



# Corporate Social Responsibility 2021



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# 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

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.



# 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 2021

2021

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 2022 we will begin the process of having our other service providers sign our CoC.

In 2022 we will publish 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.

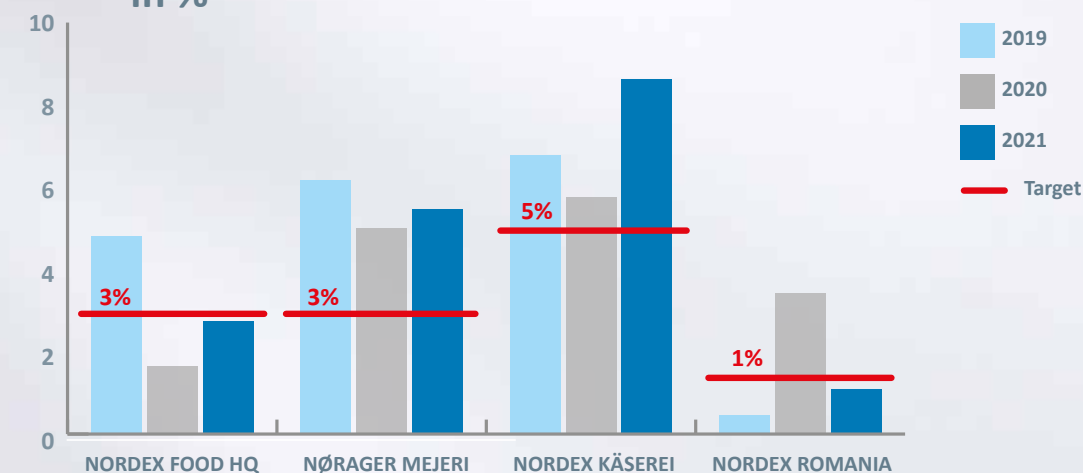
### Activities/results/hedging risks 2021

#### NORDEX FOOD HQ

- We have implemented a whistleblower policy, which aims to ensure that it is easy and safe to report offenses, that these reports are handled, and that whistleblowers are protected against any consequences that it may have to make a reporting.

- Despite different traditions, agreements, and legislation in the countries we operate in, we have implemented a total of 9 common guidelines regarding employee benefits – e.g., subsidies for screen glasses for office workers, Christmas- and summer parties.
- The HR dashboard with monthly updates on sick leave, overtime work, and well-being (Smiley Survey) is continuing. However, we have changed the satisfaction target from 75% to 85%. We also added a target for the response rate which should be above 80%. The average satisfaction result for the 12 surveys in 2021 is 87% and 82% for the response rate. Both results are above target. We look forward to launching the Smiley Survey in 2022 in other parts of the group.
- We have experienced a great deal of interest in first aid this year, and many of our colleagues have been trained in providing first aid. We also have a defibrillator at our location.
- In the future, we want to be able to offer dairy students an opportunity to complete their internships abroad. NORDEX FOOD has the opportunity as we have dairies in Austria, Romania, and Denmark. We expect to send the first Danish dairy student to Romania in 2022, after which we will evaluate the internship and initiate an international dairy student program in NORDEX FOOD.
- In 2021 we have introduced templates for the annual assessment of competencies. We expect to get an overview of the training needs in the first quarter of 2022 and will subsequently initiate the necessary training so that all employees can feel competent in their jobs.
- We were well within the target of 3% sickness absence in 2021.

### Sickness absence, in %





2021

## Work environment 3 x Dairies

For all 3 dairies the work to address the challenges posed by COVID 19 has continued in 2021.

### Activities/results/hedging risks 2021

#### NØRAGER MEJERI

- At the end of 2021, weekly well-being measurements were introduced, this makes it possible to see the total well-being both in the department and for the entire dairy.
- Installing more packing machines means less heavy lifting and less one-sided repetitive work.
- The 3% sickness absence target was not reached in 2021 mainly due to a few long-term sick leavers. Work to reduce sickness absence continues.

#### NORDEX KÄSEREI

- Weekly survey of general wellbeing will be introduced in 2022.
- The task to improve work conditions continued in 2021 and will continue in 2022.
- New equipment in the primary production has resulted in fewer heavy lifting.
- A project to automate the weigh-in part of the packing area is expected to be completed Q4 2022. This will result in even fewer heavy lifting.
- The 5% sickness absence target was not reached in 2021 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 2021. Target is 100% participation.
- English classes have been paused in 2021 but will be resumed in 2022.
- Plans to send dairymen into training at NØRAGER MEJERI will be resumed in 2022.
- The very low target of 1% sickness absence was just about reached, we will continue the good work.





# 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.

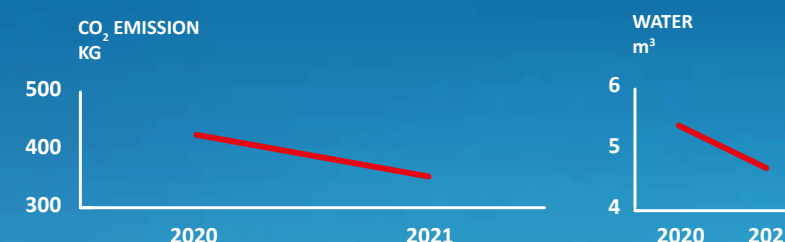
## Activities/results/hedging risks 2021

# 2021

### NORDEX FOOD HQ

- The consumption of electricity and heat has increased slightly from 2020 to 2021. We estimate that due to COVID 19 there were fewer office working days in 2020 than in 2021, and it had an impact on consumption.
- Our CO<sub>2</sub> emissions have decreased 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 equals 0. The project is expected to start in 2023.
- In outdoor areas around the office, wildflowers are planted to promote biodiversity.

### Consumption and emission per employee





Activities/results/hedging risks 2021

NØRAGER MEJERI

- The consumption of gas was reduced in 2021, due to the new wood chip burner. This has also resulted in significantly lower CO<sub>2</sub> emission per kg cheese.
- We will begin the work (in cooperation with the milk farmers) to be able to climate check our milk farmers in Denmark, with the intension to spread it out to our other milk and traded goods' suppliers.
- The CO<sub>2</sub> neutral wood chip burner had the expected effect on reducing CO<sub>2</sub> emission, see graph.
- We have investigated the possibility of setting up solar cells and we expect these to be put into operation in 2022.
- An agreement has been made with a green electricity company to become part of a new energy park. Expected CO<sub>2</sub> emissions equals 0. The project is expected to start in 2023.
- We have been part of developing a CO<sub>2</sub> calculation schedule to be used by the dairy industry in Denmark. It adheres to international standard and is expected to be ready for use in 2022.
- Trees and shrubs are planted between the dairy and the neighbors. Together with a rainwater basin the trees and shrubs contribute to biodiversity.



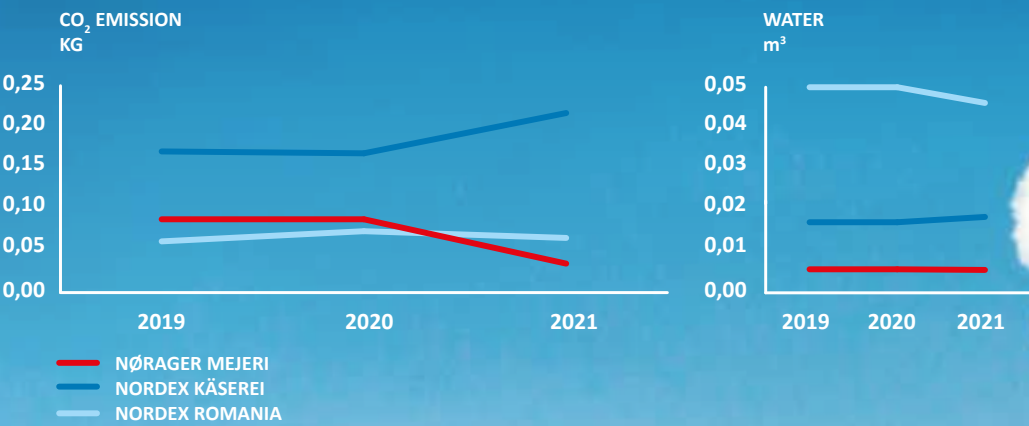
NORDEX KÄSEREI

- The CO<sub>2</sub> emission seems to have increased, but the difference is due to changed calculation.
- New equipment in the primary production has resulted in reducing waste and thus a better utilization of raw material consumption. The new equipment has also resulted in an increased collection of whey which can be further processed rather than disposed of as waste.

NORDEX ROMANIA

- The production is back at 2019 level and so is the consumption and CO<sub>2</sub> emission.
- The new kettle was installed in 2021, which has resulted in lower consumption of gas per kg of cheese. We look forward to seeing the full effect in 2022.

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.

## 2021

### Activities/results/hedging risks 2021

#### NØRAGER MEJERI

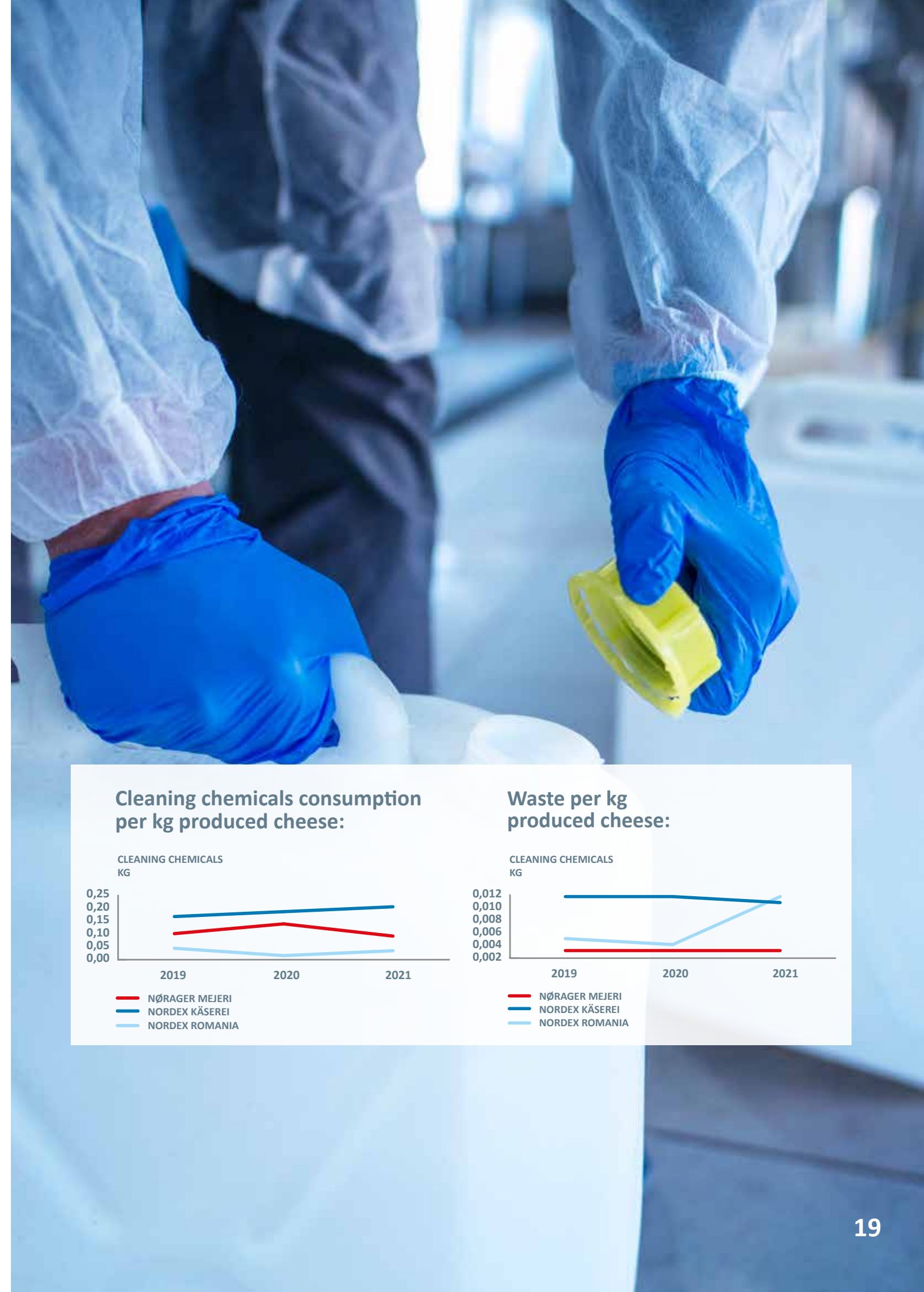
- The use of cleaning chemicals is reduced by changing cleaning programs and optimizing dosage.
- The amount of waste is kept at a low level.

#### NORDEX KÄSEREI

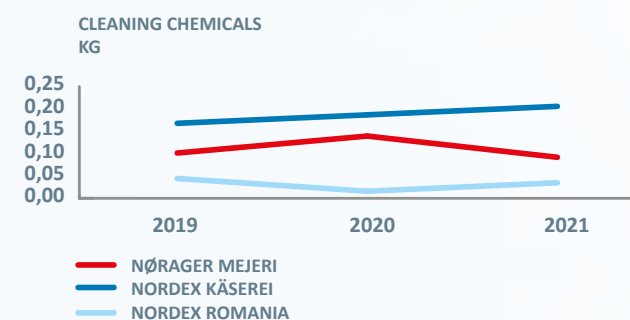
- The use of cleaning chemicals is slightly increasing. It might be because the wastewater is now chemically cleansed.
- Waste has decreased due to investments in new equipment.

#### NORDEX ROMANIA

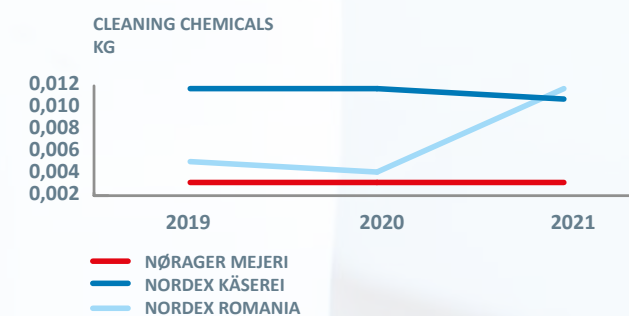
- The production is back at 2019 level and so is the consumption of cleaning chemicals.
- The amount of waste has increased due to several test productions of new products.



### 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.

## 2021

Activities/results/hedging risks 2021

### 2020 Consumption, distance and emission for transport from supplier/farmer to dairy.

Transport	NØRAGER MEJERI	NORDEX KÄSEREI	NORDEX ROMANIA
CO2 emission per kg cheese	0.011	0.008	0.065
Kilometers per year	213.330	43.300	279.000
Fuel per year	80,451	19,485	92,926
CO2 emission	213,116	52,133	246,357
Amount in kg	18,680,720	6,694,000	3,794,763

### 2021 Consumption, distance, and emission for transport from supplier/farmer to dairy.

Due to unforeseen circumstances, it has not been possible to obtain the figures before publication.







## Support for the local community

### Activities/results/hedging risks 2021

Every year NORDEX FOOD decide 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:

Ongoing support:

- 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

One-off 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 supported the local table tennis club in Campulung, based close to NORDEX ROMANIA

## Support for Denmark and the world

### Activities/results/hedging risks 2021

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:

Ongoing support:

- 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.

One-off support:

- Denmark saves land, the land will be returned to wild nature
- We supported the planting and preservation of trees and forest in Denmark in 2021 to preserve clear-cut forest and increase the forest realm, which in turn can absorb and retain CO<sub>2</sub> from the atmosphere
- We supported “Danish hospital clowns” who makes a difference for sick children by giving them unforgettable moments with play and laughter





# 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 2022 is 40% 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 2021

2021

- NORDEX FOOD HQ was BRC Agents and Brokers certified Q4 2021.
- During 2021, the quality department has been restructured and strengthened to increase the level of service to colleagues and trading partners.
- In Q1 2022 NORDEX FOOD HQ intent to be IFS Broker certified.





# 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

## 2021

### Activities/results/hedging risks 2021

- 50 % of the dairy farmers now produce according to “Hjertemælk”, it is our goal to maintain the level in 2022.
- Both dairy farmers and NØRAGER MEJERI produced GMO free and was Vlog-certified in Q4 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

Webpage: [https://www.foedevarestyrelsen.dk/kampagner/Bedre-dyrevelfaerd/Sider/Fakta\\_om\\_dyrevelvf%C3%A6rdsm%C3%A6rket.aspx](https://www.foedevarestyrelsen.dk/kampagner/Bedre-dyrevelfaerd/Sider/Fakta_om_dyrevelvf%C3%A6rdsm%C3%A6rket.aspx)







Corporate Social  
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