

Communication on Progress

Participant: Victoria Group

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1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

30 May 2017

To our stakeholders:

Victoria Group supports the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this Communication on Progress we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, operations and corporate culture.

Sincerely yours

Ivica Smolic
Chief Executive Officer
Victoria Group



2. DESCRIPTION OF ACTIONS

Human Rights

- Victoria Group is committed that our employees and business partners respect the Universal Declaration of Human rights, with its principles implemented in our Code of Conduct.
- Our Human Resources policies and procedures are based on principles of 'no discrimination and equal opportunities for every employee'.
- Our employees are informed about the procedure in case of work mobbing. The company is committed to prevention of work mobbing. We ensure that are employees are provided safe environment and protected from any form of harassment (physical, verbal, sexual or psychological)

Labour

- Victoria Group supports the UNGC and BSCI principles on labour standards in addition to following local laws on labour rights. Our Code of Conduct additionally regulates our policies and it is compliant with UNGC principles.
- The company is dedicated to providing suitable and motivating working environment for its employees. Victoria Group promotes corporate culture in which all employees share this mutual policy.
- Our recruitment policy secures equal opportunity employment platform for everyone.

- Minimal salary in Victoria Group is above the minimum amount regulated by the national labour law
- The corrective measures were implemented upon the conclusions of EBRD funded research on working environment satisfaction among employees. We have further improved the position of women and organized several workshops about 'equal opportunity for every employee' promoting company's values and informing about the procedures.

Environment

- Victoria Group supports the UNGC principles on the Environment and strives to minimize the environmental impact of the company's business activities.
- The company is committed to using renewable energy resources. Our three factories Sojaprotein, Victoriaoil, and Veterinary Institute Subotica reduced fossil fuel consumption and CO2 emission by using agricultural biomass for energy.
- In the reporting period our factories have undertaken and realized a number of actions regarding the environmental protection and have passed the ISO 14001 re-certification confirming compliance with the requirements of the environmental protection standard.
- The factory Sojaprotein improved system for the monitoring of soil and subterranean water, invested in new containers for waste separation in order to further improve waste management, and obtained IPPC (Integrated Pollution Prevention and Control) license.
- The factory Victoriaoil reconstructed the aspiration system in its silo which lead to the reduction of emission of powdery substances to the atmosphere, and entered the last phase of the construction of the wastewater treatment plant.
- The factory Veterinary Institute Subotica improved waste management processes.
- Victoria Group ensures that recycling is done to the maximum extent.

Anti-Corruption

- Victoria Group supports the UNGC principles on anti-corruption. We work strongly against corruption in all its forms and ensure that company's procedures support our anti-corruption commitment.
- 'Anti-corruption' is part of Human Resources policies and procedures, and is also clearly stated in employee contracts.
- Victoria Group has implemented Rulebook on whistleblowing, and raised employees' awareness on this topic with internal communication activities.

3. MEASUREMENT OF OUTCOMES

- We have a system in place that encourages employees, business partners and customers to report back if they suspect any wrongful doing. No reports have been filed since the system has been implemented.
- Minimal wage in Victoria Group is 20% higher than the minimum wage regulated by the Labour Law of the Republic of Serbia.
- The boiler room in the factory Victoriaoil reduced the use of mazut oil to 120,000 l in 2016 (compared to 3,107,570 l in 2012) by increasing the usage of agricultural biomass to 27,841,000 kg in 2016.
- Victoriaoil recycles 1,500kg of paper per month.
- By using soybean straw, hull and molasses our factory Sojaprotein reduced natural gas combustion. As a result, in 2016 there was a 65% decrease of CO2 emission.
- Sojaprotein conducted waste management training for 300 employees and improved separation of waste for further treatment (recycling).
- Sojaprotein reduced chemical waste packaging by 65%.