

SUSTAINABILITY REPORT



Dear Shareholder,

The following section will outline our *Sustainability* program. Corporate Social Responsibility, environmental stewardship, and good governance are deep-rooted in the hearts of Olympic employees. Long before we developed a comprehensive sustainability program, Olympic employees were fostering good business practices, accountability, and transparency, as well as giving back to the community.

The start of 2016 marked a new beginning. Olympic chose to take the extra step for itself and its stakeholders. We undertook the development of a holistic sustainability program. As you will discover below, we identified our key stakeholders, and developed projects that will contribute to the well-being of these stakeholders. The program and projects are based on a thorough assessment of our stakeholders' needs, the company's capacities, and our brand values.

We believe that these projects will, in the long run, significantly add to the value of the company. They will serve to optimize processes, reduce risks and costs, and contribute to sustaining Olympic's reputation as a manufacturer of high quality products. The beauty of sustainability is that it adds shared value.

In the next few pages, you will find our mission statement, our past and future sustainability initiatives.

Most of our projects this year focus on our workers. No sustainability program is honest and enduring without changes from within. A company that is serious about social responsibility must commit to making itself better first. As such, we will focus on projects that improve the lives of our workers, their close communities, and the environments we directly affect. After the first initial years, we plan to expand our projects outward, eventually reaching more distant communities and additional stakeholders.

You will notice that many of the projects we describe as our future contributions are aspirational. We plan to implement them during the current fiscal year, but have yet to set measurable KPIs to reflect our progress. Please remember that this program is new and is very much a work in progress. In the spirit of transparency and accountability, we will post our KPIs on our website as soon as reasonably possible.

We hope that the next few pages will demonstrate just how beneficial a strong sustainability program can be for everyone.

Happy reading!

A handwritten signature in black ink, appearing to read 'M. Pellegrin', with a horizontal line extending to the right.

Marion Pellegrin
Head of Sustainability

Sustainability Mission Statement

At Olympic, we believe that being a good business means contributing to the well-being of our workers, our customers, our community, and our planet. We believe that our business can, and should, aim to add value to society and operate in a sustainable way. We want to add value by making good products that nourish people, all the while creating jobs and contributing to the Bangladesh economy. We know that one company cannot by itself fix the world's problems, but we want to make sure we do everything we can to make this world a better place. This is why we have decided to introduce a Sustainability program.

As a company, our goals are to a) be the employer of choice by providing our employees with an exciting and fulfilling work environment; b) be stewards of social responsibility in Bangladesh through our initiatives; and c) instill confidence in our external stakeholders that our practices are aligned with their social responsibility values. We believe that a good business must be sustainable. We want to take on goals that not only give back to society, but that also hold us to a higher standard as corporate citizens. We are committed to sustainability for the long-run, and we welcome accountability for our actions.



We believe that any good program needs stable funding. This is why we aim, in the long run, to align our funding with the Sustainable Development Goals' recommendations on donor country spending. By committing to this number, we hope to contribute in a meaningful way to our country's development, and to set an example for our peers.

In order to better guide our decisions, we have tied all of our projects to the Sustainable Development Goals set out by the United Nations. We have chosen goals which are most applicable to our line of work and which are closest to our employees' hearts; those which relate to nutrition, education, equity, and climate change.

We are committed to providing our workers with a better life by providing them the working conditions they deserve. We aim to achieve this by complying with labour laws, implementing programs focused on skills and knowledge development, and creating new opportunities for our workers. We want to build a working environment which helps our workers thrive and be proud to work in.



Achieve full employment and decent work for all women and men, and equal pay for work of equal value. (8.5)

Protect labour rights and promote safe and secure working environments for all workers. (8.8)

We are committed to providing our customers with products which are both healthy and delicious. Why compromise? We aim to improve our customers' nutrition by providing them with fortified products they will actually want to eat. We also aim to eliminate unfair business practices by creating and enforcing marketing policies which protect the rights of children and vulnerable people.

End hunger and ensure access by all people to safe, nutritious and sufficient food all year round. (2.1)

End all forms of malnutrition. (2.2)



We are committed to giving back to our community by improving food and nutrition security, and increasing access to education. We have chosen these goals because, as we are in the food industry, we believe it is our duty to ensure that our country has access to good nutrition and has the education necessary to make healthy decisions and to lift

themselves out of poverty. We are aware of the virtuous cycle of education and nutrition, where children can only succeed in their studies if they are well fed, and if they are educated, they tend to eat better and be healthier.



Ensure that all girls and boys complete primary and secondary education. (4.1)

Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. (4.3)

We are committed to ensuring that our planet stays healthy and plentiful. We believe we have a duty to ensure that our children will have a flourishing planet to live on for generations to come. In order to make this happen, we plan to reduce our impact on climate change by reducing waste and greenhouse gas emissions, increasing our use of renewable materials and energies, and mitigating climate change's impact on our communities.

Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally (15.2)



Increase substantially the share of renewable energy in the global energy mix. (7.2)

Double the global rate of improvement in energy efficiency. (7.3)

Substantially reduce waste generation through prevention, reduction, recycling and reuse. (12.5)



In undertaking all our projects, we commit to considering gender issues and to actively contribute to the elimination of discrimination against women.



Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in economic, political and public life. (5.5)

Finally, we commit to holding ourselves accountable for the way we conduct business and for the projects we engage in. In designing our projects, we will strive to remain independent and to make a wise cost-benefit analysis based on our key goals, all the while ensuring that our work is measurable, sustainable, efficient and relevant. We will also aim to ensure that our projects are not duplicating the work of another agency, but rather that our projects are unique and complementary. We commit to continuously monitoring and evaluating the projects that we fund or take on. We commit to producing detailed reports that are accessible to all our stakeholders on a frequent basis.

We are committed to making a sustainability program we can all be proud of.



Our Permanent Initiatives

Occupational Health & Safety

At Olympic, we are committed to being a better company in every possible way. This includes the way we treat our workers. From a clean working environment to generous profit sharing mechanisms, we provide everything workers need to be as satisfied and productive as possible.

Water & Sanitation

We provide safe drinking water on every floor of the factory, as well as Oral Rehydration Saline during the summer months, to ensure that our workers are well hydrated. As water is the source of life, we want to ensure its quality. We have our water tested by SGS annually, and by ICCDR, B weekly. We provide and clean workers' uniforms daily, and provide them with clean shoes to wear in the factory. Workers have access to spotless gender-designated bathrooms, and separate changing rooms. We are committed to rigorous pest control in these areas and throughout our facilities, and have contracted an independent third party to maintain, monitor, and document the hygiene and sanitation of our factories on a weekly basis.



Health

All of our workers are over 18 years old and certified as fit to work by a doctor before they are employed. We always have a first aid team on the premises, a certified paramedic available, and an arrangement with the local hospital for our workers to have access to 24-hour care in the event of an accident. Sick and injured employees have access to free medical healthcare and paid medical leave. All of our factory and field force employees are covered by a life insurance paid for by the company.

All of our workers are trained for seven days when they join our company. They receive training specific to their position, as well as various trainings on topics such as proper hygiene methods, and safety procedures. At the battery factory, workers have protective gloves and have hearing protectors at their disposition. We actively monitor air quality in our factories, regularly cleaning and maintaining a series of filters, dehumidifiers, and auditing devices to ensure a safe, consistent, flow of air. Thanks to all these preventive measures, we pride ourselves on having low accident rates.

Building Safety

We are determined to provide the safest work environment our workers could hope for. Before commencing the construction of our earthquake-proof factories, we acquire approvals for construction by the local authorities (union parishad), and soil samples are tested through an external laboratory. Our building pile loads are tested through external assessors to fit the ASTM D 1143-81 standard and our loads test pressure gauge is tested by the Bangladesh University of Engineering and Technology. We hold licences for loads up to five times our actual requirement, for which our consultants issue a certificate in accordance with the Bangladesh National Building Code.



Fire Safety, Emergency Preparedness and Response

We hold a Fire Licence, certifying that we follow all the fire safety rules applicable to us, and we have assembled a fire marshal team of 40 employees trained by the local fire service, at least 13 of which are on duty at any given time. We are equipped with state of the art fire detection, evacuation and monitoring technology, including multiple extinguishers, heat and smoke detectors, fire hydrant boxes, and fire alarms on every floor. We have built in several fail-safe redundancies, including automatic transition between electrical, diesel and manual (jockey) pumps.

We have also assembled a disaster management committee which designs our disaster management and fire safety plans. We have developed safe evacuation methods, which we practice with workers weekly during our randomized fire drills. Every quarter, we organize a refresher training on fire safety with the Bangladesh Fire Service and Civil Defence Agency, as well as a general health and safety refresher training, and earthquake preparedness training sessions and simulations.

Wage and Benefits

Our workers not only work in a safe and friendly environment; they are also well-compensated for their hard work. We share 5% of our profits with our workers, the majority of which is distributed to our workers directly, with the remainder being split between our company's worker welfare fund, and the government's Worker Welfare Foundation Fund. We are proud to follow the Bangladesh Labour Act when it comes to all financial matters, including termination benefits and gratuities.

We provide two annual festival bonuses to our workers, as well as systematic cash incentives for workers who come to work regularly and to those who work night shifts. We pay overtime and grant festival, medical, casual and maternity leave as mandated by the Labour Act.

All of our factory and field force workers have life insurance, including our third-party construction workers through a very comprehensive construction all risks policy. Always seeking to set new standards, we are proud to be the first company in Bangladesh to insure the lives of third-party workers.

Facilities

To make our staff's life easier and more enjoyable, we provide dormitories for technical staff and supervisors who need to work at night and/or live far away. We provide meals for all officer-level employees and above, as well as a canteen for regular workers. Finally, we have planted "green areas" composed of flowers and plants in various places around the factory, and we play classical music at night in our new biscuit factory as a way to motivate workers and create a good working atmosphere. Our facilities go above and beyond what Bangladesh law requires.

Environment

Energy

The majority of our energy comes from natural gas, government-supplied electricity, and diesel. We have one solar panel at each factory, which supply energy for lighting and ventilation. We have switched over half of our lightbulbs from less efficient CFLs to LEDs.

Materials

100% of our master packaging (cartons) is made from recycled materials.

Waste

We have already managed to reduce our solid waste to very small amounts. We produce over 1,500 metric tons of goods weekly, for which our total waste (including canteen and cleaning waste) amounts to only 2 metric tons.

Emissions

To reduce both noise and pollution, we use canopies and special chimneys with our gas and diesel burners. We calibrate these burners regularly to ensure that no sulfur oxide, nitrous oxide or carbon monoxide are emitted into the environment. The air is regularly tested by a third party to ensure we do not emit those toxins. We are proud to adhere to all the energy safety procedures mandated by the government, and to internationally-set standards on pollution.

Effluents

We treat all our waste water according to the Bangladesh Standards and Testing Institution. We use a settling tank to separate oils from waste water at each factory, as well as two deep tube wells, an underground reservoir and an overhead tank. We adjust the water's pH level before releasing it into the pond. We partly reuse waste water after treating it with UV lights. We do not use or emit any toxic chemicals at our biscuit factories. As for our battery factories, 100% of the water we use is fully utilized in the production of our batteries, and as such, we produce zero effluents.

Quality Control & Product Safety

Quality is our first priority. As a food manufacturing company, our main goal is to provide customers with products that are safe, tasty and made with utmost care. From ingredients to packaging, we only source the best materials. Every new product is tested and approved by the Bangladesh Standards and Testing Institution before it is produced. We conduct a variety of tests on our raw materials as well as finished products. For instance, we test finished products for shelf-life consistency and heat resistance. We aim to use minimal yet efficient packaging, which lists all the information a consumer could need, from ingredients to nutritional facts and certifications.

We believe that quality control is intrinsically linked with our company's sustainability. By reducing risks, constantly improving business processes, and demonstrating to consumers our commitment to them, quality control contributes to sustained profitability and growth. To maintain our high business process standards, we have implemented SAP enterprise resource planning system which brings together all business processes and ensures proper documentation is kept, therefore reducing rates of error. We have also adopted ISO 22000, a Food Safety Management System that ensures that all materials and finished products are tested for quality, moisture and nutritional content.

Our facilities are kept with the highest health and safety standards. Production lines are equipped with highly sensitive metal detectors to prevent contamination, as well as check weighters to ensure weight consistency. Our employees are trained to adopt Good Manufacturing Practices, which include every type of hygiene. To reaffirm of this dedication to health and safety, we contract SGS to audit our factories annually.

Initiatives in 2015-2016 and Previous Years

Social Responsibility

In the last few years, we have donated to various educational institutions and events in Bangladesh. These include debate competitions, graduation ceremonies and university events. Most importantly, we make a monthly donation to four madrasas and one primary school around our factories for the employment of STEM (Science, Technology, Engineering and Mathematics) and English teachers. We also fund an annual Energy Plus football tournament which is meant to encourage youth to partake in healthy, productive activities as a part of their daily lives. Last year, we funded the Olympic Milk Plus indoor corporate cricket tournament to promote a healthy balanced lifestyle for office workers.

In previous years, we have been a part of many projects which involved fortified food production and distribution. For instance, we have produced biscuits for the Land O'Lakes school feeding program with support from the United States Department of Agriculture. This project benefitted 75,000-100,000 school children and teachers per day, in 441 schools. We also produced a total of 15 million cereal bars through the Land O'Lakes Bangladesh Local Procurement Program. We were successful in improving the nutritional status of children and in incentivizing them to go to school. Seventy-six percent of parents in program areas viewed the biscuits as the most effective incentive for their children to attend school. The biscuits created a 27 percent increase in school attendance, to reach levels of approximately 95 percent.

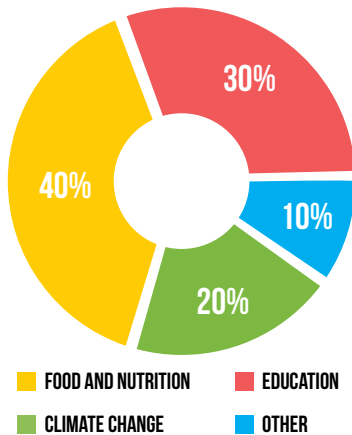
Similarly, we produced High Energy Biscuits (HEBs) and Ready-to-Use Complementary Foods (RUTFs) for the World Food Programme (WFP). We have also produced fortified biscuits through a manufacturing agreement with internationally renowned pharmaceutical and consumer healthcare company GlaxoSmithKline.



Planned Initiatives for 2016-2017

Social Responsibility

We started the fiscal year by conducting a thorough baseline survey amongst our workers. We believe that projects must be informed by solid data to ensure their quality and effectiveness. This data has helped us better understand the needs, living conditions and opinions of our workers. We were then able to adjust our projects accordingly. As a result, our projects are designed to improve their work environment, contribute to workers' health, increase productivity, decrease rates of absenteeism and turnover.



As mentioned in our mission statements, our goals are to improve nutrition, education and gender equity amongst our workers, as well as reduce our environmental impact. We believe that no sustainability program can honest and enduring without changes from within. A company which is serious about social responsibility must commit to making itself better first. As such, we will focus our projects which improve the life of workers and the environments we directly affect. After the first initial years, we plan to expand our projects outward, eventually reaching more distant communities and stakeholders. Based on our priorities for this year, we have chosen to distribute our budget as demonstrated in the adjacent pie chart.

This year, we will lay the foundation for our sustainability program, starting with trainings for workers on the topics of gender equity and nutrition in order to lay the groundwork for the following projects. The training on gender equity will refresh workers' knowledge on how to interact appropriately with the opposite gender in the workplace, as well as provide a platform for gender-related issues to be discussed and solved. We plan to tie this training with another project aimed at providing subsidized sanitary napkins for female workers.

Indeed, education and career development are very important to us. We have already enrolled 200 female and male workers from different skills and age groups in the Bangladesh Skills for Employment and Productivity Project, supported by the ILO. Through this program, workers will acquire skills and technological know-how through theoretical and on-the-job training sessions. Their participation will enable them to receive a nationally recognized certificate from the Bangladesh Technical Education Board, and climb the ranks of the corporate ladder. On our side, the increased number of workers trained according to these specific standards will increase efficiency and output.



At Olympic, we recognize the need for women to be hired not only as casual employees, but in higher positions as well. Women can contribute to our company in a unique way, using their different mindsets, creativity and problem-solving techniques to improve our company. Hand in hand with a strengthening of our internal policies on gender, Olympic plans to provide free vocational training for a select group of women within the company. The company intends to pay for all educational fees, as well as their gross salary, in order to facilitate the transition and fulfill these women's obligations to their families. In return, these women will commit to working for the company as a staff member for a minimum of three years after their training is completed.

Malnutrition is rampant in Bangladesh. Even most workers are not immune to this. This is often due to more than just poverty. It is also linked to poor nutrition and education. After providing workers with knowledge on nutrition, sanitation and best practices, we plan to provide workers with warm meals every day at cost. This demand-driven solution will increase access low-cost nutritious meals and reduce the amount of time spent cooking every day. We also plan to set up a small convenience store close to the factory only accessible to workers. This scheme would enable workers to have access to safe, nutritious cooking ingredients and appliances at a subsidized rate.

Environment

The world is becoming too warm. No one is more affected by climate change than Bangladesh. The country has been working toward using more renewable energy. As a frontrunner in the private sector, Olympic wants to participate in this movement.



We are currently in the process of setting specific, measurable, time-bound targets for the environmental segment of our sustainability program. We will be posting these targets on our website shortly. In the meantime, this section outlines our broader goals for this year.



Increasing our energy efficiency would be a great way to invest in the environment all the while reducing our overall energy costs. While most of our machinery and power sources are already very efficient, we believe that we can do even better. For instance, we plan to use generator heat to produce 100 kWh of energy at our Lolati factory. We also plan to have fully transitioned from CFL to LED lightbulbs by the end of this year.

We will also ensure that our consumption is more sustainable. From this fiscal year forward, 100% of our carton boxes, plastic trays and jars will be produced from recycled materials.

Every business and household emits some form of greenhouse gas. With rising climate change, it is more important than ever that we do our part in reducing the greenhouse gases emitted into the atmosphere, and that we offset what we cannot avoid producing.

We plan to reduce our greenhouse gas emissions by using renewable energies, and to offset our remaining emissions through afforestation or reforestation in the most endangered parts of Bangladesh.

Strategy & Innovation

Innovation is what has made Olympic the number one choice of consumers in Bangladesh. We constantly strive to improve our business processes by making them more efficient and documented. From automation to digitization, we are working in all areas of our business to ensure that we keep up with international standards, and that we set standards for Bangladesh.

In terms of product innovation, as one of the largest consumers of industrial raw materials in the biscuit, confectionery and bakery industries, we have access to research and development tools that most of our competitors don't. We operate our own trial production labs for new product development and testing and have wide access to our partners' product innovation labs across the world. This access allows us to develop and launch new products with a local flare to meet the palate of the Bangladeshi consumer. This also allows us the ability to continually develop and improve our existing product range.

This year, our main priority has been branding consolidation. We have worked hard to ensure that our branding is consistent, from business cards to billboards to all uses of the company logo. We hope that our brand will continue to be synonymous with quality and dedication.

At the start of this 2016-2017 financial year, we have undertaken projects to digitize key business processes, and to improve data flow within the company. These projects are expected to increase accountability and reduce paper and ink usage. Both these goals are intimately tied with sustainability. We look forward to reporting on these projects in the near future.

These projects contributed to improving the community's nutritional status, and they also helped us develop as a company. These projects helped us improve our food security measures by acquiring certifications by various bodies such as ISO.

