

# Anora's 2024 report on Norwegian Transparency Act

## 1. Description of Anora's guidelines and processes for handling actual or potential risks of violation of human rights and decent working conditions

### 1.1 General description of Anora Group Ltd in Norway

Anora is a leading wine and spirits brand house in the Nordic region and a global industry forerunner in sustainability. Our market-leading portfolio consists of our own iconic Nordic brands and a wide range of prominent international partner wines and spirits. We export to over 30 markets globally. Anora Group also includes Anora Industrial, with producing e.g. starch, technical ethanols and other industrial products. In 2023, Anora's aggregate net sales were EUR 726.5 million and the company employed about 1,219 professionals. In Norway, we employed 371 persons at the end of the year, of which 276 male and 95 female. Our premises are based in Gjelleråsen. Anora's shares are listed on Nasdaq Helsinki. More information of the company at our corporate web site [www.anora.com](http://www.anora.com).

Anora's daughter company Arcus Holding AS is domiciled in Norway and is covered by the Transparency Act by offering goods and services in Norway (Åpl. § 2). The business imports and produces wine and spirits for resale to grocery stores, Vinmonopolet and the HORECA market.

In Norway, Anora's operations consist of spirits producer and importer Arcus Norway AS, Altia Norway, InterBev AS, Bevco AS, De Lysholmske Brenneri- og Destillasjonsfabrikker ANS, Løiten Brænderis Destillation ANS, Siemers & Cos Destillasjon ANS, Oplandske Spritfabrik ANS, logistics company Vectura AS and wine importer Vingruppen AS, that consists of the following wine companies: Classic Wines AS, Creative Wines AS, Vinuniq AS, Vinordia AS, Arcus Wine Brands AS, Symposium Wines AS, Hedoni Wines AS, Excellars AS, Heyday Wines AS and Wongraven Wines AS.

Human rights risks in our wine value chain (described below) concern mainly our wine companies, while the risks in rum and spices value chain concern spirits company Arcus Norway AS, while Vectura is based in Norway and operating in logistics, under the Norwegian labour laws.

Our businesses have a duty to carry out due diligence assessments of conditions directly linked to the business's products, through supply chains or business partners (Åpl. § 4).

### 1.2 Purchasing conditions of our customer AS Vinmonopolet

Anora is a direct member of amfori BSCI and amfori's Code of Conduct is embedded to Anora's own Code of Conduct, which our suppliers are committed to.

In Norway, AS Vinmonopolet is our single biggest customer. Through the General Purchase Conditions for AS Vinmonopolet, we are required to comply with the amfori BSCI Code of Conduct, as well as to implement this in the supply chain.

Current conditions described in the General Purchase Conditions for AS Vinmonopolet:

- If the wholesaler has knowledge that a subcontractor has breached key elements of the Code of Conduct, or is expected to breach it in the near future, the wholesaler must immediately inform Vinmonopolet of this.
- If a breach of the provisions of the Code of Conduct is discovered by a wholesaler or subcontractor, the wholesaler must ensure that a contractor or subcontractor prepares an action plan within set deadlines that describes the measures to be implemented to remedy the breach.

### 1.2 Anora's human rights commitment

Anora is committed to respect human rights as enshrined in the International Bill of Human Rights consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights as well as the International Covenant on Economic, Social and Cultural Rights; and – the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work including the freedom of association and the

effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; the elimination of discrimination in respect of employment and occupation; and a safe and healthy working environment.

Where there is potential for adverse impacts on vulnerable people or groups, we will also consider other international standards and principles that elaborate on the rights of such individuals or groups, including e.g., indigenous peoples, women, children, and migrant workers and their families, and human rights defenders. This includes, for example, the Convention on the Elimination of All Forms of Discrimination Against Women and the Convention on the Rights of the Child.

Anora is committed to taking measures, based on due diligence processes, to avoid causing or contributing to adverse human rights impacts through our own activities (including own operations & our supply chain), and to addressing and remediating such impacts when they occur. We find ways to exercise our leverage to address adverse human rights impacts arising out of our business relationships.

### 1.3 Anora's process to mitigate human rights risks

Anora is committed to improving systematically the ways for our sustainable procurement. We already have in place processes and systems to manage the identified risks:

- Anora Code of Conduct & Code of Conduct for Suppliers and Sub-contractors
- Third-party audits & certificates
- Internal audits & supplier visits
- Risk country profiles to give us a holistic understanding of the human rights situation in our supply chain countries
- Supplier Self Assessment tool to both communicate about Anora's commitments and gain a wider understanding of our suppliers' sustainability (incl. human rights) approach
- Field guide to help brand managers and procurement visiting partners to assess and discuss human rights

Our human rights management processes are constantly developing, and we recognize that this is an area which requires active attention.

### 1.4 Anora's grievance mechanism

Should one become aware of any non-compliance with this Human Rights Policy by either an Anora employee or a business partner, such behavior should be reported through the Anora Whistleblowing Channel. The same reporting system is open for both Anora employees as well as external parties, so anyone can submit their report through the channel. All messages are investigated confidentially. As per our Code of Conduct, we do not tolerate any form of retaliation against people raising concerns. Link to channel:

<https://anora.com/en/investors/governance/whistleblowing-channel>.

## 2. Anora's most salient risks for violation of human rights and working conditions are in the value chain

### 2.1 Our work for human rights in our own operations

Anora conducted an extensive human rights risk assessment during spring 2023 in accordance with the OECD Guidelines for Multinational Enterprises.

Our home markets are the Nordic and Baltic markets (Norway, Sweden, Denmark, Finland, Latvia, Estonia and Germany). Our own production sites, offices and logistic centers are located to these countries and we act according to the local legislation regarding e.g. safety, wage, right of association and working conditions.

Our vision is to be the forerunner in our industry in the Nordics as an inclusive workplace, that represents the diversity, equity and progressiveness of Nordic culture. Diversity, equity and inclusion (DEI) is embedded in our values: our dynamic, open and inclusive way of working represents a modern Nordic mindset. We provide fair opportunities for current and future employees and endorse diversity throughout all levels of the organisation.

We assess the satisfaction of our employees yearly through an extensive employee survey. Anora's Code of Conduct was revised and updated during the reporting period. Anora also updated its in place a Code of Conduct, Anti-Harassment policy and zero tolerance approach to all harassment and discrimination. Our [Whistleblowing](#)

channel is available and regularly communicated to our employees. We received four reports in Vectura in 2023. We received four notifications through Anora whistleblowing channel in 2023 of which one required further investigation measures. The notifications mainly concerned HR issues.

Work health and safety is a crucial part of our sustainability program: we have set goals and actions to reduce accidents at work, aiming to zero by 2030.

As a results if the human rights due diligence assesment we can state, that our salient human rights issues arise from our supply chain.

We started the assesment by looking into the amfori BSCI listed risk countries, but also other areas, based on materiality, such as Italian wine due to the importance of the category in the Nordic countries and also e.g. berry picking in the Nordics, where there has been adverse effects on human rights of the migrant workers. We also looked into other human rights indexes.

## 2.2 Our salient human rights risks are in the value chain

Agricultural value chains and the geographies we source from are prone to human rights risks and we recognize the need to actively identify possible changes in our and our suppliers' operating environment which might increase the likelihood of these risks. We are committed to taking regular steps to ensure that we have identified all risks and we are taking needed measures to eliminate or mitigate the risks.

We conducted a human rights impact assessment with the help of external human rights expertise in 2023 and identified the following actual or potential salient human rights risks in our supply chain:

- Right to health & safety
- Right to freedom of discrimination in employment
- Right to decent work
- Right to freedom of association and collective bargaining
- Forced labour

## 2.3 Vulnerable groups

We recognize that the likelihood of these risks can be amplified among vulnerable groups, such as seasonal and/or migrant workers, child and young workers, women and girls in all the before mentioned categories and workers in sugarcane fields. The risks can also be amplified in certain geographies.

### 2.3.1 Migrant workers

#### **Key human rights risks & impacts**

- Exploitation of migrant workers
- Discrimination of migrant workers based on ethnical background, religion and culture
- Health and safety related risks due to working conditions, heat, and use of agrochemicals

#### **Sectors and geographies**

- Areas that have high immigration and migration numbers; southern Europe, south Africa

#### **Amplifiers**

- Climate change leading to droughts and extreme weather conditions increases migration

### 2.3.2 Seasonal workers

#### **Key human rights risks and impacts**

- Exploitation of migrant workers
- Poor, unsafe or unsanitary housing
- Health and safety related risks due to working conditions, heat, and use of agrochemicals

#### **Sectors and geographies**

- Any product that poses a demand for a short-term and very flexible labour force, e.g. grapes, tomatoes, sugar cane

#### **Amplifiers**

- Rapid changes in climate result in poor harvests, pushing down the seasonal workers wages

- Climate change both increases the use of agrochemicals but also their health impacts

### 2.3.3 Seasonal and migrant female workers

#### **Key human rights risks & impacts**

- Poor sanitation conditions in fields and farms
- Gender pay gap
- Discrimination based on gender
- Health and safety related risks due to working conditions, heat, and use of agrochemicals

#### **Sectors & geographies**

- Any product that poses a demand for a short-term and very flexible labour force, e.g. grapes, tomatoes, sugar cane

### 2.3.4 Child and young workers

#### **Key human rights risks and impacts**

- Poor sanitation conditions in fields and farms
- Gender pay gap
- Discrimination based on gender
- Health and safety related risks due to working conditions, heat, and use of agrochemicals

#### **Sectors & geographies**

- Any product that poses a demand for a short-term and very flexible labour force, e.g. grapes, tomatoes, sugar cane

## 2.4 Wine industry

Wine industry, despite the geographical location, is fundamentally prone to human rights risks and impacts. The way how harvests are organised across the world make any country globally potentially exposed for human rights violations. Accelerating climate crisis amplifies the risks across the countries.

#### **Key risk factors**

- Harvest season is intense and dependant on migrant and seasonal workers despite geographic location.
- Harvest in rural or extreme locations and conditions is having health and safety impacts, due to e.g. steep hills, heat and use of agrochemical.
- Low price pressure for bulk wines.
- Climate crisis amplifies human rights risks: Increased use of agrochemicals, increased extreme conditions, increased amount of migrant workers, draught, hailstroms and forest fires ruining crops, unstabilising income and work conditions.

## 2.5 Human rights risks in selected countries

We have analysed more thoroughly seven countries, which are profiled through human rights risks and are material for Anora's business.

All identified risks are not related to wine industry, but signals in agriculture and fruits and vegetable industry may reflect also to wine cultivation, so we take these findings into consideration in our due diligence work.

We manage the risks in these identified countries with an intensified approach, consisting of social certificates and audit plans, Anora's Code of Conduct for suppliers and systematic use of Self Assessment Questionnaire.

### 2.5.1 Italy

#### **Risk ratings**

- BSCI rating: 68.4/100
- Labour Rights Index: 94/100, decent work
- Global Rights Index: -1, sporadic violations
- Fair Trade: Most salient issues > discrimination, climate change, water and biodiversity

#### **Vulnerable groups**

- Migrant workers
- Seasonal workers

- Undocumented migrant workers: The number of migrant workers increased by 90% in the past decade. The FLAI-CGIL trade union estimates that 400,000 workers in the sector are at risk of exploitation, of which 80% are migrants.

#### **General findings**

- Human rights impacts across the country: Oxfam found human rights impacts in 2021 in all four regions in Italy, including the north.
- The presence of illegal labour brokers called *caporali*, whose control can extend to many aspects of workers' lives, is widespread. The capolarato system exacerbates the suffering of female and male workers by using intimidation, exploitation and violence to recruit and organize the labour

#### **Fear of unionising**

- 30% of workers, mostly migrants, interviewed in Sicily do not feel they could safely join a union or do not know what a trade union is.

#### **Discrimination of migrant workers**

- Migrant workers without legal status were likely to be paid less than Italian workers and to have lower awareness of rights and minimum wage levels.

#### **Health & safety violations**

- Present particularly in Tuscany, Piemonte and Puglia. While the literature shows that all workers in vineyards and wineries face a range of health and safety risks, Oxfam interviewees report lack of personal protective equipment (PPE).

#### **Poor, unsafe and unsanitary housing**

- Given the widespread nature of poor accommodation conditions among workers in the Italian agricultural sector it is likely some workers are living in poor, unsafe and unsanitary housing.

#### **Cases of forced labour**

- 4/6 migrant interviewees reported they had paid someone to secure their job, indicating a risk of forced labour.

#### **Discrimination of female workers**

- In all regions, men interviewed were much more likely to feel they were being treated fairly at work, receiving the same pay as other workers and being treated with respect than women interviewees.

#### **Lack of visibility to minimum wage**

- A significant proportion of workers in all regions did not know what the minimum agricultural wage was (100% of workers in Piemonte, 76% in Puglia, 45% in Tuscany, and 15% in Sicily), which also reduces their ability to claim their due.

#### **Lack of grievance**

- A significant proportion of workers across all regions said they would not feel confident raising a concern or grievance at the workplace (50% in Tuscany, 43% in Puglia, 21% in Sicily, 14% in Piemonte), due to fear of losing their jobs or fear of reprisals.

#### [Source](#)

### 2.5.2 South Africa

#### **Risk ratings**

- BSCI rating: 58/100
- Labour Rights Index: 79/100, Reasonable Access to Decent Work
- Global Rights Index: 3, Regular violation of rights
- Fair Trade: Salient issues > living income, discrimination, child rights

#### **Vulnerable groups**

- Migrant workers (2,9 million in 2020)
- Undocumented migrant workers

#### **General findings**

- Key human rights issues in South African wine production are related to the treatment of migrant workers and the workers freedom of association. Echoes of colonialist past, apartheid and past land right issues are still visible in the country. According to Labour rights Index, South Africa's rating has worsened since 2020 study.

### **Employers threatening workers for unionising**

- Wine entrepreneurs systematically prevent workers from joining unions or incentivise them not to do so. The amount of migrant workers and temporary contracts make unionising difficult.

### **Exploitation of migrant workers**

- Migrant workers, especially paperless are often mistreated; problems with salaries, and lacking laws & regulation regarding hiring the workforce, that would curb e.g. recruitment fees.

### **Poor or unsanitary housing**

- The housing provided for farm workers are often in a poor condition, and can lack access to clean water and sanitation. Some cases are reported where agrochemicals are stored in the apartments or only farm owners have the keys to the living areas, having control over the workers.

### **Labour brokers avoiding permanent contracts**

- Brokers rotate employees every 3 months to avoid putting them on permanent contracts. Many of these employees are paperless migrant workers. The wineries also outsource the work at the farms for contractors to avoid hiring the employees.

### **Health and safety issues**

- Use of agrochemicals: Many chemicals banned in Europe are used in South African wine yards. Despite the ban of use of these chemicals within the EU, they are still manufactured in Europe. Use of the chemicals require personal safety equipment and training, and some of the farms are failing to provide both.

### **Living wage**

- According to Finnwatch, there are unclarities whether the living wage calculation is accurate. From the workers perspective, it is important to ensure that wage is monetary, leaving decision making power to themselves. Benefits (e.g. accommodation, transport) leaves the control of the wealth to the wine yard owners.

[Source](#), [source](#)

## 2.5.3 Australia

### **Risk ratings**

- BSCI rating: 93.4
- Labour Rights Index: 77/100, reasonable access to decent work
- Global Rights Index: 4, Systematic violations of rights
- Fair Trade: Salient issues > labour rights & conditions, discrimination, climate change

### **Vulnerable groups**

- Seasonal workers
- Migrant workers
- Women in these categories

### **General findings**

- In Australia, the harvest labour in the horticulture sector is highly mobile and relies heavily on temporary migrant workforce. There are a number of different types of temporary visa holders employed in the harvest workforce. Exploitation partly enabled by the visas being tied to seasonal work programs.

### **Low wages across horticulture sector**

- 88% of the ads for jobs audited offered wages by piece rate; 96% of the piece rates advertised would not allow a worker to earn the national minimum wage; 65% of the ads for grape picking would allow workers to earn less than \$2 an hour.

### **Discrimination of migrant workers across the country**

- Half of migrant workers in Australia feel unsafe at work according to a survey by The Migrant workers Centre. Experiences of discrimination, bullying and verbal abuse and wage theft are reported.

[Source](#), [source](#), [source](#), [source](#)

## 2.5.4 Spain

### **Risk ratings**

- BSCI rating: 76.2/100

- Labour Rights Index: 90/100, approaching decent work
- Global Rights Index: -2, Repeated violations of rights
- Fair Trade: Most salient issues > Water and biodiversity, climate change, discrimination

#### **Vulnerable groups**

- Seasonal workers
- Migrant workers
- Women in these categories

#### **General findings**

- Exploitation of migrant workers in the berry, fruit and veg farming, especially in Southern Spain, in Huelva and Almeria (Andalucia).
- No wine farming specific findings, but based on geographic location, harvest cycles and the rotational nature of the farming work, it's potential these workers also pick wine grapes.

#### **Dangerous housing conditions for seasonal & migrant workers**

- Reports of farm workers living in informal settlements with lack of access to electricity, running water and sanitation. UN reports dangerous cases of fires in the shantytowns from 2020.

#### **Cases of forced labour**

- In 2019, 16 individuals were arrested for trafficking an estimated 600 plus workers who were reportedly held captive and exploited in olive, grape and strawberry harvesting in regions including Huelva.

#### **Exploitation of migrant workers in southern Spain**

- Systemic labour exploitation reported in southern Spain, including non-payment of wages, illegal temporary contracts, firing for joining unions, forcing to work in unsafe conditions, shouted at for taking toilet breaks and sexually assaultment and harassment.

[Source](#), [source](#), [source](#)

2.5.5 US

#### **Risk ratings**

- BSCI rating: 81.9/100
- Labour Rights Index: 63.5/100, limited access to decent work
- Global Rights Index: 4-, Systematic violations of rights
- Fair Trade: Most salient issues: Discrimination, labour rights & conditions

#### **Vulnerable groups**

- Seasonal workers
- Migrant workers
- Undocumented migrant workers
- Child workers and young workers

#### **General findings**

- The agricultural sector in the United States relies on foreign workers; 86 percent of agricultural workers in the United States are foreign-born and 45 percent of all US agricultural workers are undocumented. [Source](#).
- The labour laws fail to protect children, e.g. children under the age of 12 can work outside of school hours in any non-hazardous job on a small farms as long as they have parental consent. [Source](#).

#### **Health & safety concerns due to agrochemicals**

- The farmworkers in US bear the risk of developing health problems caused by agrochemicals, in particular glyphosate. Use of pesticides is cheaper than mechanical weed removal. The steep hills make use of weed removal machines difficult, and also pose a safety risk for farmworkers spreading the pesticides manually.

#### **Child labour in the agricultural sector**

- In 2010, Human rights Watch reported numerous human rights & children rights violations in US agriculture. They reported exploitation, unsafe working conditions due to lack of training and protection, heavy machinery, use of agrochemicals. The research covered multiple regions including California and Washington, and produce like sugar beets, berries, veg, fruit and tobacco.

#### **Migrant and undocumented workers in California**

- California hosts nearly half the undocumented agricultural worker population, 49%. Majority of the undocumented workers come from Mexico, then Guatemala, El Salvador and Honduras and tend to have low levels of English proficiency.

#### **Older study of discrimination of female workers**

- Women, who make up roughly 34% of the agricultural workforce, face particular obstacles in the male-dominated agricultural sector, including sexual harassment by supervisors. Human Rights Watch's report from 2012 describes rape, stalking, unwanted touching, exhibitionism, or vulgar and obscene language by supervisors, employers, and others in positions of power.

[Source](#), [source](#), [source](#), [source](#), [source](#)

### 2.5.6 Chile

#### **Risk ratings**

- BSCI rating: 78/100
- Labour Rights Index: 75.5/100, reasonable access to decent work
- Global Rights Index: 4-, Systematic violations of rights
- Fair Trade: Most salient issues > Discrimination, water & biodiversity, labour rights & conditions, climate change

#### **Vulnerable groups**

- Seasonal workers
- Migrant workers
- Child workers and young workers

#### **Cases of forced labour**

- Some foreign citizens, as well as children were subjected to forced labor in the agriculture sectors.

#### **Rights of indigenous people**

- The constitution does not specifically protect Indigenous groups in Chile and cases of societal discrimination, including in employment has been reported. There are 9 groups of indigenous people, The Mapuche, the largest group, also taking part to wine farming.

#### **amfori BSCI code of conduct violations at Anora suppliers**

- Suppliers have failed to meet some of the requirements for the BSCI code of conduct, including lack of evidence the employees can freely form & join unions, lack of study on level of living wage, violations of decent working hours, lacking work safety conditions like fire escape route markings and equipment.
- A action plan and follow-up audits have been made.

[Source](#), [source](#)

### 2.5.7 Argentina

#### **Risk ratings**

- BSCI rating: 47.2/100
- Labour Rights Index: 78/100, reasonable access to decent work
- Global Rights Index: 3-, Regular violations of rights
- Fair Trade: Most salient issues > Self-determination, climate change, water & biodiversity, discrimination

#### **Vulnerable groups**

- Seasonal workers
- Migrant workers
- Child workers and young workers

#### **General findings**

- Despite hosting a modern and productive agricultural sector, labor markets in Argentina are characterized by a high level of precariousness and labor informality. Forced labour and child labour take place in agriculture, even if direct strong link to viticulture is missing.

#### **Potential child labour**

- According to U.S. Department of Labor, children engage in dangerous tasks in agriculture, including grape picking.



- Also interviews conducted by Coca-Cola regarding worker's right in sugar cane industry report child labor is harvesting grapes in San Juan.

[Source](#), [source](#)

## 2.5.8 Rum industry and deep dive to Jamaica as example

### **Rum industry in general**

- Agricultural value chains in risk countries.
- Harvest season is intense and dependant on migrant & seasonal workers.
- Harvest in rural or extreme locations and conditions having health & safety impacts, heat, use of agrochemicals.
- Working conditions causing adverse health impacts is intense and dependant on migrant & seasonal workers.
- Dependency on seasonal workers.
- Value chain involving farm work and factory work (distilleries)

### **Risk ratings, Jamaica**

- BSCI rating - 58,1/100 (risk country)
- Labour Rights Index - N/A
- Global Rights Index -3, regular violations of rights
- Fair Trade - N/A

### **Vulnerable groups, Jamaica**

- Children
- Migrant workers
- Seasonal workers

### **General findings, Jamaica**

- Significant human rights issues included e.g., unlawful and arbitrary killings by government security forces; significant government corruption; gender-based violence; and the existence of a law criminalizing consensual same-sex sexual conduct between adults.
- Privatisation of sugar factories and weakening sugar market has led to job insecurity and weakened worker rights.

### **Risk of child labour, Jamaica**

- 38,000 children ages five to 17 years were engaged in child labor, mostly in the informal sector. Children worked in farming, fishing, and in public market.

### **Health and safety issues, Jamaica**

- Due to the harsh conditions, heat, lack of breaks and drinking water, especially the sugarcane cutters are prone to serious health effects, causing even death.

### **Equal pay, Jamaica**

- Although the law requires equal pay for male and female employees, the law was not enforced.
- Salaries for women lagged behind salaries for men even in the same jobs, and women were concentrated in lower-paying occupations.

### **Discrimination, Jamaica**

- Strong stigma in the workplace against older women, persons with disabilities, members of the LGBTQI+ community, and persons with HIV or AIDS. Those persons subject to workplace discrimination had little confidence that effective legal recourse was available to them.

[Source](#), [source](#)

## 2.5.9 Spice industry and deep dive to India as example

### **Spice industry in general**

- Anora's spice procurement countries: Finland, Germany, India, Italy, Macedonia, Madagascar, Norway, Nigeria, Poland, Serbia, Sri Lanka & Ukraine.

### **Vulnerable groups in spice industry**

- Seasonal workers from Eastern Europe and outside EU
- Women workers

- Migrant workers
- Children
- Undocumented migrant workers

### **Key risk factors in spice industry**

- Millions of smallholders are involved in the production of spices. These farmers often face poverty and food insecurity. Depending on the spice and country, the production of spices itself faces labor issues (women, migrant and/or child labor) and environmental issues, particularly excessive agrochemical use.
- Poor agricultural practices, lack of adequate processing facilities and growers switching to high-value crops or jobs, have caused an increase in the number of concerns around spices production especially over long-term supply, food safety and traceability.
- Additionally, the sector also deals with sustainability issues such as uncontrolled pesticide use, poor wastewater management and indecent labor conditions.
- Weak visibility to spice value chains magnifies potential risks (farming, traders, transport, primary processing, secondary processing, market entry, end-use)

### **Risk ratings, India**

- BSCI rating - 47,6/100
- Labour Rights Index - 65/100
- Global Rights Index - 5 no guarantee of rights
- Fair Trade - High concern of forced labour, discrimination & water & biodiversity; Concern of living income & labour rights and conditions

### **Vulnerable groups, India**

- Women
- Children
- Seasonal and migrant workers
- Undocumented workers

### **General findings, India**

- Significant human rights issues included credible reports of e.g., interference with the freedom of peaceful assembly and freedom of association; serious government corruption; gender-based violence, workplace violence, child, early, and forced marriage; crimes involving violence or threats of violence targeting members of national/racial/ethnic and minority groups based on religious affiliation, social status or sexual orientation; and existence of forced and compulsory labor, including child labour.
- India is the world's largest producer, consumer, and exporter of spices. However, between the indiscriminate use of agrochemicals and the impact of climate change, the spice industry in India is in a critical state – soil health is deteriorating, water resources are depleting and crops are increasingly more contaminated. As a result, farmer livelihoods are suffering from diminishing returns, and food safety is a major risk for consumers.

### **Trafficking, India**

- Traffickers exploit children as young as eight in forced labor in agriculture (coconut, eucalyptus, ginger, and sugarcane).

### **Forced farm labour, India**

- Tens of millions affected by bonded labour or forced labour in the agricultural industry. The majority of those are of low caste and migrated internally for work.

### **Child labour, India**

- 3,2 million children aged 5 to 14 subject to child labour. 56% of these in agriculture, including sugarcane and ginger.

### **Freedom of association, India**

- The law provides for the right to form and join unions and to bargain collectively, but there is no legal obligation for employers to recognize a union or engage in collective bargaining.

### **Undocumented workers in the informal sector**

- Approximately 380M people working in the informal sector, mainly in agriculture & industrial settings. The undocumented nature of these workers make them vulnerable for a vast variety of human and labour rights risks.

[Source](#), [source](#), [source](#), [source](#), [source](#), [source](#), [source](#)

## 2.5.10 Berry industry

### Anora's berry procurement countries

Egypt, Estonia, Finland, Germany, Lithuania, Poland, Spain, Sweden and Ukraine.

#### Vulnerable groups

- Seasonal workers from Eastern Europe and outside EU
- Women workers
- Migrant workers
- Undocumented migrant workers

#### Key risk factors

- The EU fruit and vegetable sector is heavily dependent on a non-national labour force, either from other EU Member States or third countries.
- The sector employs high numbers of migrant seasonal farm workers.
- The berry industry is posed to the same risks as are present in agricultural farming or other industry which involves seasonal workers, mostly with migrant background.
- Women are increasingly employed in seasonal agricultural work due to their perceived ability to handle delicate fruits such as strawberries.

#### Key human rights risks involve

- Overall working conditions
- Working hours
- Force labour
- Minimum wage/ Living wage
- Discrimination & harassment
- Use of undocumented workers
- Inhumane living conditions

#### The Nordics

- Both in Finland and Sweden several thousands of berry pickers from Thailand arrive each year.
- Allegations of e.g., forced labour, inhumane working conditions and unclarities in pay have been reported.

#### Spain

- Strawberry farms are heavily reliant on the 50 000 seasonal workers, mainly foreign migrant workers, who come each year.
- Most legal foreign guest workers are eastern Europeans, followed by Africans – mostly Moroccan women – and Latin Americans.
- Hundreds of sub-Saharan migrants live year-round in shantytowns close to the fields. [Source](#)

## 2.6 Severity and likelihood of identified human rights risks in Anora's supply chain

HUMAN RIGHTS RISK	SCALE: How serious is the impact	SCOPE: What is the number of people affected?	IRREMEDIABILITY: How easy or difficult would it be to remediate the impact?	LIKELIHOOD*
Freedom of association & collective bargaining	Potentially causes tangible human rights impacts to e.g. the right to earn a living, the right to decent work	Potentially all workers involved in Anora's supply chain in countries where there is limited or restricted right to freedom of association	Remediation requires proactive assurance that workers' representation is ensured on local level through e.g. work councils	Can be likely in countries where freedom of association is restricted
Right to freedom from discrimination in employment & occupation	Potentially causes tangible human rights impacts to e.g. the right to earn a living, the right to decent work	Potentially all migrant and women workers involved in Anora's supply chain	Remediability depends on the actual impact to the people affected	Can be likely where migrant workers are involved
Labour exploitation of migrant/seasonal workers	Potentially causes tangible human rights impacts to e.g. the right to earn a living, the right to decent work, right to decent working hours	Potentially all migrant and seasonal workers involved in Anora's supply chain	Remediability depends on the actual impact to the people affected	Can be likely where migrant workers are involved
Forced labour	A severe risk causing various impacts to the people affected	Potential risk identified in the spice value chain in India; wine value chain in Italy, Spain, Chile & Argentina; berry value chain Nordics, Spain, Lithuania	Remediability depends on the actual impact to the people affected	Industry reports and recent news increases the likelihood of this risk
Child labour	A severe risk causing various impacts to the children affected	Potential risk identified in the spice value in India; wine value chain in Argentina	Remediability depends on the actual impact to the children affected	The risk of child labour is likely in India
Right to health & safety	Potentially causing adverse or even fatal health impacts; scale of impact varies depending on the working environment	Risk identified for agriculture value chain workers. Most severe impact identified for sugar cane field workers in "rum countries"	Remediation varies, fatal impacts irremediable, less severe impacts easier to remediate	The nature of agricultural work makes this risk very likely
Access to clean water & sanitation	Potentially causing adverse or even fatal health impacts; scale of impact varies depending on the working environment	Risk identified for agriculture value chain workers. Most severe impact identified for sugar cane field workers in "rum countries"	Relatively easy to remediate (providing clean water & access to sanitation during the work day)	The nature of agricultural work makes this risk likely
Inhumane living conditions	Potentially causing adverse health impacts	Risk identified for winery workers in South Africa, Spain & Italy	Relatively easy to remediate (upgrading of living conditions)	For workers living on vineyards in risk settings, the risk is likely
Rights of indigenous people – land rights	Depends on the importance of the land to the group of people affected, e.g. if the land is the sole opportunity for making a living	Potential risk identified in the wine value chain in Chile	Remediability depends on the importance of the land for e.g. making a living	Unlikely

## 3. Documented violations of human rights and unfair working conditions

We are concentrating in this report in three geographical areas of well documented salient risks. The choice is based on materiality, both regarding the business importance to us, size of market in Norway and the human rights impact to workers in the value chain. These areas with most salient and likely human rights for Anora are Italy, South Africa and rum countries in the Caribbean.

We believe in building mutual trust, commitment and long-standing relations with our partners. Also, in risk countries long-lasting business relationships allow to systematically build continuous development in sustainability and human rights topics.

### 3.1 Documented findings in Italy

#### 3.1.1 Description of the risks

Italy is a significant wine sourcing country in the Nordic markets, including Norway. Italy is not identified as a risk country, e.g. in amfori BSCI risk country listing. There are anyhow serious risk for human rights breaches in the Italian wine production.

The NGO Oxfam released in September 2021 a [report on human rights](#) in Italian wine value chain, where they did a human rights impact assessment (HRIA) for Italian wine sold in Sweden. The assessment took place in four wine-producing regions in Italy: Tuscany, Piemonte, Puglia and Sicily.

The main root cause for human rights adverse impacts in Italian agricultural sector is the large number of migrant workers deriving from mainly but not only Africa. Migrant workers are highly vulnerable for exploitation. In the study, the human rights impacts varied between regions, and included e.g. no or inadequate personal protection equipment (PPE), low wages, excessive working hours, restrictions on freedom of association, poor housing, gender discrimination, lack of access to remedy and even forced labour.

The study concentrated on value chain of Italian wine sold in Sweden. We can anyhow assume, that the same problematics are typical also for Italian wine sold in Norway, and also that the structural challenges are not limited to the four wine areas in the scope of the study. Labour rights challenges are widespread in Italian agriculture, and that reflects also to viticulture. That's why Anora has chosen to take Italy into specifically diligent review.

#### 3.1.2 How Anora manages and mitigates these risks

We manage our value chain in Italy by long-lasting business relations with established wine producers, selecting carefully our supplier, using self-assessment questionnaires, doing visits and ocular audits, ordering amfori BSCI audits, by contractual agreements and partners agreeing to Anora's Code of Conduct for Suppliers and amfori BSCI Code of Conduct as well as requiring certificates, such as Fairtrade, Fair for Life and Equalitas. Equalitas is the most important certificate for Italian wine, covering both environmental and social topics.

One of Anora's biggest wine partners participated in the Oxfam report voluntarily and received a positive analysis. Of the wine producers that were surveyed, none of Anora's partners were linked to labour misconduct. We have continued to pay special attention to the working conditions in Italy by ordering two amfori BSCI audits to our Italian wine partners in 2023. We are also at the moment looking into getting our own packaging plant Equalitas certified, to ensure sustainability in the whole value chain of Italian wine.

### 3.2 South Africa

#### 3.2.1 Description of the risks

South Africa is one of amfori BSCI's identified risk countries. The human rights adverse impacts are often structural and systemic, including problems with living wage, no or inadequate personal protection equipment (PPE) and work safety, poor housing, exploitation of migrant workers, restrictions on freedom of association and gender discrimination. The poor human rights situation of wine estate employees derives often from the colonialistic history of South Africa. There is a significant amount of migrant and seasonal workers from neighbouring countries, such as Zimbabwe, who are vulnerable for exploitation. Seasonal workers encounter problems in wage payments, housing and recruitment costs to job brokers. South African agricultural sector uses pesticides, that are not allowed in EU, and that can irritate eyes and skin.

The challenges in South African wine industry are well documented by [report done by Oxfam](#) in 2015 and [documentary Bitter Grapes](#) (2016). The Finnish NGO Finnwatch reviewed in 2023 the value chain of Finnish alcohol monopoly Alko in South Africa, containing also products sold in Vinmonopolet in Norway.

### 3.2.2 How Anora manages and mitigates these risks

We manage our value chain in South Africa by long-lasting business relations with established wine producers, selecting carefully our supplier, using self-assessment questionnaires, doing visits and ocular audits, ordering amfori BSCI audits, by contractual agreements and partners agreeing to Anora's Code of Conduct for Suppliers and amfori BSCI Code of Conduct as well as requiring certificates, such as Fairtrade, Fair for Life and Wieta. Wieta is the one of the most important social certificates for South African wine and one of Wieta's benefits are continuous approach for working with the challenges, even between audit periods.

In 2023, we have been in close dialogue with our partner, mentioned in the new Finnwatch report, regarding the remediation plan they have made to improve working conditions.

Challenges in South Africa are structural systematic and long-lasting business partnership with local suppliers gives us the possibility for continuous development with systematic, persistent work.

## 3.3 Value chain of rum

### 3.3.1 Description of the risks

The value chain of rum reaches to the Caribbean sea, where rum is produced by distilling molasses produced from sugar cane. The Caribbean countries of origin of rum are defined as risk countries by amfori BSCI. Anora both blends and bottles own rum brands from bulk rums and imports partner rum brands. Bulk rums sourced by Anora derive from Jamaica, Barbados, Trinidad & Tobago, Guyana, Reunion, Martinique, Mauritius, Dominican Republic and Nicaragua.

The value chain of rum is complicated, starting from sugar cane fields, where the cut sugar canes goes to sugar mills, sugar mills produce molasses that are utilised by distilleries. Distilleries sell products directly, but also bulk rums to traders, who in their turn sell it forwards to producers and bottlers. It is difficult to track the value chain of rum all the way to a certain sugar cane field.

The working conditions in sugar cane fields, particularly in the harvesting season, when sugar cane is cut manually, can cause to worker a chronic kidney disease, called CKDnT (Chronic Kidney Disease of undetermined causes). The factors that expose workers to the condition are working in high temperatures, intensive physical work and inadequate hydration. The disease can be fatal. It is avoided with simple and affordable actions; water, shade and rest. Cool drinking water and hydration liquid should be available regularly during the working hours, also regular pauses and a shade for taking the breaks are needed. This work is advanced by [La Isla Network](#).

### 3.3.2 How Anora manages and mitigates these risks

Anora manages its value chain of rums by long-lasting business relations with certified European rum traders that are Bonsucro certified and amfori BSCI members. It is important to us to get transparent information from the value chain of our rum products. Our suppliers agree to Anora's Code of Conduct for Suppliers and amfori BSCI Code of Conduct. Bonsucro is the most important social certificate for Caribbean rums, which we aim to use in our products. We also utilise in part of our products rum distilled of molasses from Fairtrade certified sugarcane fields.

Anora helped a partner in 2023 to change the rum trader to one that gives transparent information of where the rum derives and which is also Bonsucro certified and amfori BSCI member. Anora also did a field visit to three Jamaican rum distilleries and a sugar cane field in 2023. We ordered one amfori BSCI audit for a rum products in 2023.