



# Corporate Social Responsibility 2022





# Contents

CEO Statement .....	03
The way we work with CSR .....	04
Respect for Human Rights .....	06
Anti-corruption and bribery .....	08
Supplier Management.....	09
Labour and social responsibility .....	10
Impact on environment and climate .....	14
Consumption of cleaning chemicals and waste.....	18
Transport .....	20
Support for the local communities .....	22
Support for Denmark and the world .....	23
RSPO .....	24
RTRS.....	24
Food safety and quality .....	26
Animal welfare .....	28

# CEO Statement

Our business model in NORDEX FOOD is to develop, manufacture, market and sell a wide assortment of "White Cheeses and more" which are inspired by or originating from the Southeast-Mediterranean area with the objective to satisfy the demand for these products, either fulfill basic or experimental needs.



The CSR report in NORDEX FOOD describes our policies for the 4 Global Compact areas as well as 2 more for NORDEX FOOD relevant areas – Animal Welfare and Food Safety.

Furthermore, it contains a general description of how we specifically have worked with the 6 core areas.

We do not yet have the report we want, but we are closer than last year, and we are working to get there.

It is our ambition to add KPIs and clear goals within each of the core areas.

It is furthermore our ambition to integrate some of UN's 17 sustainable development goals (SDGs) into our policy.

Enjoy reading

A stylized handwritten signature in blue ink, appearing to read 'Martin A'.

Martin Aagaard Pedersen



# The way we work with CSR

CSR stands for Corporate Social Responsibility. Companies can engage in CSR motivated by many different reasons. Our work with CSR in NORDEX FOOD is derived from the following motives:

- We want to be part of making the world a better place to live in now and in the future.
- Our customers, consumers and employees are requesting it => license to operate
- We have got a legal obligation.
- As it pays off in the long run.

FN's Global Compact has defined 4 main areas covering 10 principles to guide CSR work in companies. Furthermore, we have added 2 main areas.

## Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. Make sure that they are not complicit in human rights abuses.

## Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced and compulsory labor;
5. The effective abolition of child labor,

and

6. The elimination of discrimination in respect of employment and occupation.

## Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and
9. Encourage the development and diffusion of environmentally friendly technologies

## Anti-Corruption

10. Businesses must work against corruption in all its forms, including extortion and bribery.

## Food Safety and Quality

11. The delivery of safe products at the agreed quality.

## Animal welfare

12. All suppliers must follow EU Animal Welfare legislation as a minimum.

As of the 11th of December 2018, the NORDEX FOOD GROUP (NORDEX FOOD A/S) is affiliated with UN's Global Compact (UNGC), which obliges us to integrate the 10 principles into our business activities and report back to the UNGC on the efforts made.



The ten principles are basically about making demands on ourselves and on our value chain. To make it more tangible we have listed some examples of how we work with CSR:

- We will work to improve our employees work, health, and safety environment internally in the company.
- We will develop new products/ services which have a positive social or environmental impact.
- We will work systematically with environmental and global climate impact.
- We will demand from our suppliers that they adhere to human and labor rights and anti-corruption.
- We will partner with our suppliers to improve social and environmental conditions.





# Respect for Human Rights

The basic values in NORDEX FOOD are:

- Autonomy
- Integrity
- Responsibility
- Ownership

All decisions taken in NORDEX FOOD are based on these 4 values. These are only words if you do not live up to them. The values have been part of our management and corporate culture since the beginning in 1984. We ARE these values – recently we have also defined them in words – not the other way around.

NORDEX FOOD respect human rights. We will comply to UN's 1948 Universal Declaration of Human rights. Not all 30 rights in the UN Declaration are directed towards businesses. NORDEX believes that with our work we can influence the following rights:



## ■ Article 2.

Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, color, sex, language, religion, political or other opinion, national or social origin, property, birth, or other status.

## ■ Article 3.

Everyone has the right to life, liberty, and security of person.

## ■ Article 7.

All are equal before the law and are entitled without any discrimination to equal protection of the law.

## ■ Article 12.

No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honor and reputation.

## ■ Article 19.

Everyone has the right to freedom of opinion and expression.

## ■ Article 20.

Everyone has the right to freedom of peaceful assembly and association.

## ■ Article 24.

Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.

## ■ Article 25. (1)

Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family.

## ■ Article 26.

Everyone has the right to education.



# Anti-corruption and bribery



In the NORDEX FOOD GROUP we do not tolerate corruption or bribery, regardless of whether it happens internally or externally with the companies we work with.

- We clearly articulate to our partners that we do not tolerate corruption or bribery.
- We do not take a political position, no matter where in the world we operate.
- In job interviews and appraisals with employees and at meetings with partners we talk about our values and focus on orderliness.
- We have implemented a whistleblower policy, which aims to ensure that it is easy and safe to report offenses, that these reports are followed up, and that whistleblowers are protected against any consequences that it may have to make a reporting.



# Supplier Management

As a responsible company, it is not only important to take care of yourself. We must spread rings in the water and as far as possible influence our partners in the value chain to also follow and work with the UN Global Compact 10 principles for corporate social responsibility.

We expect our partners, like us, to follow the UN Global Compact's 10 principles for corporate social responsibility.

The supplier side is about both suppliers of traded goods, services, merchandise, and raw material procurement for further processing.

## Activities/results/hedging risks 2022

2022

Our Supplier Code of Conduct has been signed by all suppliers of:

- Traded goods
- Haulers
- Warehouses
- Raw materials to own dairies
- Packaging to own dairies

In 2023 we begin the process of having our other service providers to sign our CoC.

In 2022 we published NORDEX FOOD Anti-corruption policy.





# Labor and social responsibility



Since the founding of the company in 1984, NORDEX FOOD has strived for high employee wellbeing. It is rooted in our corporate culture to create a workplace with focus on a good working environment – including health, safety, and well-being.

## Work environment

Everyone in the company is responsible for and must contribute to a good working environment in collaboration between the companies, the managers, and the employees. A good working environment is hence a shared responsibility.

In our companies with more than 50 employees, we have a working environment committee “Arbejdsmiljøorganisationen”, AMO (staff employer welfare committee). AMO continuously works to ensure and improve the working environment.

At our dairies, hard physical work is done, so here we have a special focus on avoiding accidents and preventing wear and tear.

Nordex News is published quarterly and is the common platform for all employees – whether working in the dairies, sales offices or in management. It is translated into four languages and delivers news, information, and insights into the company and about the employees.

One2One meetings between managers and their employees are held to ensure alignment of expectations, collaboration, and well-being. All officials in NORDEX FOOD GROUP can occasionally work at home, which contributes to personal flexibility.

2022

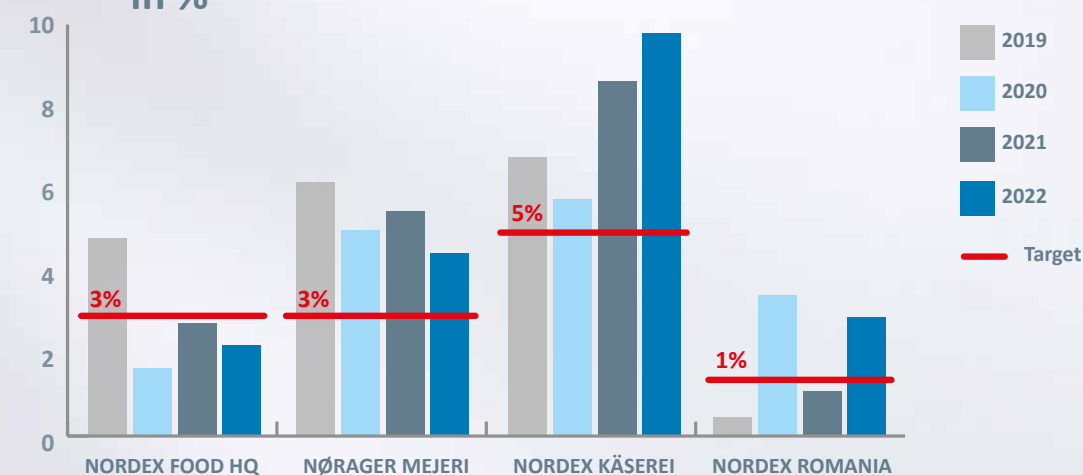
### Activities/results/hedging risks 2022

#### NORDEX FOOD HQ

■ We have implemented a personnel policy against offensive behavior. The purpose of this policy is to contribute to a healthy working environment in which all NORDEX FOOD employees thrive and feel secure.

- We continue our Monthly Smiley Surveys and as planned for 2022 we have launched the survey in several of our companies e.g., in Germany, Greece, and Austria.
- We look forward to launching the Smiley Survey in other parts of the group in 2023.
- The average satisfaction result for the 12 surveys in 2022 was 81% which is below the target of 85%. The explanation is to be found in the difficult conditions that e.g. Covid 19 and the war in Ukraine have brought into everyday life in NORDEX FOOD.
- In January we had an unannounced visit by the Danish Working Environment Authority. The purpose of the visit was to supervise whether we comply with the working environment legislation. We do, and we got a green Smiley (highest score).
- We are very proud of the fact that we have succeeded in finding and sending dairy students to internships in both Austria and Romania. It has been a success both for the students and the dairies. We are continuing the goal of getting even more dairy students to our foreign dairies in the years to come.
- The annual assessment of competencies is well implemented, and we work strategically with competence development to the benefit of both employees and the company.
- The employees were given the option of more work-at-home days, as we went from offering 36 days in 2021 to a total of 52 work-at-home days per year in 2022.

### 🏠 Sickness absence, in %



## Work environment 3 x Dairies

### Activities/results/hedging risks 2022

#### NØRAGER MEJERI

- In 2022, we bought the neighbor farm, so we have enough land to place solar cells on, as well as expand the dairy in the future. Therefore, the dairy had to have a new local plan applicable to the dairy's area, and the municipality started work on making a new one applicable. A new local plan will be approved in 2023, and when it is approved the solar cells can be installed.
- In 2022, it was decided that the dairy will prepare an environmental management system ISO 14001, which will be certified in the beginning of 2024.

#### NORDEX KÄSEREI

- A monthly survey of general wellbeing has been introduced at the end of 2022 and will continue in 2023. Target is 80% participation and 85% of them with a green smiley.
- We have finished our project with minimized heavy lifting and optimized the working conditions in the same parts of the production. In 2023 we will work on the same issues in other parts of the dairy.
- The 5% sickness absence target was not reached in 2022 mainly due to a few long-term sick leavers. Work to reduce sickness absence continues.

#### NORDEX FOOD ROMANIA

- The weekly survey of the general wellbeing of the employees continued in 2022. Target is 100% participation and 85% of them with a green smiley.
- English classes have been paused in 2021 and 2022 but will be resumed in 2023.
- Plans to send dairyworkers into training at NØRAGER MEJERI will be resumed in 2023.
- The very low target of 1% sickness absence was not reached, mainly due to serious sickness of 1 employee.







# Impact on environment and climate



NORDEX FOOD consists of offices, warehouses, and production. In all three areas, we strive to reduce and limit our impact on the environment and climate.

Our dairies and suppliers of traded goods account for the majority of the company's impact on environment and climate. Therefore, we will mainly focus our work here. In addition, we must also work on our impact on the environment and climate when we transport our goods.

Three factors are registered to measure the impact of our activities on the environment and climate.

- CO<sub>2</sub> emission from
- Energy consumption and
- Water consumption

We are continuously working on reducing the total energy consumption of the dairies and thus reduce CO<sub>2</sub> emissions.

We are continuously working on reducing the total consumption of water.

We have measured the impact of energy consumption, CO<sub>2</sub> emission and water consumption for NORDEX FOOD HQ and our 3 dairies, the results are listed in the schedule. We are still in the process of defining the best and most correct measurement methods and range. We can to some extent compare the 3 dairies when we are aware of that they use 3 different production methods.

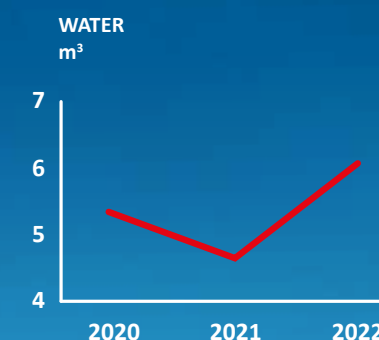
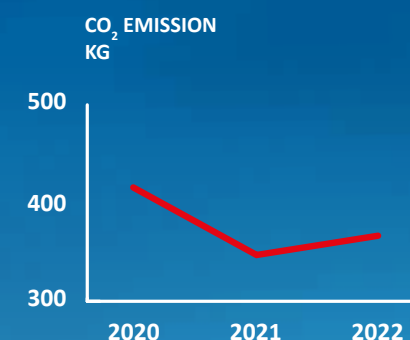
Regarding investments, all new equipment will be bought with energy-efficiency in mind. Service agreements are made for production equipment to secure an effective and safe workplace.

## Activities/results/hedging risks 2022

# 2022

### NORDEX FOOD HQ

- Our CO<sub>2</sub> emissions have decreased since 2020 despite increased consumption, due to more energy-efficiently produced electricity and a switch from gas to district heating.
- An agreement has been made with a green electricity company to become part of a new energy park. Expected CO<sub>2</sub> emissions equal 0. The project is expected to start in 2023.
- In outdoor areas around the office, wildflowers are planted to promote biodiversity.





Activities/results/hedging risks 2022

NØRAGER MEJERI

- Due to a fire in our boiler house in January 2022, where our new wood chip boiler burned, we had to use an emergency boiler with diesel as fuel. That is why we increased our CO2 emissions. Long delivery time for a new wood chip boiler meant that we had to use the emergency boiler for the rest of the year.
- In 2022 we started up using the newly developed Dairy Association's climate model. The model is based on the following international standards:
  - IDF Bulletin nr. 479/2015, A carbon footprint approach for the dairy sector.
  - Greenhouse Gas Protocol, Corporate Accounting and reporting Standard.
- The new wood chip boiler will be put into use in May 2023, and then we will be back on track, and we will lower our CO2 emissions significantly again.
- We have purchased solar cells which are planned to be put into use at the end of the year 2023. The solar cells can cover half of the dairy's electricity consumption.
- An agreement has been made with a green electricity company to become part of a new energy park. Expected CO<sub>2</sub> emission equals 0. The project is planned to start in 2023.
- In 2022, the dairy started preparing an environmental management system, ISO 14001. Energy management will be implemented into the environmental management system. The major work of preparing the system will take place throughout 2023, and the dairy is scheduled to be certified in 2024.
- Make the cooling capacity more efficient in 2023 by rebuilding the cooling system. It reduces power consumption for cooling by 45%, as the ice water temperature is moved from -17° to -10°.

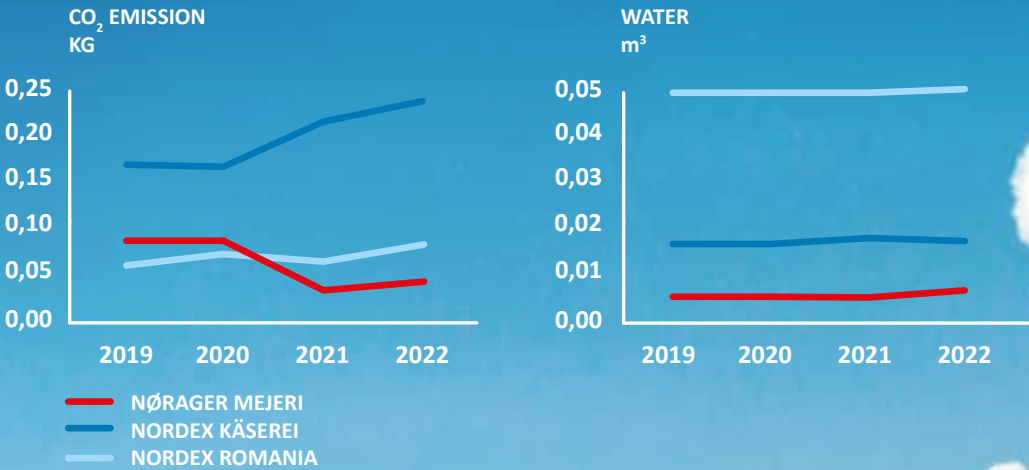
NORDEX KÄSEREI

- The CO<sub>2</sub> emission seems to have increased, but the difference is due to changed calculation from our supplier of heating oil.
- New equipment in the primary production has resulted in reducing waste and optimized our utilization of raw material consumption.

NORDEX ROMANIA

- The production increased app 30 % compared to 2021. Despite the high increase we only see small increases in consumption mainly due to awareness and longer runs which gives fewer cleanings.

Consumption and emission per kg cheese at the dairies





# Consumption of cleaning chemicals and waste



In our focus on reducing the total resources used to deliver our products, we continuously work on optimizing CIP cleaning in the dairies to reduce consumption of cleaning chemicals and energy. Investments in new lines and optimisation equipment are made with a view to minimising raw material consumption and waste.

## 2022

### Activities/results/hedging risks 2022

#### NØRAGER MEJERI

- The consumption of chemicals is monitored closely, and work is constantly being done to optimize.
- Optimize the amount consumed and reduce the amount of hazardous chemicals.
- The dairy sorts the waste into 10 fractions, so that as little waste as possible is sent to combustible waste and landfill.

#### NORDEX KÄSEREI

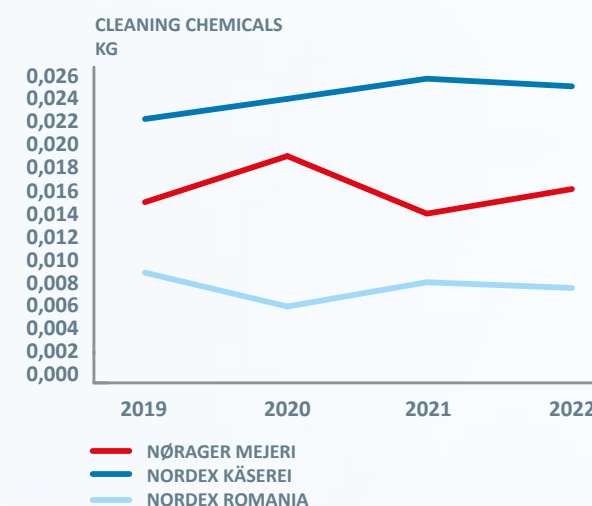
- Different optimizing projects on our cleanings in general at the dairy resulted in an equal consumption of cleaning chemicals compared to 2021 though more cleanings in total.

#### NORDEX ROMANIA

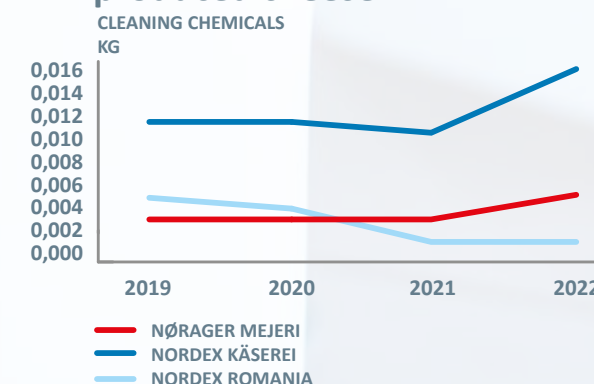
- The production was app 30 % higher than in 2021. Despite the volume increase we managed to lower the consumption of chemicals due to optimizations and renewing of our CIP system (cleaning).
- We had an increase in the waste compared to 2021 due to higher production and several test productions been made.



### Cleaning chemicals consumption per kg produced cheese:



### Waste per kg produced cheese:







# Transport

We will measure the impact of transporting milk and milk products from the suppliers to our dairies – NØRAGER MEJERI, NORDEX KÄSEREI and NORDEX ROMANIA. With the aim to lower the transport impact, we will obtain data on:

- the CO<sub>2</sub> emission derived from,
- number of kilometers driven
- amount of fuel used

With this data it is possible to work on optimizing driving distances, choose haulers or buy trucks with lower fuel consumption, and thereby lower CO<sub>2</sub> emissions.

2022

Activities/results/hedging risks 2022

2022 Consumption, distance, and emission for transport from supplier/farmer to dairy.			
Transport	NØRAGER MEJERI	NORDEX KÄSEREI	NORDEX ROMANIA
CO2 emission per kg cheese	0.016 kg	0.009 kg	0.055 kg
Kilometers per year	254,561 km	44,000 km	316,900 km
Fuel per year	96,000 L diesel	20,500 L diesel	105,633 L diesel
CO2 emission	292,000 kg	52,300 kg	279,822 kg
Amount in kg	17,793,000 kg	6,700,000 kg	5,095,656 kg







## Support for the local community

### Activities/results/hedging risks 2022

Every year NORDEX FOOD decides to support specific cases in the local community, some cases are ongoing, some we support every year other cases are a one-off event.

#### Examples:

- To support the local community, we have hired students for leisure jobs
- We support the local art center, Dronninglund Kunstcenter, with both time, materials, and economic support
- We supported a Sustainability Festival in Brønderslev municipality
- We supported children with disabilities through the organization Elepap, which is placed close to our local office in Greece
- We supported Ørsø Judo club, an environment where talents are developed and where there is room for everyone with commitment and joy
- We have sent 3 tons of cheese to Ukrainian refugee camps in northern Romania.

## Support for Denmark and the world

### Activities/results/hedging risks 2022

Every year NORDEX FOOD decide to support specific cases in Denmark and the world, some cases are ongoing, some we support every year other cases are a one-off event.

#### Examples:

- Through our membership of “Mejerifolk uden grænser” (Dairy people without limits) we support different projects, such as the dairy project mentioned in 2019 in Mongolia and a dairy project in Lesoit, Tanzania. In Lesoit first step is to secure water access, which is the foundation for dairy production.
- We supported “Danish hospital clowns” who makes a difference for sick children by giving them unforgettable moments with play and laughter.
- We supported “Knæk Cancer” - Denmark’s biggest effort against cancer, where the Cancer Society gathers Danes in a strong and active community against cancer and raises money for research, prevention, and patient support.
- We supported the Ukrainian people with a donation to Danish Red Cross together with the rest of the Danish dairy industry (Danish Dairy Board)





# RSPO

Roundtable on Sustainable Palm Oil (RSPO) is an association that aims to promote the growth and use of sustainable palm oil. By being certified according to the RSPO Supply Chain Certification System, we support the establishment of sustainable and transparent production throughout the supply chain until the product reaches the consumer. We will renew our RSPO certification every year in the dairies using palm oil.

# RTRS

Round Table on Responsible Soy (RTRS) is an association that aims to promote the growth and use of sustainable soy. We support the association by membership. We lean on the feed industry's sustainable soy goals. The goal is for all soy to be sustainable by 2025. The target for 2023 is 60% sustainable soy.







# Food safety and quality



At NORDEX FOOD the costumer is always in focus and for us it means that the costumer can safely eat our products which is delivered in the quality that is wished for and expected. We want to continue to prioritize our food safety and quality as well as give it more attention in the CSR context.

Food safety and quality is basic for our company to remain. Dairy products are NORDEX FOOD's core product, therefore we make sure that:

- Both own dairies and suppliers of traded goods as a minimum follow the legislation and demands from the food authorities in the respective countries.
- The quality of the products is according to costumer wishes and expectations.
- Both own dairies and suppliers of traded goods is GFSI certified or audited by skilled quality staff from NORDEX FOOD HQ to maintain their high product standard.
- We wish to do things right the first time.
- The quality system "Nørager Gården" is adhered to by all milk suppliers to NØRAGER MEJERI.



## Activities/results/hedging risks 2022

2022

- NORDEX FOOD HQ was BRC Agents and Brokers recertified in Q1 2022 – Grade A.
- NORDEX FOOD HQ was IFS Broker certified in Q1 2022 – Higher level.
- During 2022, the quality department has been restructured and strengthened to increase the level of know-how, service to colleagues, trading partners, and capable of fulfilling our customers' requirements.





# Animal welfare



We have added Animal welfare to the CSR as we recognize the importance of animal welfare when we are in the business of producing and trading dairy products.

We expect all our suppliers of milk-based products to follow animal welfare legislation in their respective countries.

NORDEX FOOD has dedicated a person to support, retrieve and share knowledge with the dairy farmers in Denmark.

Our animal welfare policy is based on the 5 freedoms from “World Organization for Animal Health”.

- Free from hunger, malnutrition, and thirst
- Free from fear and distress
- Free from heat stress or physical discomfort
- Free from pain, injury, and disease
- Free to express normal patterns of behavior

## 2022

### Activities/results/hedging risks 2022

- 60 % of the dairy farmers now produce according to “Hjertemælk”, it is our target to maintain the level in 2023.
- Both dairy farmers and NØRAGER MEJERI produced GMO free and has been Vlog-certified since 2021.

As our definition of animal welfare, we have decided on “Hjertemælk”, a Danish Animal Welfare standard.

#### Rules for “Hjertemælk”:

- Prohibition on killing calves unless it is for health and animal welfare problems.
- Cattle older than two weeks must have access to roughage for at least 20 hours a day.
- The dairy farmer must prepare in writing and follow an action plan to ensure low mortality in the herd.
- Pain relief must be used for dehorning and relevant treatment-requiring disorders.
- Maximum eight hours transport to the slaughterhouse.
- Cow and calf must go together for the first 12 hours after calving.
- Prohibition on tying up cattle, unless it can be kept for less than an hour for feeding, milking, examinations, treatments, etc.
- Prohibition on the use of full-gap stables.
- Bedding areas must be dry, clean, and comfortable.
- Calves born after 31 December 2020 may not be housed in a single box from the age of seven days.
- the calf must be given milk for the first 8 weeks







Corporate Social  
Responsibility 2022  
01.01.2022-31.12.2022

NORDEX FOOD A/S  
Nordre Ringgade 2  
DK-9330 Dronninglund

[www.nordexfood.com](http://www.nordexfood.com)

