

# MONA



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact**.

We welcome feedback on its contents.

## FOREWORD

The social responsibility of corporations is becoming increasingly more significant in our world of globalisation. It is critical for a company to demonstrate social commitment since we are all responsible for making the world what it is today.

The responsibility of Mona, among others, includes the fact that we campaign for people to change to vegetable based and regional products, and hence socially compatible and environmentally-friendly products. Through this approach, we make a valuable contribution to nutrition with an environmental friendly footprint.

As a principle-oriented company, we focus routinely and continually on the aspect of "Global Compact" and strive to bring our environmental and resource management and our purchase and quality assurance more than ever before in harmony with our corporate principles.

The principles of Global Compact and the goals of this initiative echo my sentiments, which is why we decided to join it in 2008.

As the majority proprietor of Mona, it is my goal to spread the awareness and also sensitise all employees to these issues.

As an Austrian company that exports its products all over Europe, we are inevitably a part of the globalisation phenomenon.

Environmental conservation and our commitment for the region in which we produce took the centre stage of our efforts from 2008 to 2010. The campaign for nutrition having greater sustainability and the shift towards greater resource-conserving and vegetable products constitute a significant part of our efforts in PR, marketing and sales.

The regional production of the primary raw material used in our soya products and the regional processing are highly significant criteria for a purchase decision made by domestic consumers. Accordingly, we satisfy these criteria with the Burgenland roots of the company.

It is a matter of considerable pride for me that we are a part of this great initiative and contribute with our trade to making the world a better place.



Matthias Krön  
CEO

Vienna, July 2010

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## CORPORATE INFORMATION

Mona joined the UN Global Compact in the summer of 2008. It is the first CoP and therefore represents the first step towards systematic documentation of the activities pertaining to the principles of the UNGC.

The following report is aimed at presenting the status quo. The measures and actions that have been mentioned specifically, which represent an improvement over the previous years, pertain to the time period from July 2008 to June 2010.

### Corporate History

Mona is a medium-sized (100 employees) owner-managed Austrian company, which is not backed by any large international corporation. Apart from the registered office in Vienna, there are production facilities in Oberwart (Burgenland) and Schwerin (Northern Germany).

Mona Naturprodukte GmbH was established in 2003 and specialises in the production of vegetable foods with the focus on milk substitutes based on the whole soya bean. The soya production has been the outcome of a two-year project executed in cooperation with the University for Natural Resources and Applied Life Sciences. It is a matter of conviction that whole soya beans are used and not any of its isolates or soya flour. By deploying the latest state-of-the-art technologies and working continually on the further development of the products and processes, we can manufacture products of the highest quality.

The milk trading business of Mona, with which the company originally commenced its business operations, was completely discontinued at the end of 2008. Since the beginning of 2009, cow's milk is no longer produced; instead, only soya products are manufactured. This alone results in an enormous reduction of CO<sub>2</sub> emissions.

Mona Naturprodukte works with the help of its soya products on solutions for social, health-related and environmental problems. We nurture and maintain respectful and sustainable dealing with human beings and the environment.

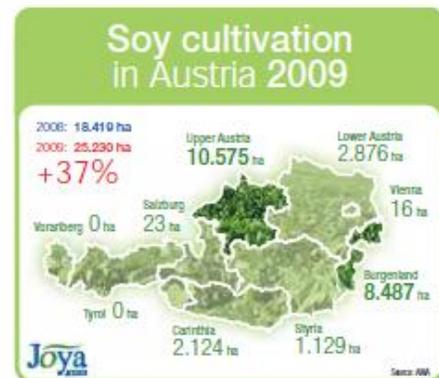
Mona was decorated in 2008 with the **Trigos**. This was an honour awarded for the courageous approach to manufacture soya products from soya beans grown regionally and without genetic modification.

## Society

The indirect method via animal feeding, which is a waste of resources, is avoided by processing soya beans directly to make savoury soya products out of them. As a result, agricultural areas that have become scarce can be used far more efficiently.

Austrian soya beans are used as far as possible for the manufacture of the final products. Since the processing also primarily takes place in Austria, we can generate a large proportion of the value addition in Austria and therefore create employment opportunities. The soya bean expertise is maintained and supplemented in a research and development centre in Oberwart; universities have also been involved to a large extent in the development (e.g. by assigning degree projects and dissertations on the subject). By entering into contracts for cultivation, we establish contact with farmers in the region and in this manner they can also participate in and benefit from the success of the products.

- Close cooperation with the farmers based on cultivation contracts
- Sustainable employment opportunities in Burgenland resulting from specialisation in soya products and export all over Europe
- Ensure innovation capabilities in the future with the help of research & development



## Health

The high proportion of non-vegetarian food in the diet leads to a number of avoidable diseases plaguing civilisation. A balanced and predominantly vegetarian diet is recommended as the 'mantra' for good health. Soya represents the most efficient source of vegetable proteins and is therefore an important constituent for all balanced diets. Over and above this, the natural isoflavones that soya contains are said to have a preventive effect on hormone-related diseases and to alleviate menopausal complaints.

- Increasing the intake of soya foods by a large range of products and variants and explaining the health benefits of soya and vegetarian products in general to consumers (e.g. by PR activities, giving them an opportunity to taste etc)
- Direct and continuous control system for traceability and non-use of genetic technology

## Environment

Vegetable products demonstrate excellent climatic balance. In the case of our products, this is fortified by purchasing raw materials regionally as far as possible, thus preventing additional stress on the climate as a result of rainforest clearance and long transportation routes. In addition, we exclusively use soya beans that are guaranteed to have been cultivated without the application of genetic technology.

- Production of foodstuffs that have an excellent climatic balance
- Protecting the rainforests of the Amazon by making annual donations to the WWF

## **HUMAN RIGHTS**

*Principle 1: Organisations need to support and respect the protection of international human rights within their sphere of influence*

*Principle 2: and ensure that they are not involved in the violation of human rights.*

Mona voices its protest against discrimination of all kinds and strives to have a fair relationship with all partners and employees.

In future, it would increasingly be brought to the attention of suppliers and partners that it would not be acceptable to our company to procure raw materials or other components that originated from circumstances that are not correct either legally or ethically (e.g., forced labour, child labour etc).

Mona assures a fair source of income to its soya farmers by entering into cultivation contracts with them.

We place great emphasis on compliance with the stipulations of industrial law and hence seize the opportunity to use an external auditor each year for support, who then prepares a report on the supervision of preventive services. The measures and actions required are implemented promptly in order to avoid the risk of accidents or hazards to health. The internal company safety officer is the contact person for all employees. The workplaces for employees have been designed so that they can perform their duties in the best possible manner.

By investing in a technical institution in Oberwart in 2009, the workforce in the office in Burgenland was further enhanced and employment was maintained and new employment opportunities were created.

Consumer protection is a matter of great concern to Mona, which is why we, for example, can demonstrate stricter controls than those prescribed in the field of allergens.

## **LABOUR STANDARDS**

*Principle 3: Organisations need to protect and preserve the freedom of association and the effective acceptance of the right to collective dealings, and, in addition, advocate*

*Principle 4: the elimination of all forms of forced labour,*

*Principle 5: the abolition of child labour and*

*Principle 6: the elimination of discriminatory practices during the process of recruitment and employment.*

The issues of forced labour and child labour certainly do not apply in our own production facilities in Austria and Germany. However, in the years to come increased awareness needs to be spread in conjunction with suppliers in order to bring any grievances that occur at their end to light.

There is no discrimination whatsoever as far as recruitment and employment at Mona is concerned. We employ Austrian citizens as well as those who are not Austrian citizens. Furthermore, both men and women are given equal opportunities in regard to our announcements for job vacancies. Consequently, the affiliation with a given political party, sexual orientation or religious views have no role to play in the recruitment process.

## ENVIRONMENT

*Principle 7: Organisations need to support a caring approach when dealing with environmental problems*

*Principle 8: and take initiatives in order to create a greater level of awareness for the environment*

*Principle 9: promote and sponsor the development and dissemination of environmentally-friendly technologies.*

### Purchase

Since the *main raw material*, soya beans, is cultivated to a large extent in Austria and in Burgenland, and this is processed primarily in the production facilities in Oberwart, long transportation routes are avoided right from the outset.

Similarly, the additional purchase of the German factory in mid-2008 helped us to avoid long-distance transportation, since only the soya beans are transported to the German factory, and the final products then have a much shorter distance to cover to reach the end consumers in the Northern European countries, as compared to deliveries made from Oberwart.

While purchasing other *ingredients*, European sources are sought as far as possible. If that is not possible (e.g. palm oil), we keep an eye on the source to see that the raw material comes from sustained cultivation. In the case of popular ingredients such as cane sugar, work is already underway to switch over to Austrian beet sugar.

Developments in the field of *packaging*, which are less stressful for the environment, are tracked by Mona with interest and enthusiasm (e.g. yoghurt cups comprising a lower proportion of plastic).

Repeated enquiries with our largest supplier of packing materials, Tetra Pak, have led to Mona becoming one of the first customers in Austria to receive a part of the Tetra Pak packages made of FSC certified paper by mid 2010.

### Marketing & Communication

In addition to the prevention of clearance of rainforests for Soya cultivation by using local cultivation in Austria, Mona has also endorsed cooperation with the WWF, through which an annual donation is provided towards the Amazon Preservation Fund.

This is what Mr. Georg Scattolin, Master's degree holder and Soya expert of **WWF Austria** had to say: *"No soya from the rainforests of the Amazon! The WWF is striving to protect the last untouched rainforests in Latin America. The Amazon is one of the ecologically most significant regions of the world. It has 10% of all types and 13% of all the water in all the rivers in the world. The rainforest retards climate change by storing huge volumes of carbon dioxide. In the meantime, 17% of the total area has already been destroyed, and the deforestation is progressing rapidly at an alarming rate. The cultivation of soya beans is one of the primary reasons for the progressive clearance of the rainforests and for the destruction of this valuable paradise. This is why we are particularly pleased to note that Mona exclusively uses Austrian soya for the Joya brand."*

**Global 2000** has discussed the climate preservation aspect of soya cultivation in Austria in April 2010 with the CEO of Mona and presented this online (<http://www.global2000.at/site/de/magazin/wipu/joyasoja/>).

Matthias Krön: *"We have 650 contract farmers, of which approximately 30% engage in organic farming. The remaining work in a conventional manner but comply with requirements that are sometimes more stringent than those stipulated by law. For example, they dispense with the use of certain spraying agents. We also try to set up regional circulation systems. Very often, within a given region, there are collection centres within a range of a few kilometres, where the farmers bring their soya beans. In this manner, we reduce the transportation distances. The farmers also take over the work of cleaning. Thus, there is local value addition."*

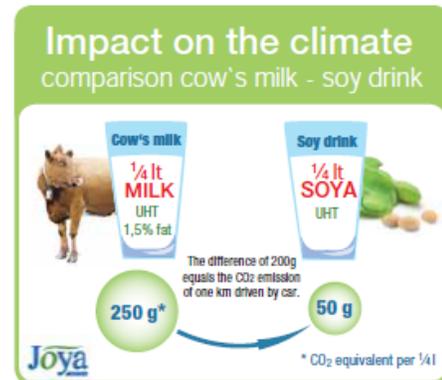
### Project Ecological Balance (LCA - Life Cycle Assessment)

Mona has embarked on a project with the Austrian Institute of Ecology with effect from the middle of 2008, which has an ecological balance as the outcome, and in which the environmental impact of one litre of pasteurised cow's milk is presented and compared with one litre of shelf stable soya drink from the same factory.

The result is loud and clear: If you substitute one glass of cow's milk with one soya drink from Austria, you save a substantial amount of CO<sub>2</sub> - equivalent to what would be saved by not driving one kilometre in a motor vehicle. The CO<sub>2</sub> stress on the environment is five times less with the soya drink analysed when compared to cow's milk.

The Project Manager of the **Austrian Institute of Ecology**, DI Markus Meissner, summarises the basic underlying complex aspects of evaluation as follows:

*"The Mona ecological balance stretches right from the agricultural production, including the upstream processes, such as manufacture of agricultural equipment, through the processing, packaging and storage right up to the operational transportation. The product "leaves" the balance system when it is transported to the retail warehouse of a foodstuffs chain (called: "Cradle to Gate")."*



### Logistics

In the export segment, which at Mona constitutes 85% of the revenue, the major challenge is to transport the goods in as environmentally-friendly a manner as possible.

Shipment by sea has been used as a part of the transportation route of the final products from the factory in Oberwart to South Europe since 2009. A truck brings the goods to Rotterdam (switching over to the relatively more environmentally-friendly mode of transport by rail is in the planning and testing stage). From there, about 6 containers are transported weekly by ship to Portugal. The aim is to switch at least 50-60% of the transportation of the final goods to South Europe over to the route by sea, whereby, unfortunately, limitations are imposed on account of the



turnaround times, since departures by ship are only twice a week. At present, the actual days of departure are changed often on account of the inconsistent and irregular management.

The transportation from the factory in Germany to the Scandinavian countries or the British Isles is already being done partially via the sea route since 2009. Various ship owners and various ports in the North (Rotterdam, Hamburg) transport the goods, e.g. to Finland or the UK.

#### General

The employees at Mona have participated in two internal workshops during 2009 in which they have also addressed environmental issues pertaining to day-to-day office affairs.

The subject of *waste / waste separation* was tackled in a concrete manner at the time of relocation of the office in March 2010, by organising the collection of old paper in various rooms and separating out glass and metal in the kitchens. Moreover, Tetra Pak packages are collected in the Eco-box and even plastic bottles are collected separately. Since then, the issue of energy consumption is also being promoted with the help of energy conservation tips, such as "Avoid standby" appearing regularly in the in-house newsletters.

A delivery service has been engaged for mineral water in glass bottles to prevent plastic waste.

Excess quantities of soya products are provided to a social services supermarket.

Moreover, the fruit box of the organic farm at Adamah, which supplies seasonal fruit from controlled biological agriculture, is used.

In the office at Vienna, a power package has been selected, in which more than 2/3 of the power is derived from hydro stations (and the remaining from sources of wind energy, solar energy, biomass or natural gas, but not nuclear energy under any circumstances).

Concern for the environment has also found its way into the marketing department, in which publicity folders shall be printed only on FSC (Forest Stewardship Council) certified paper with effect from 2010, and cooperation with suppliers that follow this philosophy (e.g. Gugler printing house) is being sought and pursued intensively.

In future, attention shall be paid to all *types of printed matter* at Mona to make use of only this kind of paper.

The ecological *footprint* was discussed many times during 2009. There was also a media event aimed at achieving this end, the contents of which were discussed in an internal "Jour Fix" (daytime program).

Environmental friendliness is also strived for in matters of personal transport.

The number of company cars is kept as low as possible by making use of pooled cars. Those employees who do not travel frequently share one motor vehicle. Large car pools are formed, as far as possible, which also apply to managerial conferences that are held alternately in Vienna and Oberwart. Furthermore, a telephone system was installed in 2010 that also facilitates teleconferences, therefore avoiding the need to travel.

The employees at Vienna who use public transport facilities to commute to work have the option of receiving an annual travel ticket along with their salary package.

#### Energy management at Oberwart

Another project that was kicked off in 2009, and which is meant to contribute towards the reduction of emissions at the factories belonging to Mona, is the construction of an energy management system conforming to prEN 16001.

The European standard DIN EN 16001 that came into effect from August 2009 describes the requirements of the energy management system of a company.

Mona is one of the pilot organisations that are introducing this standard in Austria as a foodstuffs producer for the first time.

An "as is" analysis and assessment of the energy aspects has been conducted, and finally, an energy management system would be set up with the initial implementation of energy conservation measures.

The objective is to enhance energy efficiency and reduce the energy intensity, whereby the energy consumption is consciously controlled with the help of organisational and technical measures and actions and, thus, energy intensity shall be reduced.

This system would be integrated into the quality management system. Employees would be appointed to be in charge, who would work on this subject (Energy Managers).

Work on this project commenced in March 2009. Since then, there are instructions on the methodology describing the procedure to improve energy efficiency on an ongoing basis. All employees have been requested to cooperate and work together on the continuous improvement process. In this manner, the employees are expected to gain awareness of the fact that apart from the raw materials and personnel, energy is the most significant cost factor within the organisation. Every employee is obliged to handle energy carefully.

An internal audit was conducted for the first time in May 2010 with external participation (Austrian Energy Agency), which has already brought amazing results and demonstrated that the organisation is ready for certification.

The commitment to energy management 2010 has been captured in the corporate policy as follows:

We undertake to improve our energy efficiency continuously by reducing the consumption as far as possible and also by checking on the use of alternative and renewable energy sources and deploying them wherever and whenever possible. In order to ensure this, we focus our attention continuously on operational processes and activities that we can influence, and which have a significant impact on our energy consumption. Employees and contractors are requested to cooperate and work together towards this continuous improvement process.

## **ANTI-CORRUPTION DRIVE**

*Principle 10: Organisations need to combat all kinds of corruption, including blackmail and bribery.*

We are rarely confronted with blackmail and bribery in Austria and Germany, where our offices are located. Nonetheless, there is the need to increase awareness in this area in the years to come, in order to be able to bring any grievances that may occur to light.

Blackmail and bribery are issues that are not tolerated at Mona. Our employees are discouraged and dissuaded from accepting any substantial gifts or invitations from suppliers that might create any kind of dependence or could arouse the impression of any such dependence. They are accepted only if they are valued at less than 50 Euros.

## **OBJECTIVES FOR 2010 AND 2011**

Emphasis shall be placed on comparison with previous years and therefore enhance transparency in the reports of the current year.

It is desirable that an independent sustainability strategy is formulated and defined for each department or division of the company.

### Goods transport:

Further reduction in stress for the environment by local production facilities (e.g. partner or a separate factory in Spain)

### Personal transport:

Fewer flights or CO2 emission tickets for flight tickets or planting trees

When purchasing motor vehicles, selecting those that are durable, lighter and fuel-efficient

### Purchase policy:

Preparation and implementation of a document that is mandatory to endorse (e.g. in order to qualify as a supplier to Mona, it must be ensured that human rights standards are complied with; furthermore, child labour and forced labour shall not be tolerated)

### Energy conservation measures for the production locations:

Selection / Switching the power suppliers - Aim: Green energy

The report is available for download at: [www.joya.info](http://www.joya.info) and at the Global Compact site, [www.unglobalcompact.org](http://www.unglobalcompact.org)

## **IMPRINT**

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