



**UN Global Compact  
Progress report 2020**

**MILLUM<sup>®</sup>**

## 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 in year 2 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, 2020



## 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 neutral 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, including new features important to our customers. 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 including Millum.

The trade volume through Millum's solutions in 2019 was almost NOK 9 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. Our trade volume for 2020 will be approx. NOK 5,5 billion instead of closer to 10 billion, which is 40 % less than budget. This reduction is due to covid-19 - our line of business is hit hard.

### Facts

- Founded: 2002
- Employees: 29
- Trade volume 2019: NOK 8,9 billion
- Suppliers: 400
- Product items: more than 720.000 unique items
- Registered hotels and restaurants: 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 organization.

Milliums greatest contribution in working towards the SDG's, will be to ensure that all users are able to make as informed and sustainable choices as possible, using our platforms to make their purchases. Hence contribute to the reduction of emissions from our major customers.

### **Requirements for Norwegian companies to set science-based climate goals.**

"Only four of Norway's 100 largest companies can document reduction in emission in line with the Paris Agreement, according to the report "Sustainability 100" presented by PwC on 3rd Sept. 2020. Thus, how does the reduction of emissions of the next few hundred companies look?"





## Our vision of sustainability

Supporting our clients in reaching their sustainability goals through enabling our technology to meet their needs, also in collaboration with sustainable other parties, when needed.

## 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 programs. Millum will through such development of our inhouse technology, make our clients capable of taking informed and sustainable choices when using our procurement platforms.

## Our priority in 2020

In addition to continued commitment to the ten principles of the UN Global Compact, our priority in 2020 has been to make progress on UN Sustainability Goal 9; Industry, innovation and infrastructure and also goal 17; Partnership for goals. For 2019, we prioritized to focus on goals 8 and 12 – which we continue to work on alongside the two other goals.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



17 PARTNERSHIPS FOR THE GOALS



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



## Our continued commitment to the ten principles of the UN Global Compact

Millum aspires to a high level of ethics in our operations. 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 each year performed a supply chain assessment. We map and survey all our suppliers digitally with the aim of uncovering possible breaches, as well as to encourage them 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 code of conduct for our organization and employees, and for 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 one team of technical specialists located in Sri Lanka since 2016, and in the beginning of 2020 we brought one more team in. Ensuring that they have good working conditions is imperative. Our team leaders keep in daily contact with each of our overseas team members. The plan was to make multiple on-site visits each year, but for 2020 the covid-19 situation made that impossible. But we kept our 2 teams, and continued and continues to this day, with daily video meetings with both teams.

**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. In the spring of 2020, we moved our servers into a server park, which have reduced the amount of energy needed for cooling. We have also cancelled a few servers which was not vital for us to use anymore, hence one more step in reducing 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 continuous 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; a company that provides digital solutions which help companies map their supply chains 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, Millum is helping the industry to avoid duplicate work in surveying their supply chain.

To this end, we launched in 2019 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 hotel-, restaurant- and catering industry agreed to sign a petition to request all suppliers to conduct supply chain assessments. This was sent to all suppliers related to this line of business in February 2020.



## ▶ Many small efforts towards more sustainable meals

The food and beverage industry accounts for as much as up to 25 % of carbon emissions in Europe. The equivalent of about one of 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 39.000 metric tons of food went to waste in Norway in 2019.

Major efforts are underway across Europe to reduce food waste. Norway is high in initiatives regarding food waste and have established an industry-wide collaboration for a 20 % food waste reduction by 2020, reaching 50 % 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 analyzing 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, and more precise.



## Partners: status and progress made in 2020



VERDIMAT

**Verdimat** is a wholesaler, selling only products that are close to expiration date, and cannot be sold legally in their traditional channels. We partnered with Verdimat in 2017 and supply the e-commerce platform which is now used by more than 9000 clients to buy food that would otherwise go to waste. Every year several tons of edible products are being food waste due to difficulties in the value chain. Through Verdimat, approx 1.000 tons of products are being saved; sold and used instead of ending up as waste.



TOTALCTRL

Researching the causes of food waste. **TotalCtrl** is a startup company aiming to reduce food waste. Together we conducted a study in 2019 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](http://millum.no). In 2020, TotalCtrl partnered with several actors in Millums network, in a united front against food waste.



Floke  
by Æra

**Matfloka**, “a wicked problem”, 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. Millum participated and aims to help put good ideas into action. Due to covid-19, none of the projects has started. For 2021 there will be several projects put into action, and Millum will contribute to some of the projects.



MATPRISEN .

**Matprisen** is awarded to actors in the food industry who succeed in running their business in a sustainable way. This year we sponsored this event for the third time. Through our sponsorship, we have also ensured the addition of a new prize; “Årets storkjøkken” – large scale kitchens, awarded to larger actors whose sustainability efforts have a big impact.

## ▲ New initiatives and actions taken in 2020



**Factlines** helps companies map and improve their supply chain, by mapping with self-assessments to understand risks and opportunities in the supply chain. In late 2019, Millum partnered with Factlines due to the need for our purchasing customers in the hotel, restaurant, and catering industry to find certified suppliers. Millums eCommerce solutions are individual for each customer, but the mapping of certified suppliers will appear in each portal when the supplier is confirmed certified. In October, Millum launched a search filter in the register of suppliers, which means that all users of Millum systems can do specified searches and find the so far 15 suppliers which have been certified.



Millum and its subsidiary Matinfo have signed the guide against **Greenwashing**. This means that we stand behind the content of the guide and promise to do our utmost to follow the 10 principles in all our marketing and communication. This guide was initiated by the organization **Skift**; Climate Business Leaders, together with their partners Zero, Future in our hands and WWF Norway. Millum is also a contributor to Skifts initiative; Green Procurement, where we participate in discussions and give input to a guide made for greener public procurements in Norway.



**S-HUB** is a Norwegian community and platform for sustainable business and leadership. Their aim is to gather companies, institutions, and professionals to increase knowledge, build relationships and accelerate Norwegian sustainability initiatives. Millum joined **S-FOOD** in October 2020, which is S-HUB's national network for food and sustainability work. Our main task will be to investigate developing tools for measuring and control, hence reduce food waste for our customers.

## Carbon footprint from food served by our clients

During the last year, we have experienced an increasing demand for determining the carbon footprint of menus and dishes produced by our clients. To meet this need, we have developed a CO<sub>2</sub>-calculator, providing chefs with information regarding the carbon emissions of dishes they serve. All values in the calculator are presented in a unit of measure determined by UNCF and the EU Commission, which convert the different gases to the corresponding amount of CO<sub>2</sub> required to create an equal greenhouse effect. By converting the data to a common unit of measure you can for instance compare the climate footprint from a vegetarian burger with the footprint from a double cheeseburger.

To easily see which products and dishes have the least negative impact on the environment, we have developed a calculation functionality with four different levels. The level scale is obtained from RISE (Research Institutes of Sweden), which is Swedens research institute and innovation partner. The scale is comprised of the levels green, yellow, orange, and red, shown as a leaf icon and red being the level with the most carbon emissions and thereby having the highest negative impact on the environment. The user can substitute meat in a dish with a vegetarian source of protein like beans, and immediately see what effect this will have by the changing color of the leaf symbol.

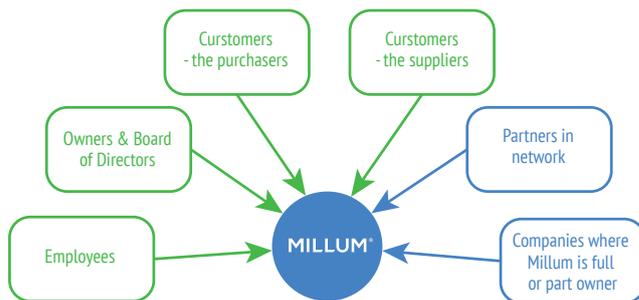
The calculator mainly deals with the lifecycle from production of ingredients to finished dish. It does not account for elements like food wastage or recycling. These are elements we'll investigate further.

- 
-  < 0,6
  -  0,6 - 1,1
  -  1,1 - 1,6
  -  >1,6



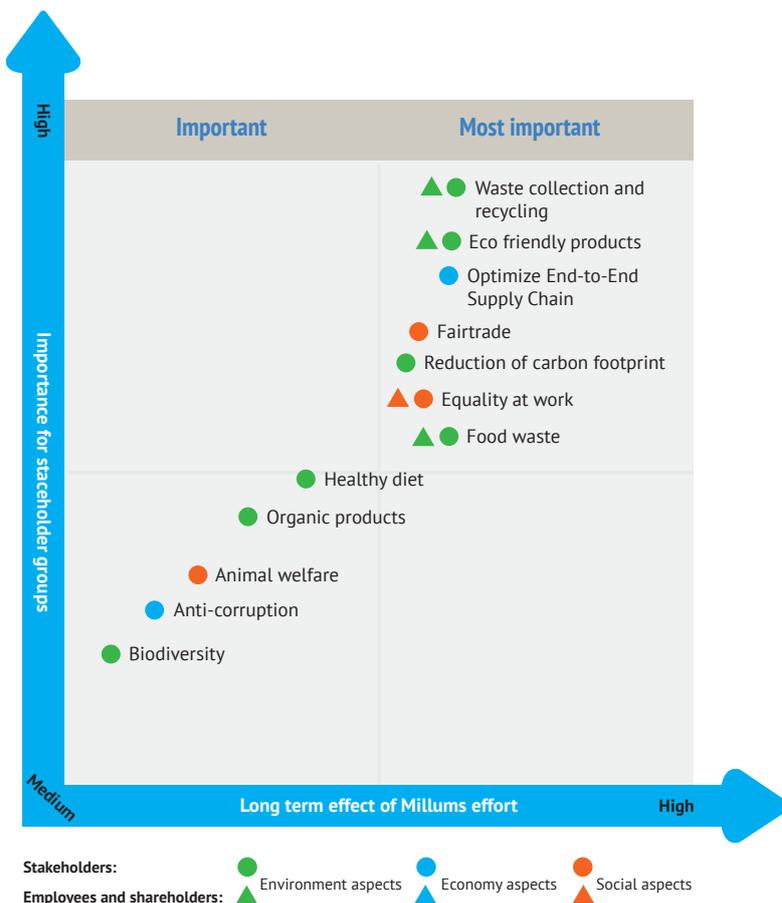
## Stakeholder and materiality analysis for Millum

Based on our stakeholder analysis, Millum conducted in the spring of 2020, a survey among both our group of customers; the purchasers and the suppliers, which aimed to reveal which areas are most important to them within the field of sustainability.



We followed through with a similar survey to our employees and other stakeholders such as owners and the board of directors. All mentioned parties are noted as Millums primarily stakeholders, hence marked in green in the model.

Based on the findings in the stakeholder analysis and in the surveys – we plotted a materiality chart.



This chart shows that there are several common areas all stakeholder groups states as important. Based on this plotting, Millum has chosen four areas as our main targets when it comes to primary KPI's for external sustainability, which are:

1. Waste collection and recycling
2. Optimized End-to-End supply chain
3. Reduction of carbon footprint
4. Food waste

We are working on all four areas, but food waste will be our focus in the year to come. Researching how to meet our clients' needs in terms of a common way to measure, register and gaining control of each kitchens food waste by using Millums technology, will be the main task for our Team Green in 2021.

For internal focus, important for all employees, we have from the plot chosen three primary areas to have continued focus on:

1. Waste collection and recycling
2. Eco friendly products
3. Labour and Human rights

Two of our employees are responsible for the follow up on these bullets and will as we speak – make continued efforts to enroll activities in our everyday life a work.

## 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. Picking up from October 2019 again, our Team Green of seven members have held monthly meetings to share knowledge, discuss ongoing and future client needs related to sustainability and worked closely with our development teams to ensure the sustainable thought is funded in the teams. For 2021 food waste will be this team's focus.



## Contact information

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