



**UN Global Compact
Progress report 2019**

MILLUM®

Statement of continued support

To our stakeholders:

I am pleased to confirm that Millum reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Bjørn Anskau
CEO Millum AS

December 4th, 2019



About us

Millum is a Norwegian software company founded in 2002, operating in the foodservice industry in Norway, Sweden and Denmark. Millum develops and manages e-commerce solutions for all parties in the value chain. We supply everything from web-based procurement solutions for major procurement chains to e-commerce solutions for stand-alone suppliers, as well as a range of services that tie everything together.

We believe that our industry focus can help create better solutions for our customers, due to our understanding of their businesses and needs. This approach has enabled us to establish our company as a leading player in the food service industry. Our role as a facilitator guarantees good business – every time.

The focus as we continue to develop our solutions will be on new lines of business and new services. Our subsidiary Matinfo AS is one example of this. It is an independent food database that makes information supplied by all food and drink manufacturers available to anyone who wants it. And that includes Millum.

Thanks to Millum's solutions, the company's current trade volume is in excess of NOK 8 billion, and our operations are continuing to expand in the Nordic region. In Norway and Sweden we have worked in partnership with major industry stakeholders to establish our own sales agents for the food service industry. These are Horecamarket AS in Norway and Icio AB in Sweden.

Facts

- Founded: 2002
- Employees: 30
- Trade volume: NOK 8 billion
- Suppliers: 400
- Product items: more than 720.000 unique items
- Registered hotels and resaturants: 4.500
- Active users: 14.000

Green procurement

The foodservice industry in Norway, Sweden and Denmark buys goods and services for more than 80 billion NOK per year. More sustainable sourcing and procurement across hotels, restaurants and catering businesses has the potential for broad-reaching impact across complex supply chains.

Every business has its own vision and priorities, while facing ever-increasing demands from guests and customers. Our aim is to support our clients through providing them with enabling technologies and to facilitate value creation through our network.

The major actors within our industry operate in hundreds of locations across multiple countries. We believe that the key to sustainable procurement is through implementing efficient solutions that help streamline best practice across an entire organisation. We are excited about putting 20 years of experience towards more sustainable procurements for the foodservice industry.

UN Global Compact Survey, 2019:

“The major challenge identified by large companies is how to mainstream their commitments through their business operations and supply chain, particularly those that operate across multiple geographies. Smaller companies, meanwhile, struggle to attain the financial resources necessary to deliver impact at scale.”





9 INNOVASJON OG INFRASTRUKTUR



Our sustainability vision

Supporting our clients in reaching their sustainability goals through enabling technologies and collaboration.

17 SAMARBEID FOR Å NÅ MÅLENE



Our sustainability strategy

Enabling green procurement through the development of digital solutions tailored to industry-specific needs, independently or through partnerships. Such industry-specific needs include facilitating compliance to legal regulations, as well as providing data for auditing and measuring effects of various sustainability programmes.

8 ANSTENDIG ARBEID OG ØKONOMISK VEKST



Our priority in 2019

In addition to the ten principles of the UN Global Compact, our priority in 2019 has been to make progress on UN Sustainability Goals 8 and 12.

12 ANSVARLIG FORBRUK OG PRODUKSJON



Our commitment to the ten principles of the UN Global Compact

Millum aspires to a high level of ethics in our operations. Any and all services provided to our clients must meet the standards described in our Code of Conduct. All our goods and services suppliers must comply with the same standards.

Our Code of Conduct is based on the Norwegian Law on Public Procurement (Norsk Lov om Offentlige anskaffelser §5), as well as internationally recognized conventions from the UN and International Labour Organization (ILO) specifying standards for performance. In case of conflicting laws regulating the same topic, the highest standard will prevail.

Since 2018 we have performed a yearly supply chain assessment. Using a digital tool, we survey all our suppliers with the aim of uncovering possible breaches, as well as to encourage our suppliers to strive for higher ethical standards and more transparency in their respective supply chains.



Human Rights

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2:

make sure that they are not complicit in human rights abuses.

Actions taken:

Millum AS has implemented ethical guidelines/code of conduct for their own organization and employees, and for its suppliers. Millums code of conduct is based on the Norwegian Public Procurement Act, § 5 which states that (public) businesses should have appropriate procedures to promote respect for fundamental human rights in (public) procurement where there is a risk of such rights being violated, the ILO conventions and UN Convention on the Rights of the Child and The Convention on the Elimination of all Forms of Discrimination Against Women. The suppliers must also distribute and communicate these guidelines to their subcontractors.



Labour

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4:

the elimination of all forms of forced and compulsory labour;

Principle 5:

The effective abolition of child labour; and

Principle 6:

the elimination of discrimination in respect of employment and occupation.

Actions taken:

We have employed a team of technical specialists located in Sri Lanka since 2016. Ensuring that they have good working conditions is imperative. To this end we keep in daily contact with our overseas team members, as well as making multiple on-site visits each year.

Principle 7:

Businesses should support a precautionary approach to environmental challenges;

Principle 8:

undertake initiatives to promote greater environmental responsibility;

Principle 9:

encourage the development and diffusion of environmentally friendly technologies.

Actions taken:

Our operations and data storage are energy intensive. Moving our servers into a server park will reduce the amount of energy needed for cooling, therefore minimizing our environmental footprint.

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

Actions taken:

Our Code of Conduct specifies that all forms of bribery, whether direct or indirect, are unacceptable. We further encourage the use of management systems and other necessary practices to promote corporate responsibility and transparent supply chains.



Environment



Anti-Corruption

An industry-wide initiative towards more responsible procurements

Risks related to working conditions, human rights and the environment are inherent in any value chain. Improvements can only be made if buyers have full transparency and access to information. In 2019 we partnered with Factlines AS. Factlines provides digital solutions that help companies map their supply chains in order to identify possible breaches and risk areas.

This collaboration aims to encourage more actors to assess their own supply chains. More and more buyers are requesting information about supply chains, and suppliers spend considerable time reporting on similar matters - often in slightly different formats. Together with Factlines, we're helping the industry avoid duplicate work which provides little or no extra value, rather freeing up time for buyers to spend on follow-up and improvement projects.

To this end, we launched an industry-wide initiative to engage all suppliers in performing their own supply chain assessments, using a standardized procedure and set of survey questions agreed between many of the major buyers in the industry.

By streamlining this process across the industry, we hope to reduce or even eliminate unnecessary duplicate work and increase transparency and access to information for all actors involved.

In November 2019, several major actors within the hotels, restaurants and catering industry signed a petition to request all suppliers to conduct supply chain assessments.



▶ Many small efforts towards more sustainable meals

The food and beverage industry accounts for as much as 20-30 percent of carbon emissions in Europe. The equivalent of about one in every eight shopping bags of food is never consumed by humans. This is a moral issue, which also results in major environmental detriment and greenhouse gas emissions. Although the food service industry accounts for a low percentage of total food waste, reports say that as much as 29.000 metric tonnes of food went to waste in Norway in 2018 .

Major efforts are underway across Europe to reduce food waste. Norway is at the forefront, having established an industry-wide collaboration for a 20 percent food waste reduction by 2020, reaching 50 percent by 2030.

This Kutt Matsvinn (Cut Food waste) initiative has authored several tools and best practices, as well as establishing a structure for reporting and analysing food waste. More than 2000 hotels, restaurants and catering companies have joined Kutt Matsvinn and pledged to work systematically to reduce food waste. Many of our current customers are working hard on this, and we are currently exploring how we can help make this work easier, quicker or more precise.



Progress made in 2019



VERDIMAT

Verdimat is a wholesaler, selling only products that are close to their expiry date to be sold legally in their traditional channels. We partnered with Verdimat in 2016, and supply the e-commerce platform which is used by more than 6000 clients to buy food that would otherwise go to waste.



TOTALCTRL

Researching the causes of food waste. TotalCtrl is a startup company aiming to reduce food waste. Together we conducted a study with the aim of discovering the root causes of food waste, and to assess whether digital solutions in the kitchens could help reduce food waste. Read the report on our website millum.no.



Floke
by /Era

Known in English as a “wicked problem”, the **Matfloka** concept refers to societal issues that are complex and cannot be solved by simple solutions or single actors without implicating adverse or unattended effects on others. Matfloka summons the food industry with the goal of figuring out what and how we can eat, knowing that food is a key factor in both national economies, health issues and in our daily lives. We participate and we are prepared to help put good ideas into action.



MATPRISEN .

Matprisen is awarded to actors in the food industry who succeed in running their business in a sustainable way. We sponsored this event for the second time this year. Through our sponsorate, we have also ensured the addition of a new prize, awarded to larger actors whose sustainability efforts have a big impact.

Our team

A sustainable workplace for our employees

Our current employees are dedicated to the sustainability cause, and we expect that our future hires will be looking for a sustainable workplace. Even small businesses have a responsibility to make improvements wherever possible, and we believe that even the smallest efforts will have an impact if they are sustained over time. Starting from October 2019, a team of seven members meet every month to share knowledge and to discuss ongoing and future client needs related to sustainability.



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