

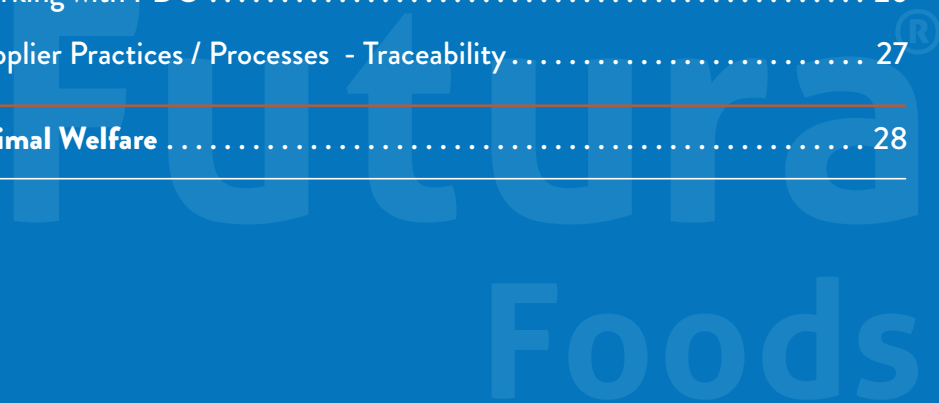


CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR 2022



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MD STATEMENT



With this third Corporate Social Responsibility (CSR) report we want to focus more on progress and explore ways that we can do more, ahead of joining the UN Global Compact.

In July 2022 Futura Foods Wales Ltd., was sold to Joseph Heler. This step signalled a full come-back to our core business: the importing of continental cheeses with specific focus on cheeses originating from the Mediterranean.

We want to strengthen our relationships with supply partners and see the value of deepening our engagement in order to drive consistency and integrity. We seek to deliver unique solutions collaborating with customers and suppliers.

Futura Foods will prioritise CSR and it is our ambition to add KPI's and clear goals within each of our core areas. Using our CSR framework to guide us and focus our activities. Our company values reflect this commitment and our management team recognise the importance of creating positive value for our employees, customers, supply partners and the wider communities in which we operate.

As part of Nordex Food Group, our work in this area will aim to integrate some of the UN's 17 sustainable development goals into our policies and it is our ambition to align with Nordex Food and join the Global Compact as part of the Nordex Food Group in 2024/25. In signing up to UN Global Compact, this is now likely to occur in 2024

The Futura Foods CSR framework is built on 5 core pillars :

Human Rights, Anti Corruption & Ethics

Employment, Wellbeing & Community

Environment & Sustainability

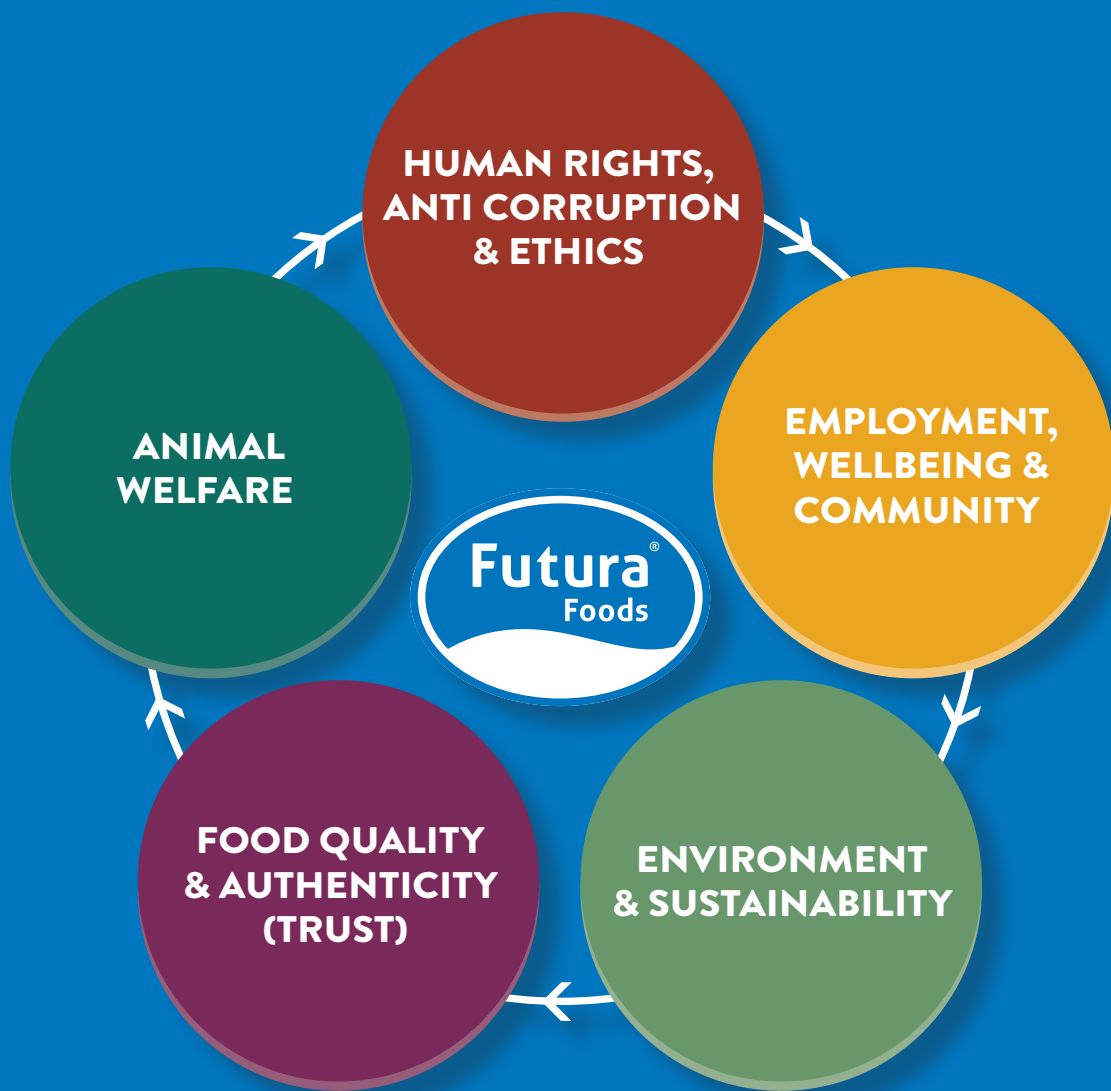
Food Quality & Authenticity & Trust

Animal Welfare

We are at the start of the journey and have focused on bringing in more knowledge & skills to get started. With the strategy plan for 2024/25 we are now more ambitious and want to accelerate. I hope you find it useful and enjoy reading it.

Hans Christiansen
MD FUTURA FOODS UK LTD.

CSR 5-PILLAR FRAMEWORK



OUR ALIGNMENT WITH THE UN'S SUSTAINABLE DEVELOPMENT GOALS

As of December 2018, Nordex Food (Nordex Food A/S) signed up to the UN Global Compact (UNGC). The compact has defined principles which guide CSR work in participating companies. Futura Foods aim to join the Global Compact in 2024/25 and our CSR framework builds on these principles and additional focus areas, such as food quality, authenticity and animal welfare which are important in our day to day operations.

Our CSR framework incorporates our activities into 5 key pillars.



UN GLOBAL COMPACT



RESPECT FOR HUMAN RIGHTS

The values we work with in Futura Foods are:

AUTONOMY
INTEGRITY
RESPONSIBILITY
OWNERSHIP

● These values apply throughout the Nordex Food Group of companies. They reflect the culture we seek to develop to demonstrate in our actions and decision making. We are clear about what these values mean and aim to reflect them in our day to day activities and behaviours. We work hard to make all employees aware of our values and how we demonstrate them.

● We respect human rights and follow the **UN 1948 UNIVERSAL DECLARATION OF HUMAN RIGHTS**.

● Of these 30 rights there are some that are more applicable to our business, in particular those rights and freedoms that apply without discrimination, distinction and coercion.

We expect our suppliers, partners and wider supply chain to work with these principles and legal structures that support them. We are clear about our policies and standards and what is required to do business with us.



Left: Lunch and learn. Param Paneer



THE RIGHTS THAT WE HAVE CHOSEN TO WORK WITH ARE:

Article 2.

Everyone is entitled to all the rights and freedoms set forth in the declaration, without discrimination of any kind, such as race, colour, 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 will be subject 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 wellbeing of themselves and their family.

Article 26.

Everyone has the right to education.

We will, to the best of our ability, promote these rights within our business and wider supply chain.

ANTI-CORRUPTION AND BRIBERY

At Futura Foods we do not tolerate corruption or bribery regardless of where it happens, internally or externally with the companies we work with.

- We clearly articulate to all our employees and our supply partners that we do not tolerate corruption or bribery.
- We are committed to ensuring that there is no modern slavery or human trafficking in our supply chain or in any part of our business. Our anti-slavery policy reflects our commitment to acting ethically and with integrity in all our business relationships.
- We tell employees in interviews and through regular appraisals about our expectations, values and how we can live them.
- Our supplier code of conduct policies cover this area in more detail and are communicated to all our suppliers and are available on our website.
- We ensure our suppliers are aware and adhere via risk based ethical audit processes.

For more information on our practices, please click the below link to our website:

Modern Slavery and Human Trafficking statement:

<https://futura-foods.com/modern-slavery-human-trafficking-statement/>



EMPLOYMENT & SOCIAL RESPONSIBILITY

As Futura Foods expands we seek a positive working culture with focus on health, safety, employee wellbeing, personal development and engagement.

We aim to be an employer of choice and to play a positive role in communities in which we operate.

- We measure and report accidents, sickness and attendance and support any long term health issues wherever we can.

ATTENDANCE		2020	2021	2022
Futura Foods	Actual	99.4%	98.9%	98.1%
	Target	98.4%	98.4%	98.4%

- As for the previous years, there were no RIDDOR reportable accidents for 2022.

We are proud of our health and safety record across the company.

In 2022 we were officially out of the Covid-19 pandemic, and this unfortunate illness is now treated the same as for other respiratory illnesses.

We have continued the focus on colleague wellbeing and maintaining a healthy working environment.

We continue to be pleased that our sickness absence is lower than the UK average.

For 2022 our sickness absence was 1.9% compared with 2.4% which was the national average (ONS - Sickness absence in the UK labour market 2022).



- We are proud of the way we utilised online technology in order to sustain effective communication during the pandemic.
- We have found a new balance post Covid with utilising Microsoft Teams with our supply partners and customer base, to reduce our mileage and carbon footprint.
- Using Microsoft Teams has been rewarding for both facilitating business meetings and processes, as well as facilitating the teams to interact socially with breakfast theme meetings.
- The group invested in a new HR resource, to further support employees needs.

WORKING ENVIRONMENT

Our employees are at the core of our business and we focus on retention of staff. We are proud of the fact that staff turnover is low and this is important in reflecting our goal as “employer of choice” in the communities in which we operate.

- We will promote from within wherever it is feasible to do so.

- Our belief is that people getting together physically is important to generate ideas, aid communication and build effective relationships. However personal flexibility in how we work is important going forward and we will facilitate, where possible, remote working up to one day a week for those staff where the request can be accommodated without disruption to wider activities.

- We have invested in video conferencing facilities for both group and individual meetings, to help aid effective communication and cross functional working with colleagues, customers and suppliers.

- We appointed an external HR consultancy to enable all colleagues to contact them to discuss any employment related matters.

- We will continue to review and develop our working practices to meet the needs of our business and our workforce.

- We currently utilise our established staff social committee to enhance social wellbeing within our business.

- During 2022, we ran a four week campaign focusing on mental wellbeing.

We aim to continue to launch yearly initiatives to promote our colleagues wellbeing.



- Effective communication of Key Performance Indicators (KPI's), and progress towards our goals is important to us so that the company is efficient and aligned in its activities. We will continue our regular company and team briefings and one to ones for all employees and maintain focus on this area. We conduct annual personal appraisals as well as frequent one to one informal line manager interface.

- We encourage skills and personal development and we will support self development opportunities wherever we can. Each employee has a skills and personal development plan agreed as part of the appraisal process. We are committed to building skills and knowledge to equip our teams for the future. We have a strong track record in supporting employees to move within the business to different functional roles in order to develop new skills and to pursue wider career opportunities.



COMMUNITY ENGAGEMENT

We aim to play a positive role in the communities we operate in. This is important to our vision as an employer of choice and to recruiting and retaining good people.

Activities 2022

- In 2022 we arranged for a clothes collection for the Ukraine War effort.
- We support “FareShare” through the provision of products that would otherwise be wasted.
- The Social Committee also facilitate the appointment of a local annual charity, that we support through small charitable events, such as bake sales.
- In addition to the local charity support, our Commercial team have a monthly ‘Fines Board’ that we monitor throughout the month, at the end of the month the collected money is donated to a local charity.



Donations for
Ukrainian refugees



ENVIRONMENT & SUSTAINABILITY

Futura Foods operations in the UK consists of our head office in Dursley, Gloucestershire and 3rd party warehousing and distributors in the UK and Ireland.

- We source and supply a wide variety of dairy products from Europe with our main range coming from Greece, Cyprus, Italy, Spain and Denmark.

- We are at the start of our journey regarding measuring and managing our impact on the environment and climate. However we are enthusiastic and committed. It is important for our customers, employees and communities that we play our part and take steps to enhance the sustainability of our operations wherever possible.

- The first step is to measure and understand key metrics. The second is to take action where we can to mitigate and improve. We have started both of these steps and will provide more information on our plans in due course.

- Our sister company, Nordex Food A/S has signed up to the UN Global Compact, and we are already working to the same principles. We are continuing to work on our framework, and aim to join the UN Global Compact in the future.

There are four areas which we will focus on:

CO₂ EMISSIONS
ENERGY CONSUMPTION
WATER CONSUMPTION
PACKAGING USAGE & SUSTAINABILITY OF PACKAGING

- While we have an initial measurement base for 2020 we will continue to work on how best to measure these key outputs and reconsider our measurement methods where necessary, in the future.

- We are not in a position to measure total supply chain outputs (i.e. from warehouse to consumer), but we are focussing on primary outputs (production and head office usage). In addition we are engaging and encouraging our European suppliers to work with us on establishing lifecycle CO₂ measurement for key product types so we can track the impact for different types of cheese from different locations.



- Reducing packaging and moving to more sustainable packaging formats is currently a challenge. We can only move as fast as the changes in technology allow, whilst ensuring we maintain the integrity, safety and to an extent the shelf life of the products we sell. The challenge of reducing overall plastic content and increasing the recycled content is significant, especially as we work with a diverse range of authentic supply partners, each with varying amounts of focus on this area.

- We are continuing to work with our European supply chain partners. Our aim is to ensure awareness and acceleration of sustainable initiative amongst our supply chain partners, as well as keeping abreast of changes in the regulatory framework.

METRICS & PLANS

We are not in a position to establish net zero plans at this time.

2022 Status

Futura Foods Head Office

We have measured the impact and consumption in total and per employee.

- 100% of our electricity is from renewable sources.

Futura Foods (2022)	Total	Per Employee
CO ₂ emission (kg)	10,700	274
Energy electricity (kWh)	45,952	1,178
Water (m ³)	184	4.85

Futura Foods (2021)	Total	Per Employee
CO ₂ emission (kg)	12,875	339
Energy electricity (kWh)	55,225	1,453
Water (m ³)	193	5.08

Futura Foods (2020)	Total	Per Employee
CO ₂ emission (kg)	13,261	349
Energy electricity (kWh)	57,000	1,629
Water (m ³)	150	4.29

CO₂ Derived from CarbonTrust calculator

FINISHED PRODUCT & PACKAGING WASTAGE.

- For imported (stock held) dairy products we work with Company Shop, FareShare and other outlets to ensure that no finished product is destroyed and goes to landfill. We operate to zero waste at our contracted warehouses.



TRANSPORT & WIDER SUPPLY CHAIN MAPPING

We are a leading supplier of European dairy products to the UK & Ireland and source products from a wide variety of partner suppliers in a number of countries.

We strive to operate the most efficient supply chain we can and given our scale we can ensure that the vast majority of our products are shipped to the UK in consolidated full containers. For smaller volume requirements we source “groupage transportation” to minimise our carbon footprint.

The same principles apply to outbound deliveries from our storage and distribution partners in the UK.

We have some initial data on emissions generated in transporting some of our core products from Greece and Cyprus to the UK using different transport methods. As we have become more efficient and have invested in our forecasting and replenishment systems we have been able to increase the proportion of sea vs road routes.

This move is more efficient for us and our customers and while it adds more time into the total supply chain there is a benefit in CO₂ output which we have been able to realise. We will continue to work on this area of opportunity with our supply chain partners.

The more we can do with customers on forecasting demand, the more we can use sea verses road options.



Road verses Sea Case Study

Sea containers from core Southern Mediterranean routes can take 3x as long as road transport but emissions are circa 40% of the equivalent road container. Moving from road to sea does mean that we potentially have to hold more stock in the UK with an emissions and cost impact due to the length of the duration of the supply chain but the total emissions impact is positive.

- We achieved 85% of our Cypriot volume requirements via sea for 2022. Every time we use sea instead of road transport, we have a substantial reduction in CO2 emissions compared with direct road use emissions.

- We will investigate and expand this research into to other geographical areas of supply moving forward.

- We will continue to investigate alternative transport solutions and work with transport partners in this area.

CHAIN SUPPLY CO ₂	CO ₂ per trip (kg)
Road from Greece	3,169
Road from Cyprus	3,385
Sea from Cyprus	1,122

BY NET CHEESE WEIGHT		
2022	By Road	By Sea
Greece	100%	N/A
Cyprus	15%	85%



PACKAGING USAGE

The volume and impact of different types of packaging we use (and associated waste) is a focus area for us. Packaging protects the products we produce and source which is key to enabling the quality and shelf life benefits that we offer.

The demands of UK consumers, customers and the legislative framework on waste and packaging recycling is evolving, we will ensure that we stay on top of packaging developments and continue to strive to find solutions as packaging technologies develop.

We have a company packaging policy that encourages us to move forward. However, it is important that the solutions we utilise are the right ones for our customers going forward as well as ensuring that we remain as efficient as we can be. We expect the costs of recyclable content to become more competitive as the market develops.

● We will share knowledge and encourage our European suppliers to find solutions for the UK market. As a first step we are presenting to all our core suppliers on UK packaging requirements and the changing legislation and tax implications. We are also encouraging partners to work with us on CSR projects such as CO₂ mapping for different types of cheese. It is our intention to continue making progress in this area.

● We measure our packaging usage and while we cannot yet identify the percentage recycled content in our packaging we aim to compile this data going forward.

	Plastic (T)	Paper (T)	Wood (T)	Other (T)
Total tonnes 2020	805	1023	887	0.7
Total tonnes 2021	1148	1319	1009	1.6
Total tonnes 2022	606	990	1181	0.1



FOOD SAFETY, AUTHENTICITY, LEGALITY & QUALITY

The safety, quality & integrity of the products we supply from our group and partner dairies is our priority. We are proud of our performance in this area and feel that the expertise we offer our customers is a differentiator for Futura Foods. We constantly strive to maintain this position and to further develop our product & quality standards.

Dairy Products are Futura Foods' core business and we make sure that:

- Our group owned production facilities and our suppliers across Europe, as a minimum, follow the legislative framework from the food authorities in the respective countries. They are required to supply product to defined standards for supply into our customers. All supply sites must meet the GFSI standard and must be certified. Some customers have specific factory requirements and we work closely with supplying sites to ensure these specific standards are understood, and fully implemented.
- All suppliers of finished product and raw materials are approved and authorised by Futura Foods Technical team to supply. We aim to work with the most capable suppliers in their product field. Supplier capability can range from artisan product to mass produced volume.
- We operate a bespoke risk based supplier approval and auditing process. We work hard to select partners and develop partnerships with our core suppliers, where we share best practice to drive standards. Our Futura Foods Supplier Performance Review process has been developed over a number of years and provides the confidence we need to work with our partner dairies to supply high quality products to our customers.
- We assess ongoing quality through product benchmarking the core product categories we import. These include PDO Feta from Greece, Halloumi from Cyprus, Greek Yogurt from Greece and core PDO Italian cheeses. We also benchmark where required using external trusted partners, such as Campden BRI.

- We invest in our Technical teams in all operating locations including Dursley as well as Greece and Cyprus, where we have a Nordex Food sourcing and quality team based in Volos.

In addition our team are HACCP, VACCP & TACCP trained. We maintain a continuous growth of knowledge and skills through specific training courses, conferences and customer base programmes.

- The Technical Team are fully versed in customer online specification and artwork systems.

- Futura Foods Head Office is BRCGS Agents and Broker certified (Issue 3).

- We consistently update our bespoke supplier risk assessment and quality management system to meet the requirements of an expanding customer base.

- We are developing our in house quality and taste benchmarking system vs full market coverage of new entrants and partners, to ensure best quality of our new developing product offer from Futura Foods.

- We operate a bespoke Futura Foods Transport Code of Practice and require GFSI Storage and distribution accreditation for supply chain providers.

Food Forensics

Campden BRI
food and drink innovation

BRCGS

Agents and Brokers

CERTIFICATED



PRODUCT AUTHENTICITY & INTEGRITY

Product integrity, trust and traceability are key requirements for Futura Foods and our quality systems have developed to reflect this strategic objective.

- We understand the products we source and supply. To help us build and maintain this knowledge we operate a Futura Foods “Authenticity and Integrity policy”. We use this to understand products, suppliers and manage risks. We are able to audit against the information supplied by our suppliers as required. This bespoke system is UKAS accredited and reflects our focus on this key element of our offer. Our customers need to have confidence in the integrity of the total supply chain.

- We work with PDO authorities and partner dairies to Monitor PDO standards. We have focussed in the last 2 years on Greece and Cyprus and have enabled our key customers to understand products, local market conditions and the PDO requirements through data sharing and presentations to build knowledge.

Futura Activities

- Milk Species testing and product integrity is a “hot” topic. We have taken a lead in this area with external testing of core products and utilising our in country quality team covering

Greece, Cyprus and Italy. We aim to increase focus on this area in 2024.

- Nordex Food has developed Nørager Gården (Gården” is the Danish word for “Farm”), It is a quality system for milk suppliers in Denmark. The programme was started in 2020 and is an improvement system securing a close and ongoing cooperation between dairy farmers and Nørager dairy. We will watch with interest and see if elements of the programme can be utilised in the UK or with partner dairies.



ENSURING INTEGRITY & WORKING WITH PDO



PROTECTED DESIGNATION OF ORIGIN (PDO)

Provenance, authenticity and integrity are important to our customers and consumers. We place significant resources into ensuring our products meet our standards and believe we offer added value to our customers in the way we monitor and share our expertise.

PDO Accreditation processes can be helpful to understand the products they choose to buy from Futura Foods (UK) Ltd.



PROTECTED GEOGRAPHICAL INDICATION (PGI)

PDO/PGI/TSG are important for sustainability and integrity of local knowledge. It protects the best suppliers and product pricing to get fairer prices for a quality product and safeguards that the authentic product is delivered to customer.

PDO protects a geographical area, defined within European Union law, in order to protect regional agricultural products, processes used to make the product, with recognised local know-how.

PGI protects agricultural products and food stuffs in a region, where only at least one of the stages of manufacture takes place in that area.

TSG protects the traditional characteristics of the product, or the process of making that product.

These trusted statements and 'approved stamps' builds a high quality reputation which Futura Foods monitor and assure through a variety of methods and tools.

Science plays a major role in testing the parameters in these cheeses and routine factory audits to confirm authenticity of our supplying partners.

We confirm compliance by holding a current site certification from all relevant suppliers issued by the authorising PDO body.

Utilise latest food science processes to confirm the product has the right attributes, for example, acidity and moisture content.

We routinely use DNA testing to ensure the product has not be adulterated. For example Feta cheese can only be produced with local sheep and goat's milk. Cow milk is not permitted.



TRADITIONAL SPECIALITY GUARANTEED (TSG)

We have trained staff to taste product for high quality standards and flavour profile.

- Sharing knowledge and expertise about our products and the PDO processes is an added value service that many of our customers utilise.

- At Futura Foods we are investing in technology to push testing methods into new dairy categories. This technology is utilised more extensively in other food categories (wine in particular). We are at the forefront of initiatives such as finger printing cheese to verify its origin.

Mitigating Risks in our Supply chain

Managing Risk is a key priority for Futura Foods and our customers.


Some of the methods we employ are :

- Using scanning tools designed to track global emerging issues in real time.
- Investing in Industry Intelligence, being close to the labs that report results.
- We are members of the industry brain Campden BRI and have close links to membership forums.

- Risk assessment of our supply chains and measuring the stresses on them that could damage product integrity.

- Concentrate on areas at risk, for example animal health and the impact of price fluctuations of milk on the motive to adulterate product.

- Where science cannot help detect any fraud, we complete factory audits to ensure our supply chains are secure. The table below shows how the PDO is applied in different countries.

Feta 	Parmigiano Reggiano 	Manchego 
Milk and cheese quantities counted on mass balance checks.	Volumes pre allocated with Consortium for branding equipment.	Volumes agreed and certified post production by allocation of on pack identifiers.
Certified every 3 years.	Certified from date of issue.	Annual certification.
One certificate for manufacture, packaging and selling.	Separate certificates for manufacture, portioning and further processing.	Certified for manufacture, packing and selling.
PDO Control Body = Annually and infrequently.	Consortium Visit = Every 6 weeks or during processing.	Consortium Visit = Every 15 days.

ANIMAL WELFARE

We have added animal welfare to our CSR framework. As Futura Foods we recognise the importance of animal welfare in the production and supply of dairy products.

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

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

FREE FROM
hunger, malnutrition, thirst, fear & distress,
heat stress, physical discomfort, pain,
injury and disease

FREE TO
express normal patterns of behaviour

● We aim to share and encourage best practice. In addition:

We encourage our suppliers to complete farm audits on a regular basis and if the organisation can support it, the employment of a Milk Zone Manager to work with their farmers.

In the UK we follow Red Tractor as a recognised Dairy Standard to aspire to. It has realistic standards and helpful examples of how to measure these standards. Embedded in the standard are also helpful guidelines to nurture and drive standards. We use this as a reference of good farming practice – and encourage its principles with our European suppliers where appropriate.

● In 2021 Nordex Food began to implement “HJERTEMEALK” a Danish animal welfare standard. We will monitor this initiative and intend to review what more we in Futura Foods can do in this area in due course.

● We aim to understand our supplying sites milk supply management processes and support/encourage the raising of standards and best practice.





We hope you have found our third
CSR report interesting and if you
have any questions please contact us
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or call us on 01666 890 500



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