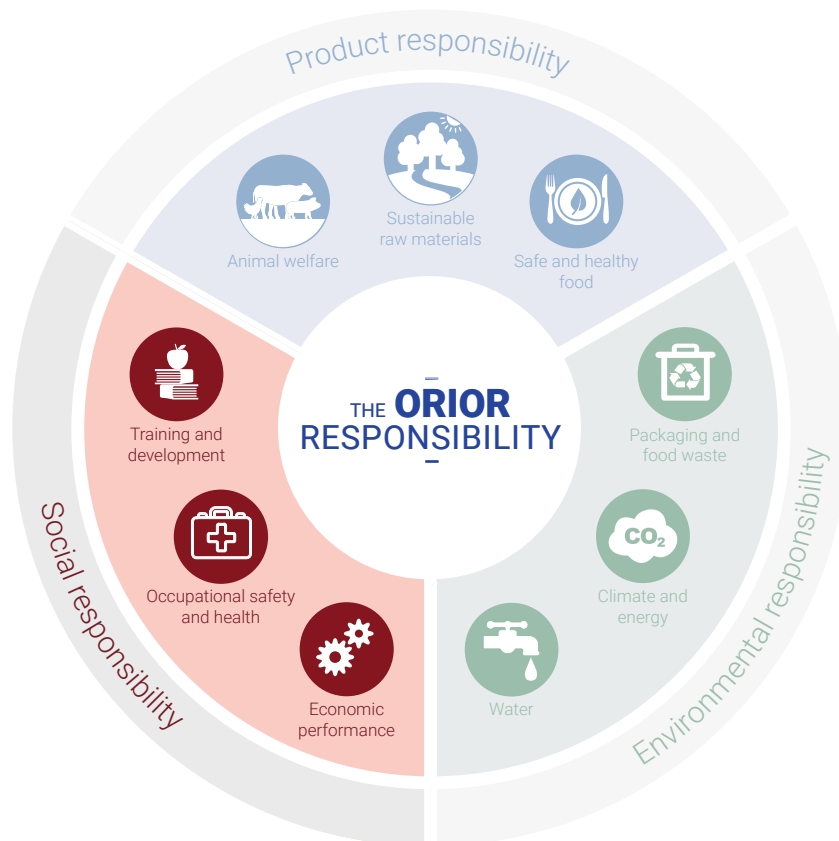


Bukurije Kadrija, one of our employees at pasta specialist Pastinella, dedicated to her work for 16 years.

## 5. Social responsibility

Dedicated and entrepreneurial employees who make things happen, who conduct themselves respectfully and honestly, who assume responsibility and make sound decisions are key to our success. We do all we can to create a productive playing field for our employees, to promote training and development opportunities and create new jobs while providing job security.

Social responsibility is firmly anchored in the strategy we are pursuing under our “We are ORIOR” pillar. For the purposes of this sustainability report, we have focused on three core issues related to social responsibility: “Training and development”, because we embrace the concept of lifelong learning and offer our employees personal development opportunities. “Occupational health and safety”, because in addition to full compliance with all applicable workplace safety requirements we want to create an optimal environment for overall employee well-being and job satisfaction. And, thirdly, “Economic performance”, because commercial sustainability creates the solid financial basis that is needed to maintain high levels of investment in our workforce and in our production sites.



## 5.1 Training and development

Employee motivation and the personal, professional advancement of employees at all levels of the organisation are very important to us. We embrace the concept of continuous employee development guided by jointly defined goals and objectives, regular performance reviews and selective training and development inputs.

GRI 103-2



**Our ambition:** We aim to significantly expand the range and number of personal development opportunities.

Following milestones will help us to achieve these goals:

- Continuous enlargement and development of our training curriculum and the "ORIOR Campus".
- Constant development of our multi-disciplinary Champion model.
- The introduction of a seamless process for measuring the success and impact of training inputs classified by employee rank, including a tool for setting the coming year's goals, by 2025.
- The introduction of a Group-wide talent management plan by 2025.
- Harmonisation of the annual performance management and appraisal system for all employees commensurate with their duties and responsibilities.

GRI 103-1

### What it means for us

In today's rapidly changing business context, the constant development of new professional skills and competencies, whether they be of a technical or specialist nature or more sector-relevant, is a must. Motivated employees with good qualifications and an entrepreneurial mindset are vital to our success as a company, particularly in an environment of relentless competition and challenging business conditions. For us, then, investing in employee training and development is non-negotiable. The investments we make in our workforce also enhance our reputation as an attractive employer. Our training and development curriculum has been conceived to promote new skill acquisition in numerous professional fields as well as employees' personal growth. We additionally encourage and support the participation of key employees and talents in training courses tailored to their specific career paths and have therefore decided to introduce a Group-wide, standard talent management system.

GRI 103-2, GRI 103-3

### How we will reach our goals

It is important to us to be perceived as an attractive employer. Our image as an attractive employer rests in part on our ability to offer employees training and development programmes that are commensurate with their duties and responsibilities and, to some extent, tailored to their individual needs. It follows, then, that we offer ongoing training within each specialist field and compulsory training courses, on workplace safety for example, as a matter of course. Due to the diversity of the competence centres and other reasons, responsibility for implementing and monitoring these training programmes rests entirely on the individual operating units. At Group level, we consider it our duty to support the competence centres to the best of our ability in organising training and development programs that go beyond the aforementioned two areas and to provide them with Group-wide training tools and infrastructure. One example of this is the "ORIOR Campus", a special training programme that focuses on certain thematic priorities. "ORIOR Campus" is designed to advance employee training and to expand individual development opportunities offered to key employees. The Champion model likewise encourages continuous learning and the flow of knowledge throughout the company.

Recognising talents and promoting their specific development is an important success factor. We intend to introduce a Group-wide talent management system by 2025 under which high-potential employees would receive methodical training and development. To this end, we are also working on harmonising an annual employee performance management and appraisal system for the various organisational ranks in our effort to engage in a continuous dialogue with our employees.

The issue of employee training and development is managed by various units and individuals. HR teams organise and coordinate ongoing and periodic training courses at the centres of competence in consultation with their local site managers or the respective department managers. We have also established an "HR" Champion Group to capture Group-wide benefits in this regard. The "HR" Champion Group is responsible,



among other things, for our advanced training programme for thematic priorities. The “HR” Champion Group reports directly to the Swiss Leadership Team. Selective development of our talent management plan has just begun; a Group-wide talent management concept will be developed by a new, Group level HR manager as a next step. Talent management is an executive priority at ORIOR and responsibility for it rests with the CEOs of the competence centres. They report directly to the Group CEO and to the Executive Committee.

GRI 103-2, GRI 103-3

**Champion model as a platform for exchanging and sharing knowledge**

We established a multi-disciplinary Champion model in 2016. The idea was to create groups of specialists for specific fields drawn from each centre of competence as a means of encouraging collaboration and knowledge sharing throughout our decentralised organisational structure. Members of these Champion groups have a distinct status with greater authority and responsibilities, which, in turn, supports for identification and motivation. Besides the learning effect and the personal growth that it brings, the Champion model is intended to advance the progress of joint projects. For example, aggregating the order volumes of the Group’s various procurement units puts us in a position to negotiate better terms with our suppliers.

There is no hierarchy within these function-oriented groups – the Champion groups operate bottom-up. This means that ideas for growth and improvement are examined by all group members and, if feasible, brought to fruition. Every Champion team has been assigned a mentor from the Swiss Leadership Team who gives it guidance and support. Due to organisational and geographic reasons, the Champion model is currently limited to our Swiss competence centres. Twelve Champion teams have been established in the following disciplines: “Innovation”; “Procurement Meat”; “Procurement Packaging”; “Procurement Ingredients”; “MRO”; “Operations”; “Quality”; “Logistics”; “Sales Retail”; “Sales Food Service”; “Human Resources”; and “Web”.

GRI 103-2, GRI 103-3

**We invest in the future: employee training and development**

We provide internal and external training to ensure that our executives and key employees possess the required skills and knowledge. We have set up a comprehensive internal training programme called “ORIOR Campus” that consists of various training modules. We determine training and development priorities at regular intervals that are then taught by well-qualified experts. We draw up projects based on these training courses that can be pursued and implemented on the operating front. The result is an ideal combination of theory and practice.

**ORIOR**

Champion Day 2019



The success of the Champion groups is vital to our development. Once a year we organise a Champion Day to bring together all the members of the Champion groups where they present their accomplishments. There is also ample time to discuss their hurdles and challenges and for other interaction. A truly inspiring event – for everyone.

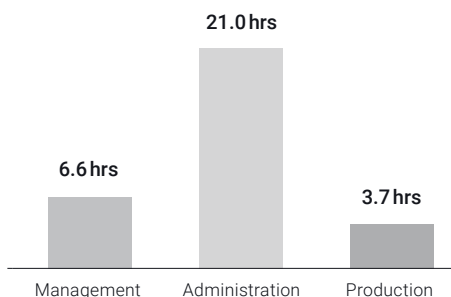
Company employees can also benefit from individual personal development programmes, in addition to the internal courses provided by the company. Examples here are vocational/professional education and training programmes that confer diplomas or certificates, management courses, IT training programmes and foreign language courses. Financial support is provided (assumption of training costs) and/or employees are granted paid training leave (paid days off/training purposes).

Numerous site-specific training programmes are also offered by the centres of competence. Most of the training courses within a specialist field and the mandatory training courses are planned and conducted by the respective operating units.

**GRI 404-1**

The total number of hours dedicated to training purposes in 2018 amounted to 6,476; on a full-time employee basis (Ø FTE), this corresponded to an average of 6 hours per year and employee.

**Average training and development hours by employee category, 2018**



We offer apprenticeships in the following professions: butchery, polymechanics, laboratory technician, logistics and general office administration. By providing this vocational training, we are investing in the future of the young talent and shouldering our obligation towards society at large. Our apprentices and trainees benefit from special training that is tailored to their needs and requirements. For example, Rapelli has set up a separate training room next to its production floor where the learners receive instruction on traditional production processes and make products on their own, under the supervision of an experienced trainer. In 2018 we employed 13 apprentices and 21 trainees at our Swiss centres of competence. We would gladly hire more apprentices and trainees but, unfortunately, the demand is slightly muted.

**GRI 103-2, GRI 103-3**

**We cherish and challenge: talent management**

Talent management is an important tool for fostering the talents of employees with potential early in their careers and preparing them for future tasks or higher positions. Ambitious employees seek out personal development opportunities. If we cannot give them that, they will leave us sooner or later. The competition for talented and qualified experts and leaders is fierce. In addition, our business model asks for entrepreneurship at all levels of the organisation, which likewise emphasizes the value of our employees as a key success factor.

To promote the long-term retention of key personnel who are already part of the ORIOR world, we decided in 2018 to introduce a talent management system spanning every layer of the organisation. We want a talent management policy that not only fosters leadership talent but includes employees with outstanding expert skills who do not pursue a management role. The first stage of this process involved defining the importance and urgency of talent management, formulating and structuring the entire process, assigning responsibilities, and determining the specific parameters. Upon completion of this initial phase, all those in leadership positions will identify potential talents on their teams, assess their strengths, key skills and development potential based on a performance-potential matrix, and document this information in writing in the given talent management tool. A road map of potential development action and an internal mentor will also be entered in the tool. The respective managers set the time frame for implementation.

**GRI 103-2, GRI 103-3**

**We embrace feedback and offer perspectives**

In addition to the anonymous employee satisfaction surveys (see section 5.2, Occupational health and safety), all our employees have a meeting at least once a year with their manager to discuss performance, achievements, and expectations for the future. Other topics of importance to the employees or managers can also be discussed on this occasion. While some competence centres conduct these annual performance assessments using professionalised checklists and digitalised archiving systems, others are still using simple forms. We firmly believe that a well-structured and standardised performance feedback process can be hugely motivational. A professionally conducted and documented performance feedback process enables managers to express expectations and suggestions clearly, and

**Make the difference**

Employee award for exceptional performance



People who are pragmatic and entrepreneurial in the work they do and who display passion and the necessary drive to get things done are crucial to our success. With that in mind, CEO Daniel Lutz launched the "Make the difference" initiative. Exceptional employee performance is recognised with the "Make the difference" award, which is presented to the recipients by the CEO. Picture: Claudia Illic (Fredag) and Group CEO Daniel Lutz.

Ahead of designing a Group-wide harmonised annual performance feedback system incorporating every layer of the organisation, we plan to assess the status quo as a basis for establishing current practices and decide if one of the existing solutions might be suitable for the entire Group. Based on the findings of this exercise, we will determine how we proceed.

Our initial thought was to advance talent management in a pragmatic approach with existing resources, only to realise that this would not be enough. With the current organisational setup, bigger-picture thinking is rather challenging because there is little time for this particular task at the competence centres. Having realised this, we will strengthen the resources we have in the second half of 2019 to facilitate our progress towards a systematic Group-wide talent management system and other goals. In addition to talent management, we will sharpen our focus on a well-structured succession plan.

facilitates talent development within the organisation. Accordingly, we are using 2019 to harmonise and standardise all the forms and communication aids used for performance assessment purposes.

GRI 103-2

**Outlook**

Our unique intradisciplinary Champion model has proven its worth. We plan to establish new Champion groups on an ongoing basis – including in the area of sustainability – and will give every Champion group our full support.

The needs assessment for the latest "ORIOR Campus" training programme is complete. We are now exploring the options and creating suitable courses so that the curriculum can be submitted for management review and approved by the end of 2019. We expect to present the new programme and roll out the first courses in early 2020. Another goal, which we plan to achieve by 2025, is to launch a system for universal measurement of the impact and effectiveness of training and development activities, including related target-setting for each subsequent year. Ideas on how to improve our existing solutions even more have already been discussed by the "HR" Champion Group.

**ORIORinside**

Employee app ORIORinside



ORIORinside is a workplace app that offers multiple ways to engage with employees and to share information, for example on training and development topics. Brief and concise "Quick Refresh" notifications on important topics such as workplace safety will be able to be pushed out via ORIORinside at a future date. Group chats and special team streams that allow employees to connect with each other to discuss specific tasks or topics and to learn from each other are also possible with this app. We see much more potential for ORIORinside and will be adding new functionality on a continual basis.

## 5.2 Occupational safety and health

Our employees are the key to our success. Accordingly, supporting and promoting their health and safety is a top priority. We pledge to ensure a safe and healthy workplace and are constantly investing in improvement projects and in occupational health and safety training.

GRI 103-2

# 100%



**Our ambition:** By 2025, we aim to establish a harmonised employee health management plan for the entire Group.

Following milestones will help us to achieve this goal:

- Develop and roll out a new workplace safety mission statement for the entire Group by 2020.
- Define new workplace safety goals for all Swiss competence centres and institutionalise them in the organisation by 2022.
- Implement the model solution in full at all Swiss competence centres by 2025.
- We want to ensure that every employee in Switzerland has access to the independent external counselling services ICAS<sup>1</sup> by 2020.

GRI 103-1

### What it means for us

Employee health and safety is very important to us because it correlates directly with the satisfaction, motivation and performance of our workforce. We strive to promote workplace safety and employee health in a number of ways. Machinery and processes at our production sites may be dangerous in the event of improper use or carelessness. Measures to safeguard occupational safety and the health of our employees are very important on that account. The standards we set ourselves as a responsible employer go far beyond the minimum requirements enshrined in law. In addition to complying with the Federal Commission for Occupational Safety directive (EKAS No. 6508), we see it as our duty to recognise health and safety as an integral part of our corporate responsibility and to pursue a holistic approach to employee health and safety.

GRI 103-2, GRI 103-3, GRI 403-1, GRI 403-4

### How we will reach our goals

To hold to our promise, meet our goals and improve our employee health and safety performance on a continu-

ous basis, we have embraced an end-to-end concept in our model solution. This means legacy silo constructs will be migrated to a harmonised Group approach that can be applied at every competence centre.

Occupational health and safety is a very complex issue in which individual physical and mental health, proper work practices, and skilful employee training often play an important role. Therefore, encouraging employee self-responsibility is crucial. As a company, we do all we can to put the infrastructure in place for a safe and healthy workplace and to train and support our employees so that they have all the information they need to satisfy the given requirements. These efforts include enforcing rules and policies that everyone has to obey. Implementation and compliance with legal and internal provisions is the responsibility of each and every individual employee.

In addition to procedural, structural and organisational rules and regulations, access to an external counselling service, ICAS, is another important element of our approach to employee health management.

Ultimate responsibility for workplace safety rests with the CEOs of the competence centre. They appoint the Safety and Security Officers (SSO) – at our Swiss production sites, this role is usually assigned to the technical manager – and monitor all related activities and progress. The Safety and Security Officers offer the broader organisation support in the form of technical expertise and tools in order to help identify and eliminate hazards and to prevent incidents. They have the relevant certification and training and are engaged in continuing professional development. Once a year, or depending on the urgency, the SSOs collaborate with the occupational safety team composed of representatives from production, technology, logistics and administrative departments to formulate workplace safety goals and the associated measures for the respective competence centre. They are also responsible for their ensuing implementation. Safety officers – regardless of their position in the company – report directly to the respective CEO. Besides these activities, other projects and measures

<sup>1</sup> Independent Counselling & Advisory Services

to enhance employee health have been initiated, such as the ICAS counselling service and employee surveys. These are mainly implemented and monitored by human resources staff. Communication and their collaborative advancement are on the agenda of the multidisciplinary "HR" Champion Group, which, in turn, reports to the Group CFO and the Swiss Leadership Team.

GRI 103-2, GRI 103-3, GRI 403-1, GRI 403-2

**We are establishing an occupational health and safety management system**

ORIOR aims to fully implement the model solution of the Swiss Safety Center at all Swiss competence centres. By doing so, it intends to harmonise the current existing collection of diverse solutions by 2025. The holistic concept behind this model solution will not only ensure compliance with legal requirements pursuant to the directive EKAS No. 6508 but it also entails the establishment of a comprehensive employee health management concept.

The model solution of the Swiss Safety Center consists of the following 10 elements:

1. Workplace safety mission statement and goals
2. Workplace safety organisation
3. Training, instruction, information
4. Workplace safety rules
5. Hazard identification and risk assessment
6. Corrective action planning and implementation
7. Emergency response
8. Participation
9. Employee health protection
10. Control and audit

The 10 elements of the model solution are designed to be modular until rollout and will then be progressively implemented in a permanent hazard identification and elimination cycle.

Once the model has been launched, the next step is to take stock of the situation on an annual basis, define objectives, and locate hazards based on competence centre-specific checklists. Subsequent risk assessment including estimation of the likelihood of occurrence and consequences of the risk event will take place in collaboration with the Swiss Safety Center. Corrective action will be identified based on these findings and subsequently monitored in periodical reviews and audits. Workplace safety policies and actions are subject to sporadic inspections by the respective cantonal labour inspectorates too.

**SSO Workshop**

Creation of a workplace safety handbook



All safety and security officers (SSO) of the Swiss competence centres met in Zurich on 29 July 2019 to produce in collaboration with the Swiss Safety Center AG a standard workplace safety handbook for all competence centres in Switzerland. This is a challenging task requiring bigger picture thinking, patience and perseverance. The foundations have been laid. Now it's time to work out the details.

GRI 403-2, GRI 403-4

Risk minimisation is the key not just to ensuring safety but to improving it on an ongoing basis. Quite often, small things can have disastrous consequences. That is why it is important for employees to report the inconspicuous hazards they encounter at work to their supervisors along with their experiences, opinions and concerns. Weekly meetings – or even daily at some competence centres – create an additional platform to report such observations or grievances. Our employees are not only invited to maintain a proactive culture of information on safety but are obliged to do so in accordance with our workplace safety mission statement.

At Rapelli, there is also an employee committee that convenes at least once a year to discuss health and safety issues and then presents management with their findings and suggestions on behalf of the entire workforce.

Employee opinion is very important to us and helps us to tackle the right issues in the right way. We conduct an extensive employee satisfaction study every three years. The heart of the study is an anonymous survey with about 60 questions on topics ranging from corporate culture and healthy leadership, work resources and workload to employee engagement, work ability, performance and health. The new study for 2019 was designed in collaboration with Helsana in 2018.

### Survey

#### Employee satisfaction

An employee satisfaction study was conducted at Fredag, Le Patron, Pastinella, Albert Spiess and ORIOR Management AG during the spring/summer of 2019. A total of 669 employees were invited to take part in the survey. 392 employees took up the invitation. We were very happy to note that the respondents see no need for urgent action on any given topic. However, ORIOR will take a closer look at particular areas based on the ratings and initiate appropriate action.

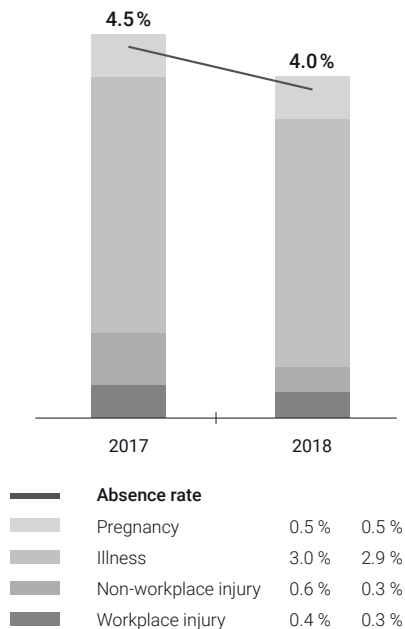
GRI 403-1, GRI 403-8

We are still in the initial stages of rolling out our model solution and the associated Switzerland-wide employee health management system. Every ORIOR competence centre already has a workplace safety concept of its own and, in most cases, this includes certain employee health management elements. This signifies a 100% coverage of Swiss employe by a safety management system as required by law. Our aim here is Group-wide harmonisation in a responsible manner that is also exemplary for an attractive employer. Having decided to launch the model solution described above, we aim to ensure that 100% of the workforce is covered by a comprehensive occupational health and safety management system.

It is important from a social and economic standpoint to minimise the lost-time injury and illness rate in our workforce. Some absences cannot be influenced, for example those due to pregnancy or serious illness. Similarly, there is little we can do to prevent non-workplace accidents. Wherever we can make a difference for the better, we will do so. Our Convenience companies have introduced an absence management support programme whereby a return-to-work conversation takes place after a prolonged absence of over two weeks, or the company sends a card or flowers during a prolonged absence. Initiating communication and hence showing an active interest in the affected employee's welfare can make a real difference in reducing absences.

A breakdown of employee absences by reason (hours absent as a percent of scheduled working hours) for 2017 and 2018 is given in the following chart.

Absence rate, by reason of absence



GRI 103-2, GRI 103-3, GRI 403-3, GRI 403-6

#### We offer independent counselling services

We want motivated employees who are healthy, enjoy their work and are keen to do their bit. All of us are constantly confronted with many issues small and large that distress us, both at work and at home. Support can be useful, be it to set things straight in your mind, to talk to someone about the challenges you face, or to cope with bad news. It matters a great deal to us that all our employees have the opportunity to get help, if family or friends are unavailable or they need to talk with a neutral party. Therefore, we have set ourselves the goal of providing all our employees with access to independent external counselling services by 2020. ICAS is one such independent counselling service for our employees and their immediate family members. All our competence centres in Switzerland except Biotta have access to ICAS services since mid-2019, with Biotta to join the scheme by 2020. These services include telephone counselling and face-to-face counselling sessions. Access is unlimited, confidential, anonymous if desired, and free of charge for employees. Personal issues to do with work or private life, practical and legal issues can be discussed day or night with professional advisers (psychologists, legal experts or lawyers). ICAS experts are also there for all management personnel to act as sparring partners, for instance to discuss the best ways to deal with complicated management situations, conflicts at work, bullying or crises. ICAS compiles a report

of the services provided on behalf of ORIOR annually, and more frequently for certain cases, with anonymous statistics such as the number of contacts, type of counselling sought, and topics involved. Discussion of this report and initiation of any measures is the responsibility of the "HR" Champion Group, which reports to the Swiss Leadership Team.

GRI 103-2, GRI 103-3, GRI 403-5

**We train our employees**

We want to ensure our employees are well informed about workplace safety policies that apply where they work and that they receive thorough training on all relevant issues. To this end, several training courses commensurate with every level of the organisation are conducted throughout the year. A holistic approach on the part of our Safety and Security Officers and teams is crucial in this regard. We train, foster and challenge them with a variety of dedicated measures specifically designed for occupational health and safety teams. Mental health concerns such as coping with pressure or stress and early signs that employees may be in difficulty are an integral part of our management training exercises. At some competence centres, the HR department also serves as an informal source of related information and it may draw attention to non-work-related hazards, for example by reminding people to change their tyres

before the winter sets in or by pointing out that a quick warm-up session makes sense before racing down a ski slope. The new ORIORinside employee app will make it even easier to spread this kind of information.

GRI 103-3

**Outlook**

The introduction of the Group's model solution and the ensuing migration of existing workplace safety concepts will take a lot of time. The wording of our Group workplace safety mission statement is now in place and will be submitted to the Swiss Leadership Team for approval in the second half of 2019. We plan to implement the mission statement at all Swiss site in 2020 and at the same time start working on the wording of additional workplace safety goals specific to each competence centre. Our aim is to complete this step for the whole of Switzerland by 2022, while working in parallel on the wording of a Group wide workplace safety handbook. This document will identify all the main processes, set forth responsibilities, and serve as a work of reference for fulfilment of Group-wide requirements and provisions.

ORIORinside will be put to greater use for training purposes to advance occupational health and safety issues. Ideas include refresher inputs in the form of snippets of information and quick tests. ORIORinside will also be used to send out weather warnings, seasonal tips and other notifications.

The results of the employee survey are now being assessed prior to defining and introducing suitable corrective actions. Even though we may not see any red flags in any areas, it is our duty to remain vigilant and to always try to become even better.

**Safety above all**

Fredag and Pastinella fire safety training



Doing the right thing in those first few seconds is crucial when – despite every precaution – a fire breaks out. The employees attend periodic fire safety training sessions to learn how to handle an emergency situation. It was Fredag and Pastinella's turn in June 2019. For some, the only – and let's hope it stays that way – opportunity to wield a fire extinguisher.

## 5.3 Economic performance

Our overarching goal is steady value creation for all stakeholders. Furthermore, we invest in our production sites and are committed to maintaining them, and to protecting existing job and creating new ones.

GRI 103-2



**Our ambition:** Our overarching goal is steady value creation to the benefit of all stakeholders.

The following milestones will help us to achieve this goal:

- Sustainable sales growth of 1-2% per annum and a steady increase in EBITDA in absolute terms.
- An attractive employee stock purchase plan.
- A steady increase in the dividend in absolute terms.
- Upholding our commitment to our production sites and strengthening that network, and thereby protecting existing jobs while creating new ones.

GRI 103-1

### What it means for us

Economic performance is vitally important to the long-term, sustainable existence of any company. We strongly believe that sustainable success depends on the right and proper interplay of myriad parameters, and on dedicated, motivated employees who enjoy what they're doing while moving forward within the boundaries of those parameters. Our overriding goal is steady value creation to the benefit of all stakeholders. We are obliged to address various perspectives and needs and to take an inclusive approach in our efforts towards that goal.

GRI 103-2, GRI 103-3

### How we will reach our goals

We launched our ORIOR 2020 strategy in the autumn of 2015. ORIOR 2020 encompasses five key pillars – “House of Innovation”, “Brand strengthening and expansion”, “Agility and cost efficiency”, “The ORIOR Responsibility” and “We are ORIOR” – and it serves as a blueprint for adding new chapters to ORIOR’s sustainable and profitable success story (further information on ORIOR 2020 is given in chapter 2). Another distinguishing feature of ORIOR’s success is the decentralised structure behind its centre of competence philosophy, which enables it to keep abreast of the latest market

developments, ensures close collaboration with its business partners as well as a lean and agile Group structure. It also helps us to shape our markets with the innovative products, concepts and services we create. We seek, encourage and seize joint business opportunities involving different competence centres and/or units through our Champion model and other means.

Ultimately, employee motivation and dedication as well as determined and untiring efforts to achieve progress towards all of our strategic cornerstones, initiatives and measures are decisive for the success of our company and the achievement of our goals.

Sustainable and profitable sales growth of 1% to 2% a year is targeted as one measure of steady value creation, along with an annual increase in absolute EBITDA. We also stand by all of our production sites and constantly invest in our production plants, equipment and processes. Doing so is conducive to our position as a strong and leading food manufacturer, and to retaining existing jobs and creating new ones. We view our employees as key to our success, because they are the ones who work day after day on matters big and small and thereby contribute to the ultimate development of the entire Group. Our sustainable business practices enable us to continuously invest in research and development and the innovations we produce put us in a pole position to shape and steer the market, creating value for customers and consumers alike. We maintain close, reliable and fair partnerships with our suppliers. Last but not least, we want to create value for our shareholders, too, and that includes a steady increase in the absolute dividend.

Ultimately, the Group’s CEO and the members of the Executive Committee, who have been put in charge of the company’s overall operational management by the Board of Directors, are the ones responsible for delivering a steady increase in value. The Executive Committee is supported by the Extended Executive Committee to facilitate the entire Group’s strategic progress. The CEOs and senior executives of the competence centres draw up individual strategy papers based on Group strategy and in close alignment with Group initiatives. The competence centre CEOs are also the ones who are responsible for their successful implementation. Smooth,



successful cascading of goals and prioritisation are very critical here. The Executive Committee, the Extended Executive Committee, senior executives and all key employees receive variable compensation based on the achievement of the given goals, in addition to their base compensation. The amount of the dividend is determined by the Board of Directors based on the course of business and submitted to the Annual General Meeting for approval.

GRI 103-2, GRI 103-3

**Sustainable, profitable growth**

Only profitable sales will enable us to deliver value for all stakeholders in the long run. We have set the above sales growth targets with this in mind. At our company, sustainable – and thus commercially sound – business practices will always take precedence over pure sales growth.

Key elements of our sustainable, profitable growth approach are the methodical strengthening of the competence centres and a broad market positioning. With the acquisition of Culinor in Belgium in 2016 and Biotta in 2018 and the multi-stage acquisition of Casualfood

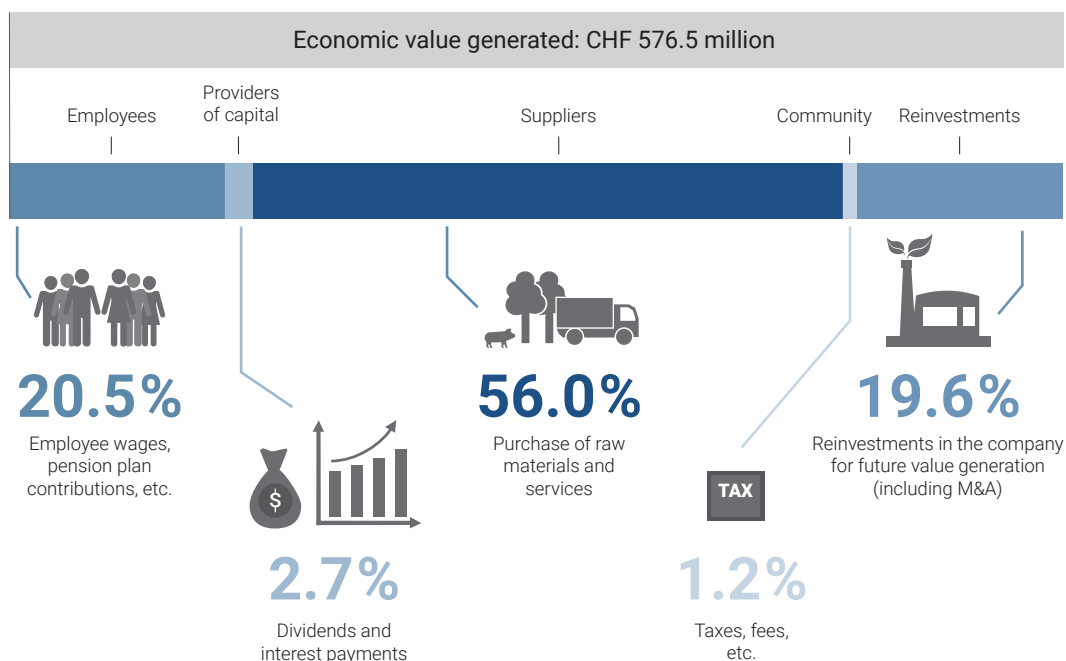
in Germany from 2018 to 2022, ORIOR has established its strategic positioning for the future: The resulting diversification across different product categories, sales channels, customers and geographies has created new and unique opportunities for ORIOR and reinforces its resilience.

The two segments covered by this sustainability report, the Refinement and the Convenience segment, achieved aggregate sales of CHF 460.7 million in fiscal year 2018, which was 6.7% more than in the previous year. This very good performance was fuelled by acquisitive growth of 3.5% stemming from the acquisition of Biotta in mid-May 2018 and organic growth of 3.1%.

EBITDA is reported at Group level only, in accordance with the guidelines given under Swiss GAAP FER. EBITDA for the year rose by 4.9% to CHF 58.6 million (CHF 55.8 million in the previous year) thanks to cost discipline, an increased emphasis on sustainable portfolio management, and improvements in productivity and sustainability metrics. All segments contributed to this very good operating performance, especially the acquisition of Biotta.

GRI 201-1

**Economic value generated and distributed by the entire ORIOR Group**



GRI 103-2, GRI 103-3

**An attractive employee stock purchase plan**

About every two years, the Top 100 and other key employees with high levels of hard and soft skills are given the opportunity to purchase ORIOR shares at preferential terms within the scope of an employee stock purchase plan.

The CEO and his colleagues from the Extended Executive Committee as well as the Swiss Leadership Team determine which employees are eligible to participate in the plan and how many shares they can purchase. They then present their decisions to the Board of Directors for approval. In the case of the CEO and the Executive Committee, the Board of Directors decides who is eligible and the maximum number of shares that can be purchased. The purchase price is determined based on the volume-weighted average closing price of ORIOR shares during the preceding six months, less a discount of 25%. All shares purchased through this plan are subject to a mandatory holding period of 3 years. With this stock purchase plan, we are giving our key talents an opportunity to participate in the entire Group’s success and to invest in the Group’s future. The stock purchase plan is offered in addition to the contractual arrangements of their employment contracts and therefore

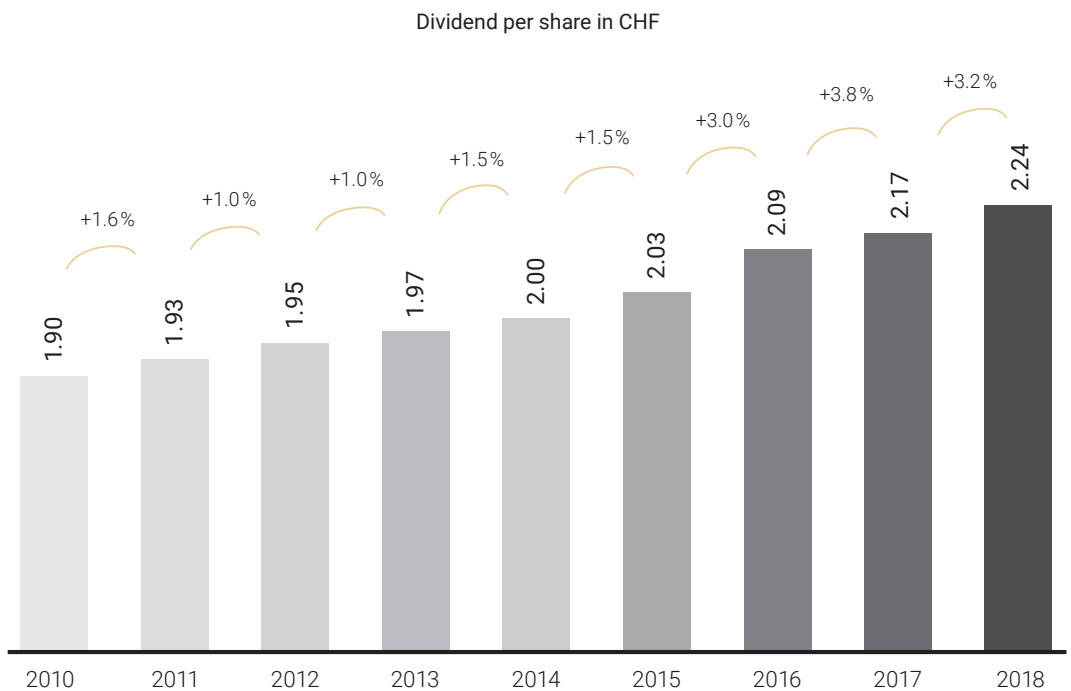
represents an additional component of their compensation packages. Participation in the plan is voluntary. Judging by past experience, most of the employees appreciate the attractive stock purchase plan and elect to participate – 77% of all eligible employees accepted the most recent offering and participated in the programme.

The next such opportunity is scheduled for 2020 and the number of eligible employees will be at least as large as in 2018. Given the very positive resonance from employees, we will also consider expanding the scope of eligible participants.

GRI 103-2, GRI 103-3

**Steady increase in the absolute dividend**

We have formulated a long-term, stable and attractive dividend policy and have defined a steady increase in the absolute dividend as a yardstick of our financial performance. Here, too, we disclose data at Group level only, not at segment level. For fiscal year 2018, the Annual General Meeting of ORIOR AG accepted the Board’s proposal of a dividend of CHF 2.24 per share, which corresponds to an increase of 3.2% (2017: CHF 2.17). This marked the eighth consecutive increase in ORIOR’s dividend payout since it went public in 2010.



GRI 103-2, GRI 103-3

**We invest in our operating sites**

We are firmly committed to all of our production sites and invest in the upkeep and modernisation of our factories on an ongoing basis. The decentralised competence centre philosophy mentioned above makes the most of the distinctive culture of each site that has evolved with the strong regional roots that pervade their workforces, values and product lines. Corporate development and progress is only possible with well-functioning processes, systems and production facilities. Modernisation and production automation are not necessarily synonymous with job cuts. Quite the contrary. We invest in our operating sites as a means of securing our market success, which, in turn, protects existing jobs and leads to new growth opportunities that allow us to create more jobs.

In 2018 ORIOR invested approximately CHF 13.5 million in the maintenance and modernisation of its production sites in Switzerland (2017: CHF 12.4 million). The substantial increase of CHF 1.1 million can be traced to the acquisition of Biotta in May 2018. Expressed in relation to sales revenue, the amount of capital invested in the Swiss sites corresponded to 2.9% of their sales revenues, which matches the figure from the previous year, which was also 2.9%. Continuous investment in our production sites is one of our stated goals. That does not mean that we will increase our capital expenditure every year. Capital expenditure will be determined based on necessity and feasibility and on the entrepreneurial judgment of the Executive Committee.

Our commitment to each production site also reflects our ambition to protect the respective jobs while creating new ones. In fiscal 2018 ORIOR employed 1,155 FTEs, which corresponds to an increase of 3.4% or 38 FTEs from the previous year. The main reason for the appreciable increase in the headcount is the acquisition of Biotta.

GRI 103-3

**Outlook**

To achieve our goal of steady value creation to the benefit of all stakeholders, we are determined to make progress with all initiatives and measures that have been formulated within the scope of our ORIOR 2020 strategy and its five key strategic pillars of "House of Innovation", "Brand strengthening and expansion", "Agility and cost efficiency", "The ORIOR Responsibility" and "We are ORIOR". Biotta's future development and the pending purchase of an additional interest in

Casualfood in the fall of 2019 will create additional, novel business opportunities.

Formulation of our ORIOR 2025 strategy will also begin in 2019. One thing is clear already: The time-tested five strategic core pillars will remain in place. We plan to present the ORIOR 2025 strategy through an announcement in spring 2020. Sustainability issues will be a key aspect and will receive much more attention in comparison with the ORIOR 2020 strategy.

## 6.1 GRI Content Index

<b>GRI 101: Foundation 2016</b>			
<b>GRI 102: General Disclosures 2016</b>			
<b>GRI Standard</b>	<b>Disclosure</b>	<b>Page number(s) and/or URL(s)</b>	<b>Further information and/or omissions</b>
<b>Organisational profile</b>			
GRI 102 General Disclosures 2016	102-1 Name of the organisation		ORIOR AG
	102-2 Activities, brands, products and services	P. 6	
	102-3 Location of headquarters	P. 6	
	102-4 Location of operations	P. 6–10	
	102-5 Ownership and legal form	P. 6	Detailed information regarding the legal form of the ORIOR Group can be found in the annual report.
	102-6 Markets served	P. 6	
	102-7 Scale of the organisation	P. 6–7	Information regarding the capital structure Group can be found in the annual report.
	102-8 Information on employees and other workers	P. 6	b. This report covers only the Swiss region of the ORIOR Group. d., e. To handle seasonal fluctuations, as for example the larger workload before and during holiday season, ORIOR hires additional on an hourly basis. These workers are included in the reported figures for 102-8.
	102-9 Supply chain	P. 22	
	102-10 Significant changes to the organisation and its supply chain		During the reporting period, ORIOR acquired the company Thurella (Biotta) and a participation of 35% in the company Casualfood. Casualfood, as well as the complete segment ORIOR International, are so far still excluded from the sustainability report.
	102-11 Precautionary Principle or approach	S. 13	
	102-12 External initiatives		None
	102-13 Membership of associations	P. 27	<ul style="list-style-type: none"> <li>• Trade Association of the Canton of Argovia (AIHK)</li> <li>• "Brennpunkt Nahrung"</li> <li>• Trade Association of the Canton of Ticino (Cc-Ti)</li> <li>• "Culinarium Alpinum" (Centre of competency for culinary matters in the Alpine region)</li> <li>• Energy Agency Swiss Private Sector (EnAW)</li> <li>• European Poultry, Egg and Game Association (EPG)</li> <li>• Federation of the Swiss Food Industries (FIAL)</li> <li>• Friends of the Sea</li> <li>• Trade and Employers' Association of the Canton of Grisons</li> <li>• Industry and Trade Association of Central Switzerland (IHZ)</li> <li>• Interest Group BIO Swiss (IG BIO)</li> <li>• Swiss Meat Trade Association (SFF)</li> <li>• Swiss Seafood Association</li> <li>• Swiss Association for Hospital, Homes and Community Gastronomy (SVG)</li> <li>• Swiss Association for Food Hygiene (SGLH)</li> <li>• Swiss Association for Quality (SAQ)</li> <li>• Swiss Convenience Food Association (SCFA)</li> </ul>

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Further information and/or omissions
GRI 102 General Disclosures 2016	102-13 Membership of associations	P. 27	<ul style="list-style-type: none"> <li>• Promarca</li> <li>• Proviande</li> <li>• Swiss ICT Association (SwissICT)</li> <li>• Swiss Association for Vocational Education in Logistics (SVBL)</li> <li>• Swiss Export (Association)</li> <li>• Switzerland Global Enterprise (SGE)</li> <li>• Association of Swiss Producers of "Bünderfleisch" VBF</li> <li>• Economic Association Thun</li> <li>• Trade Association Basel</li> </ul>
<b>Strategy</b>			
GRI 102 General Disclosures 2016	102-14 Statement from senior decision-maker	P. 4-5	
<b>Ethics and integrity</b>			
GRI 102 General Disclosures 2016	102-16 Values, principles, standards, and norms of behavior	P. 5, P. 11	
<b>Governance</b>			
GRI 102 General Disclosures 2016	102-18 Governance structure	P. 16	The governance structure of the organisation, including the committees of the highest governance body, are described in detail in the annual report.
<b>Stakeholder engagement</b>			
GRI 102 General Disclosures 2016	102-40 List of stakeholder groups	P. 14	
	102-41 Collective bargaining agreements		31.12.2018: 70.6% (excl. Biotta) 31.12.2017: 70.7%
	102-42 Identifying and selecting stakeholders	P. 14	
	102-43 Approach to stakeholder engagement	P. 14	
	102-44 Key topics and concerns raised	P. 14	
<b>Reporting practice</b>			
GRI 102 General Disclosures 2016	102-45 Entities included in the consolidated financial statements	P. 6, P. 17	The segment ORIOR International is not yet included in this report. For more details see ORIOR annual report.
	102-46 Defining report content and topic Boundaries	P. 12	
	102-47 List of material topics	P. 13	
	102-48 Restatements of information		As this is the first sustainability report of ORIOR, no restatements of information are necessary.
	102-49 Changes in reporting		As this is the first sustainability report of ORIOR, no changes in reporting practices were necessary.
	102-50 Reporting period		1st January 2018 to 31st December 2018
	102-51 Date of most recent report		This is the first sustainability report of ORIOR.
	102-52 Reporting cycle		ORIOR is planning to publish a sustainability report each year.

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Further information and/or omissions
<b>Reporting practice</b>			
GRI 102 General Disclosures 2016	102-53 Contact point for questions regarding the report	P. 66	
	102-54 Claims of reporting in accordance with the GRI Standards	P. 66	
	102-55 GRI content index	P. 60–66	
	102-56 External assurance		The present report has not been externally assured.
<b>Material topics</b>			
<b>Sustainable raw materials</b>			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	P. 13, P. 20	
	103-2 The management approach and its components	P. 20–23	c. The resources used to manage this topic are not reported for confidentiality reasons.
	103-3 Evaluation of the management approach	P. 20–23	
GRI G4 Food Processing 2014	FP2 Percentage of purchasing volume certified according to an internationally recognised sustainability standard	P. 21	<p>GRI G4 FP2 can this year not be reported in all completeness, as the corresponding data is not yet available. ORIOR is working on completing this data for the next sustainability report.</p> <p>The following standards and labels were used as a basis of our data compilation:</p> <p><b>Organic:</b> EU organic, Bio Weide-Beef (Migros ), Demeter, Bio Suisse (Bio Bud), Migros organic, Naturaplan (Coop), Naturafarm (Coop), Natur Aktiv (Aldi), Naturland, Swiss Ordinance on Organic Farming. Also the following labels, under which ORIOR does not yet produce any products: Bio Natur Plus (Manor), Biotrend (Lidl), Natura-Beef Bio, Spar Natur Pur.</p> <p><b>Sustainable:</b> Aus der Region, ASC (Aquaculture Stewardship Council), Bergzone, Bio Weide-Beef, Demeter, Friend of the Sea, FSC (Forest Stewardship Council), Heidi, KAGfreiland, Knospe Bio / Knospe Bio Suisse, Migros Bio, Max Havelaar, Miini Region, MSC (Marine Stewardship Council), Naturaplan (Coop), Naturafarm (Coop), Natura-Beef, Nature Suisse (Aldi), Natur Aktiv (Aldi), Naturland, Pro Montagna, RSPO Identity Preserved (IP), RSPO Segregation (SG), Schweizer Tierschutz STS, Suisse Garantie, Suisse Quality Beef, TerraSuisse (Migros), V-Label (vegan, vegetarisch), WWF Score 1–3 sowie die Tierwohlprogramme des Bundes BTS (Besonders Tierfreundliche Stallhaltungssysteme) und RAUS (Regelmässiger Auslauf im Freien). Also the following sustainability labels, under which ORIOR does currently not produce any items yet: Agri Natura, Claro Fair Trade, Bio Natur Plus (Manor), Biotrend (Lidl), Natura Beef Bio, Rainforest Alliance, Spar Natur Pur und UTZ Certified.</p>

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Further information and/or omissions
<b>Animal welfare</b>			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	P. 13, S. 24	
	103-2 The management approach and its components	P. 24–27	c. The resources used to manage this topic are not reported for confidentiality reasons.
	103-3 Evaluation of the management approach	P. 24–27	
ORIOR specific indicator	Percentage of purchased animal products either with Swiss origin, with foreign origin but produced according to Swiss animal welfare standards, or certified according to an organic/sustainable product label	P. 25–26	<p>The following standards and labels were used as a basis of our data compilation:</p> <p><b>Organic:</b> EU organic, Bio Weide-Beef (Migros), Demeter, Bio Suisse (Bio Bud), Migros organic, Naturaplan (Coop), Naturafarm (Coop), Natur Aktiv (Aldi), Naturland, Swiss Ordinance on Organic Farming. Furthermore the following labels, under which ORIOR does not yet produce any products: Bio Natur Plus (Manor), Biotrend (Lidl), Natura-Beef Bio, Spar Natur Pur.</p> <p><b>Sustainable:</b> Aus der Region, ASC (Aquaculture Stewardship Council), Bergzone, Bio Weide-Beef, Demeter, Friend of the Sea, FSC (Forest Stewardship Council), Heidi, KAGfreiland, Knospe Bio / Knospe Bio Suisse, Migros Bio, Max Havelaar, Miini Region, MSC (Marine Stewardship Council), Naturaplan (Coop), Naturafarm (Coop), Natura-Beef, Nature Suisse (Aldi), Natur Aktiv (Aldi), Naturland, Pro Montagna, RSPO Identity Preserved (IP), RSPO Segregation (SG), Schweizer Tierschutz STS, Suisse Garantie, Suisse Quality Beef, TerraSuisse (Migros), V-Label (vegan, vegetarisch), WWF Score 1–3 sowie die Tierwohlprogramme des Bundes BTS (Besonders Tierfreundliche Stallhaltungssysteme) und RAUS (Regelmässiger Auslauf im Freien). Also the following sustainability labels, under which ORIOR does currently not produce any items yet: Agri Natura, Claro Fair Trade, Bio Natur Plus (Manor), Biotrend (Lidl), Natura Beef Bio, Rainforest Alliance, Spar Natur Pur und UTZ Certified.</p> <p><b>KAT-Certification:</b> KAT (Association for Controlled Alternative Animal Husbandry) is a recognised quality label and a control system that certifies the origin of eggs and ensures their traceability in Germany as well as neighbouring EU countries. KAT criteria go beyond the requirements of the German animal welfare and livestock farming laws and regulations.</p>
<b>Safe and healthy food</b>			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	P. 28	
	103-2 The management approach and its components	P. 28–31	c. The resources used to manage this topic are not reported for confidentiality reasons.
	103-3 Evaluation of the management approach	P. 28–31	
GRI G4 Food Processing 2014	FP5 Percentage of production volume manufactured in sites certified according to internationally recognised food safety management system standards	P. 31	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Further information and/or omissions
ORIOR specific indicators	Share of "Clean Label" products among full product range of ORIOR brands	P. 29	
	Amount of salt per kg final product	P. 29	
<b>Packaging and food waste</b>			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	P. 13, P. 34	c. At present ORIOR only reports about the management of this topic in its own organisation.
	103-2 The management approach and its components	P. 34–37	c. The resources used to manage this topic are not reported for confidentiality reasons.
	103-3 Evaluation of the management approach	P. 34–37	
GRI 306 Effluents and Waste 2016	306-2 Waste by type and disposal method	P. 36	ORIOR does not report the waste by weight but per ton of production. The total weight of waste is a confidential measure.  Waste disposal methods cannot be reported separately, as this data is not currently non-existent. ORIOR reports its own waste categories "process waste" and "scrapping".
<b>Climate and energy</b>			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	P. 13, P. 38	
	103-2 The management approach and its components	P. 38–41	c. The resources used to manage this topic are not reported for confidentiality reasons.
	103-3 Evaluation of the management approach	P. 38–41	
GRI 302 Energy 2016	302-3 Energy intensity	P. 40	c. Energy consumption includes fuel (transport), electricity, heating oil and natural gas. d. Within the organisation.
GRI 305 Emissions 2016	305-4 GHG emissions intensity	P. 41	c. Scope 1 and Scope 2 d. All greenhouse gas emissions have been included (exception: energy mix Swiss energy suppliers 2018)
<b>Water</b>			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	P. 13, P. 42	
	103-2 The management approach and its components	P. 42–45	c. The resources used to manage this topic are not reported for confidentiality reasons.
	103-3 Evaluation of the management approach	P. 42–45	
GRI 303 Water 2018	303-1 Interactions with water as a shared resource	P. 42	
	303-2 Management of water discharge-related impacts		This disclosure is not applicable for ORIOR and is therefore omitted. Water discharge has not been identified as a material topic.
	303-3 Water withdrawal	P. 44	For confidentiality reasons, ORIOR currently only reports water withdrawal per production (l per produced kg).



GRI Standard	Disclosure	Page number(s) and/or URL(s)	Further information and/or omissions
<b>Training and development</b>			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	P. 13, P. 48	c. At present ORIOR only reports about the management of this topic in its own organisation.
	103-2 The management approach and its components	P. 48–51	c. The resources used to manage this topic are not reported for confidentiality reasons.
	103-3 Evaluation of the management approach	P. 48–51	
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	P. 50	For confidentiality reasons, ORIOR does not report gender breakdowns of training hours per employee.
ORIOR specific indicator	Number of apprentices and interns during the reporting period	P. 50	
<b>Occupational health and safety</b>			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	P. 13, S. 52	c. At present ORIOR only reports about the management of this topic in its own organisation.
	103-2 The management approach and its components	P. 52–55	c. The resources used to manage this topic are not reported for confidentiality reasons.
	103-3 Evaluation of the management approach	P. 52–55	
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	P. 52–53	
	403-2 Hazard identification, risk assessment, and incident investigation	P. 53–54	c. There is currently no information level available on a Group on how workers can remove themselves from work situations that they believe could cause injury or ill health, or on their protection against reprisals. ORIOR plans to gather this information for the next report.
	403-3 Occupational health services	P. 54–55	Besides the ICAS contact point, no occupational health services are provided yet.
	403-4 Worker participation, consultation, and communication on occupational health and safety	P. 52–54	
	403-5 Worker training on occupational health and safety	P. 54–55	
	403-6 Promotion of worker health	P. 54–55	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		This aspect is not yet reported on by ORIOR, as it cannot access the relevant data on occupational health and safety in upstream and downstream organisations.
	403-8 Workers covered by an occupational health and safety management system	P. 54	With present data availability, ORIOR can only report that all employees in Switzerland are covered by safety management system of the respective centres of competence. We want to include the breakdown of the data by system and audit scheme into our reporting during the upcoming years.

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Further information and/or omissions
ORIOR specific indicators	Rate of absences by type of absence	P. 54	
<b>Economic performance</b>			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	P. 13, P. 56	
	103-2 The management approach and its components	P. 56–59	c. The resources used to manage this topic are not reported for confidentiality reasons.
	103-3 Evaluation of the management approach	P. 56–59	
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	P. 57	These figures are disclosed only on a Group level according to the accounting principles of Swiss GAAP FER.
ORIOR specific indicators	Number of workplaces in Switzerland	P. 59	
	Investments into Swiss production Sites as a percentage of turnover	P. 59	

## 6.2 About this report

*GRI 102-50, GRI 102-53, GRI 102-54*

This report has been prepared in accordance with the GRI Standards: Core option. It is the first Sustainability Report published by ORIOR, covering sustainability management practices and the sustainability performance of ORIOR's "Refinement" and "Convenience" segments for the 2018 calendar year.

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### culinor food group

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