



Corporate Social  
Responsibility

2023

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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.

This CSR report is a part of the management commentary in the NORDEX FOOD annual accounts 2023 and 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 will comply to the below rights and we want our suppliers to comply with it through our Code of Conduct. Our target for 2024 is for all suppliers to have signed the Code of Conduct.

■ **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 maintain a zero-tolerance policy towards corruption and bribery, whether it occurs within our organization or in collaboration with external companies. To reinforce this commitment, we established and published the NORDEX FOOD Anti-Corruption Policy in 2022.

- 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

## 2023

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 began the process of having our other service providers to sign our CoC. We expect to finish this in 2024.

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 well-being. 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

Our policy for work environment is that 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. Our activities aim to inform and educate the whole organisation towards a good working environment as a shared responsibility.

In our companies with more than 50 employees, we have a working environment committee “Arbejdsmiljøorganisation”, 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.

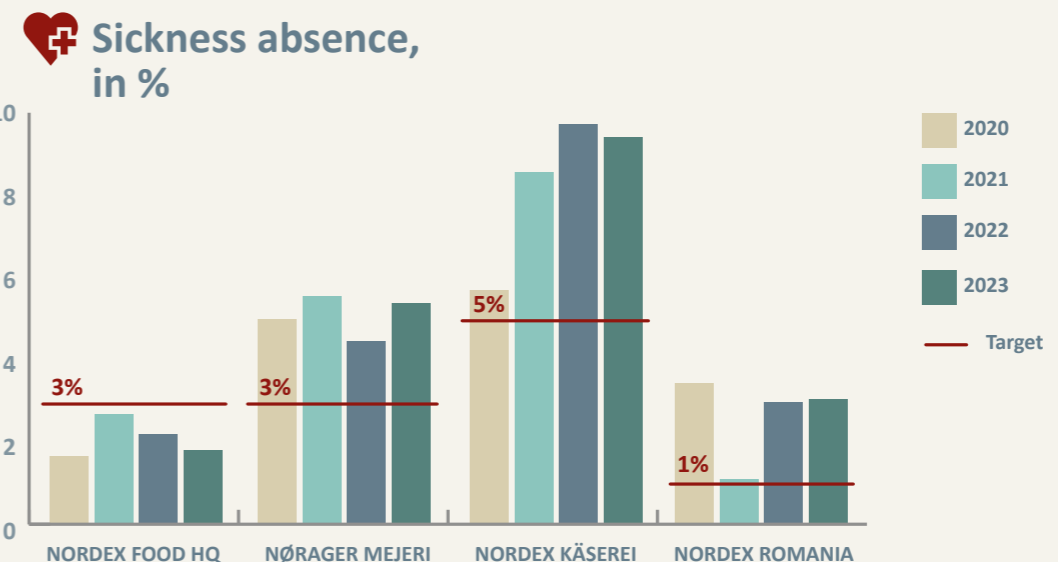
- The average satisfaction result for the 12 surveys in 2023 was 93%. A result that we are very proud of, and which is far above the target of 85%. We look forward to expanding the Smiley Survey with questions related to our strategy. Job satisfaction also depends on whether you as an employee understand how you contribute to the overall strategy.
- We are very proud of the fact that we have succeeded in finding and sending Danish dairy students to internships in both Austria and Romania. In 2023, we have signed an internship contract with another 5 dairy students who will join our foreign dairies in Austria and Romania. We look forward to following them and their careers as dairymen. We are continuing the goal of getting 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 competencies will be implemented during 2024.
- The Working Environment Organization (AMO) has in December 2022 carried out a statutory workplace assessment among the employees in HQ. The result on overall satisfaction was 9.3 out of 10. All departments are working on improvements during 2023.
- In collaboration with external partners, we have started an internal leadership program (NORDLEAD) for managers in the senior management team. The program started in 2023 and will continue into 2024.

## 2023

### Activities/results/hedging risks

#### NORDEX FOOD HQ

- We continue our Monthly Smiley Surveys and as planned for 2023 we are now conducting the survey in NORDEX FOOD including the 3 dairies. This goes into 2024 extended as a Pulse survey on the ability to motivate and gear ourselves to the new strategy plan 2024/2025.



# Work environment at our dairies

## 2023

### Activities/results/hedging risks

#### NØRAGER MEJERI

- The dairy is SMETA certified, which is an ethical standard governing treatment of employees, neighboring communities, environmental responsibility, and global engagement. This certification examines various aspects including equitable remuneration, adherence to fair wage practices, compliance with labor regulations such as the 11-hour rule, and numerous other factors affecting workplace conditions. The 3-day audit occurs onsite at the dairy facility.
- We will continue SMETA improvements in 2024.

#### NORDEX KÄSEREI

- A monthly survey on general well-being was implemented at the end of 2022, yielding positive results for 2023. Target has been achieved: an 80% participation rate, with 92% of participants choosing a green smiley rating.
- We successfully completed a project aimed at reducing heavy lifting and enhancing working conditions in certain sections of our packaging areas.
- The target of maintaining a 5% sickness absence rate was not met in 2023, mainly due to a few long-term sick leave cases. To improve this in 2024 we are working on our team meetings and 1:1 to improve the well-being.

#### NORDEX FOOD ROMANIA

- The weekly survey of the general well-being of the employees continued in 2023. Target is 100% participation and 85% of them with a green smiley.
- We provide fruit to all employees daily as well as breakfast once a month.
- English classes have been conducted for nearly all employees throughout 2023 and will persist throughout 2024.
- The very low target of 1% sickness absence was not reached, mainly due to one serious long-term sick leave case.





# 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, our policy on environment and climate mainly focus on 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.

- CO2 emission from
- Energy consumption and
- Water consumption

We are continuously working on reducing the total energy consumption of the dairies and thus reduce CO2 emissions.

And we are working on reducing the total consumption of water.

We have measured the impact of energy consumption, CO2 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

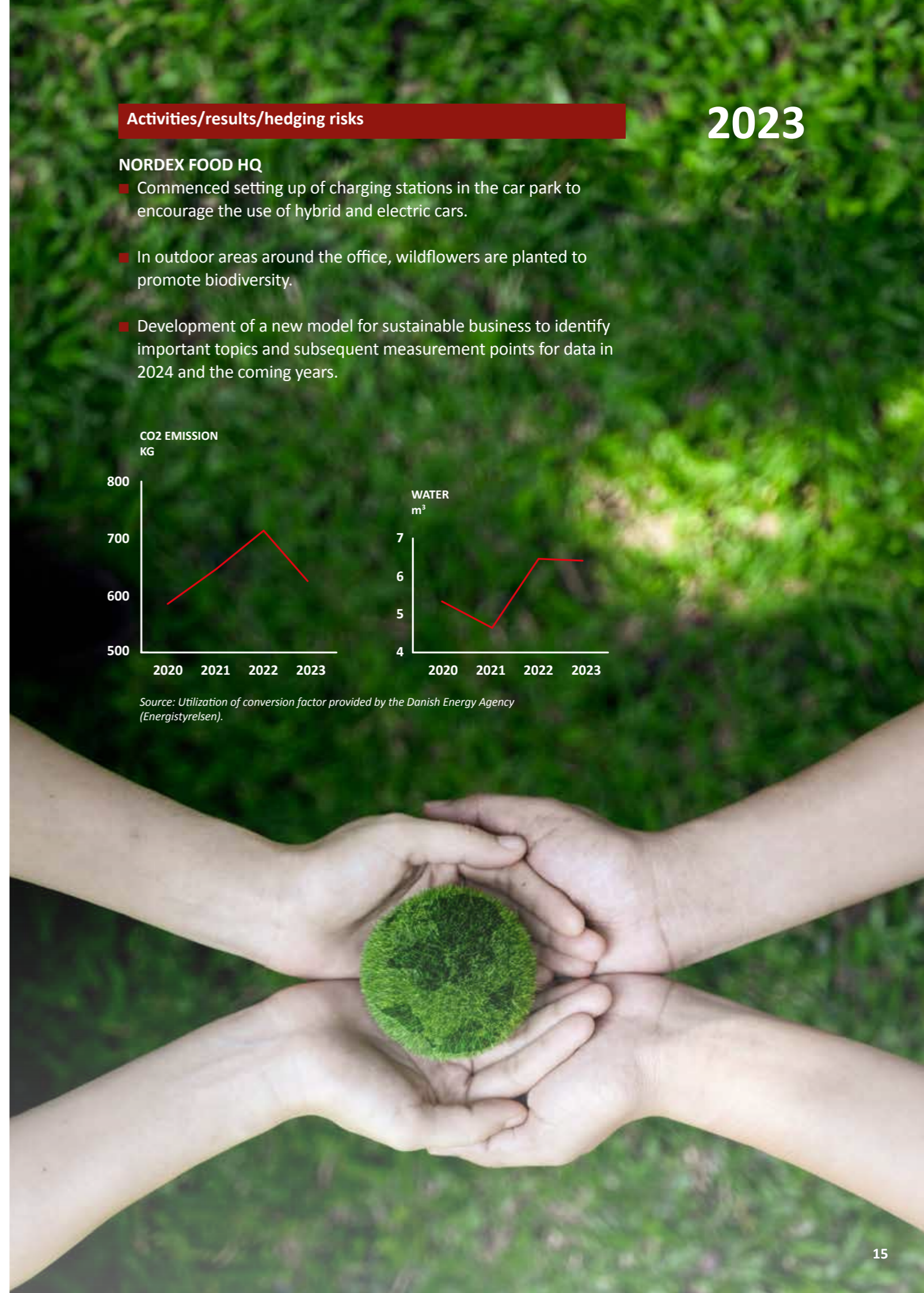
# 2023

### NORDEX FOOD HQ

- Commenced setting up of charging stations in the car park to encourage the use of hybrid and electric cars.
- In outdoor areas around the office, wildflowers are planted to promote biodiversity.
- Development of a new model for sustainable business to identify important topics and subsequent measurement points for data in 2024 and the coming years.



Source: Utilization of conversion factor provided by the Danish Energy Agency (Energistyrelsen).





## Activities/results/hedging risks

### NØRAGER MEJERI

- In 2023 we have calculated our CO2 footprint in 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
  
- We have purchased solar cells which are planned to be put into use in 2024. The solar cells can cover half of the dairy's electricity consumption.
  
- 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 did take place throughout 2023, and the dairy is scheduled to be certified in May 2024.
  
- Three significant environmental conditions have been identified at the dairy,
  - Reduce COD below the limit.
  - Waste, reduce the amount of combustible and hazardous waste annually.
  - Energy, reduce the consumption of energy annually.

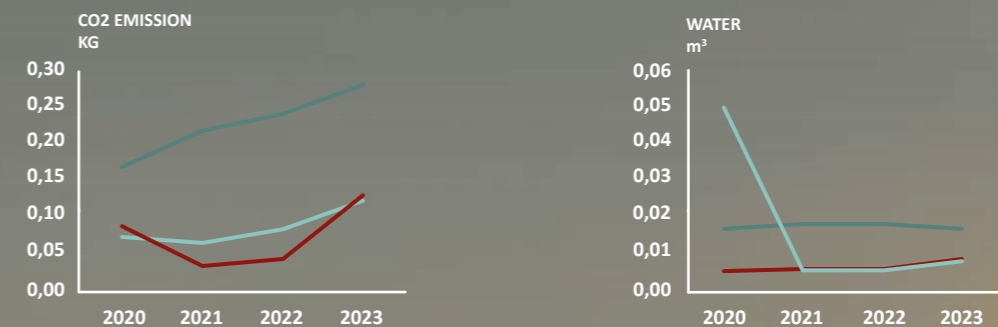
### NORDEX KÄSEREI

- The CO2 emission seems to have increased, but the difference is due to changed calculation from our supplier of heating oil. The consumption of oil/kg is on the same level as last year.

### NORDEX ROMANIA

- In comparison to 2021, CO2 emissions have increased. This is primarily due to inaccuracies in the calculations for 2021 and 2022.
  
- Our electricity, gas, and water consumption were higher compared to 2022, mainly due to increased production of pizza toppings.
  
- On the transport we have managed to lower the CO2 emission compared to 2022. This is due to delivery of UF with a higher protein content, which results in a more efficient production, and thereby less trucks to send.

### Consumption and emission per kg cheese at the dairies



NØRAGER MEJERI

Source: The CO2 emissions were calculated based on the Dairy Association's climate model.

NORDEX KÄSEREI

Source: The CO2 emissions were calculated by EWO Austria.

NORDEX ROMANIA

Note: Previous calculations for Water (year 2020) were based on incorrect data and are therefore not accurate. Source: the CO2 emissions were calculated based on documentation from ENGIE Romania and non-government agencies.



# 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.

## 2023

### Activities/results/hedging risks

#### NØRAGER MEJERI

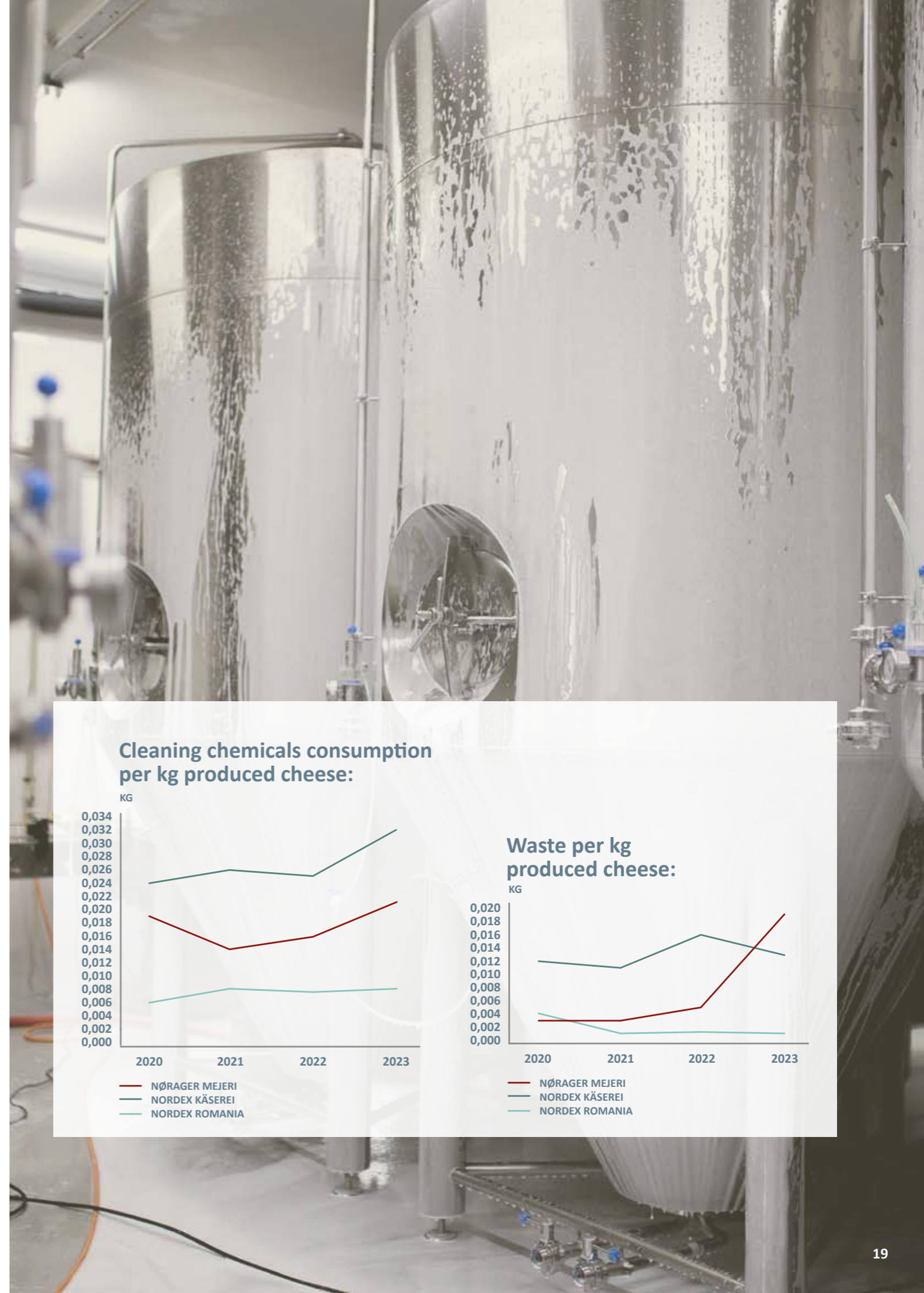
- The consumption of chemicals is monitored closely, and work is constantly being done to optimize.
- Optimize the amount consumed and reduce the amount of hazardous chemicals.
- Every year, the environmental committee evaluates the adequacy of chemical management practices from the previous year.
- The dairy categorizes waste into 10 different fractions to minimize the amount sent to combustible waste and landfill. This will be implemented in 2024.

#### NORDEX KÄSEREI

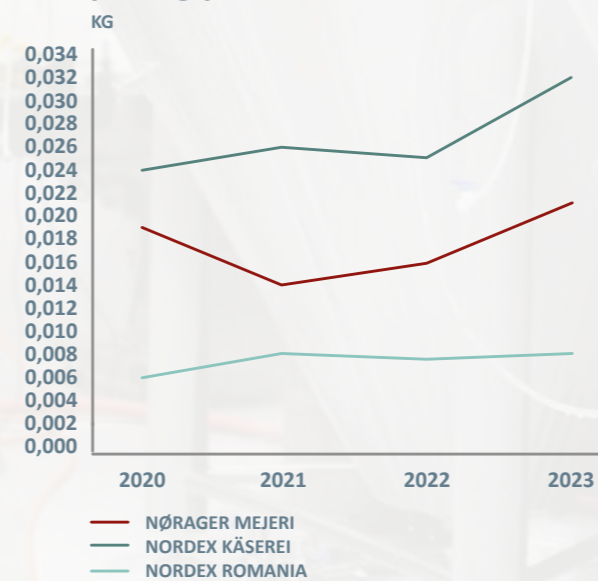
- The use of chemicals has risen due to the implementation of our new Wastewater plant, where these chemicals are necessary for purifying the water before it is discharged into the public system.

#### NORDEX ROMANIA

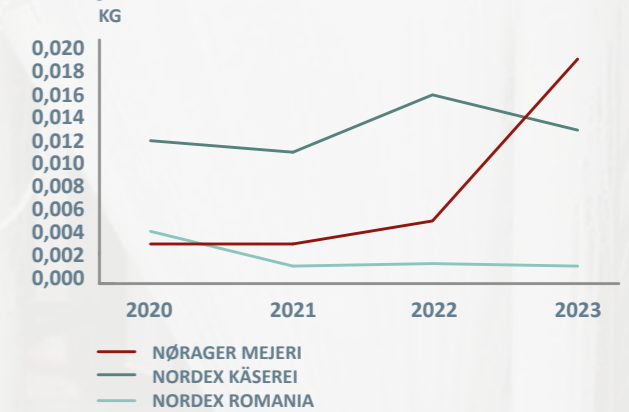
- Regarding chemicals, our consumption was slightly higher than in 2022, primarily due to increased production, especially concerning pizza toppings.
- Despite increased production, the waste consumption was slightly lower in 2023, due to more recycling. We aim to reduce even further in 2024.



Cleaning chemicals consumption per kg produced cheese:



Waste per kg produced cheese:





# Transport

We will optimize the transport of milk and milk products from the suppliers to our dairies - NØRAGER MEJERI, NORDEX KÄSEREI AND NORDEX ROMANIA. With the aim to reduce the transport impact, we will obtain data on:

- 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.

## 2023

Activities/results/hedging risks

Distance and consumption in transport from supplier/farmer to dairy.

Transport	NØRAGER MEJERI	NORDEX KÄSEREI	NORDEX ROMANIA
Kilometers per year	N/A	42,100 km	241,263 km
Fuel per year	142,000 L diesel	18,900 L diesel	93,841 L diesel

- In 2024 we aim to reduce the amount of fuel used with 2%.





# Support for the local community

Activities/results/hedging risks

2023

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 Ørsø Judo club, an environment where talents are developed and where there is room for everyone with commitment and joy.
- We have provided financial support to “Stafet for livet” in Dronninglund. It’s a day of fellowship, information, entertainment, and fundraising in the fight against cancer.



# Support for Denmark and the world

Activities/results/hedging risks

2023

Every year NORDEX FOOD supports specific cases in Denmark and the world, some cases are ongoing and 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.
- 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 have provided financial support for “julemærkehjemmene”. An organization that helps vulnerable children to improve their well-being.



## 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 2024 is 80% sustainable soy.



# Food safety and quality

At NORDEX FOOD the customer is always in focus and for us it means that the customer 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 customer wishes and expectations.
- Both own dairies and suppliers of traded goods are 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.

## 2023

### Activities/results/hedging risks

- NORDEX FOOD HQ was BRC Agents and Brokers and IFS Broker.
- During 2023, 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.
- NORDEX FOOD has developed our knowledge into a Food Safety Culture with greater focus on interaction through the organization. Our QA department is the frontrunner of the understanding of a solid food safety culture, but all parts of the organization share responsibility, as no task can stand alone without having an impact on food safety.
- NORDEX FOOD has been a part of the World Food Safety Day in 2023.





# 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

## 2023

### Activities/results/hedging risks

- “Hjertemælk” constitutes 63% of the total milk weighed at NØRAGER MEJERI in 2023, and it is our target to maintain the level in 2024.
- All dairy farmers delivering milk to NØRAGER MEJERI are Vlog certified.
- Our dairy farmers must register a climate check for milk production in April 2024. This also incorporates aspects of Animal Welfare.

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







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