

Corporate Social Responsibility

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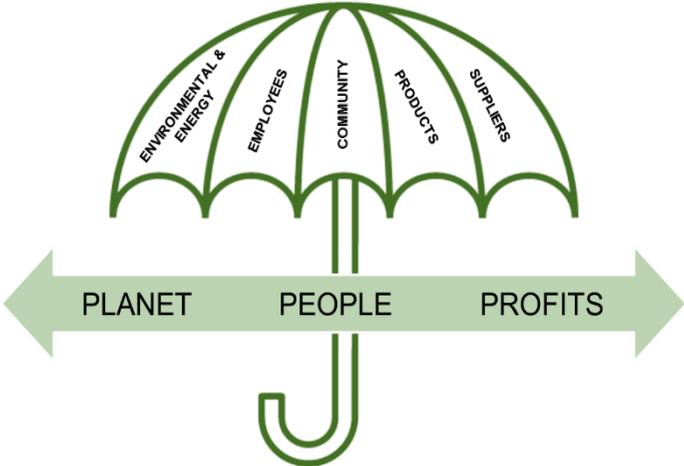
WE BELIEVE IN DOING IT RIGHT THE FIRST TIME, AND EVERY TIME.

At Meadow Foods, we recognise the significant trust placed in us by our stakeholders. As we continue to grow and develop, Corporate Social Responsibility ("CSR") is crucial to how we drive growth and productivity, as well as protecting and enhancing our reputation.

OUR APPROACH

Meadow foods has already undertaken several CSR-related initiatives across the sites, and we have begun to centralise our efforts at a group level. During this first year, we have developed a flexible framework to guide and support our developments in CSR and our future commitments. The framework reflects the responsibility we have for our colleagues, communities, suppliers and our customers. Our CSR framework covers 5 key areas: Environmental & Energy, Employees, Community, Products and Suppliers.

Governance of Corporate Social Responsibility is monitored by Senior Management across the group and reported to the board of Directors. The board of Director's review progress and prioritise targets against each of these key areas.



Mark Chantler Picture and Signature to be added.

ENVIRONMENT & ENERGY

Meadow Foods is committed to reducing its environmental impact and is active in encouraging its suppliers and customers to do the same. To achieve this, we have implemented a strategy across the group which aligns with the Dairy RoadMap.

In April 2018 Meadow Foods achieved ISO14001 accreditation across the group, showing progress towards the Dairy RoadMap target. All sites now have clear Environmental objectives and targets to meet as well as a group strategy to achieve them.

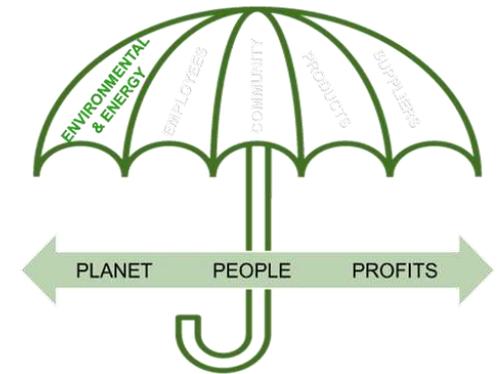
Water reduction has been a KPI for the group for many years. Our target is to reduce water usage per tonne of product by 20%. Many initiatives have been completed and continue to be implanted to meet the target.

Each site discharges waste water to either an onsite treatment facility or direct to sewer. Our target is to reduce Kg/COD lost per tonne of product by 20%. Data has been collated to show progress made over the years and targets have been set to ensure this target remains to be met.

Waste reduction continues to be challenged. All sites have recently signed up to a Waste Management company. We have mapped our waste streams and are looking to identify any opportunities to improve our waste disposal. One of our targets is to ensure Meadow Foods becomes a zero waste to landfill company.

Meadow Foods subscribes to the Climate Change Agreement (CCA) and reports annually to the Environment Agency on its improvements. Each site has a target of 2% reduction each year on energy used per tonne of product produced.

Meadow Foods is currently ESOS (Energy Savings Opportunity Scheme) compliant and while many projects and initiatives have been completed, Meadow Foods has decided to increase its drive into energy efficiency by setting a target to achieve ISO50001 Energy Management System across the group by December 2019.

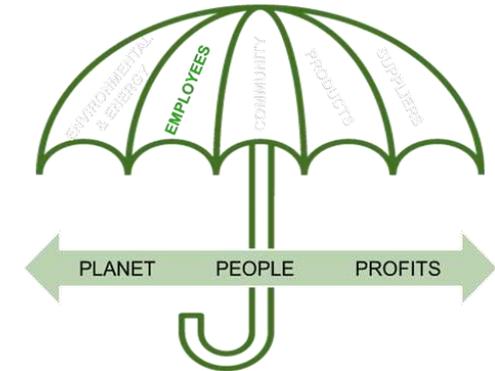


Environmental & Energy Priorities 2018/2019:

- Reduce water usage per tonne of product by 20%
- Reduce Kg/COD lost per tonne of product by 20%
- Reduce waste and become a zero waste to landfill company
- Reduce energy usage per tonne of product by 2% YOY
- Achieve Group ISO 50001 by 2019

EMPLOYEES

Meadow Foods promotes safety awareness across the group, empowering employees to actively engage in ideas to improve our culture and safe working practises. Committee members from across the departments meet regularly and the Groups' H&S culture is driven from Board level. The Group has ISO18001 accreditation, and it is from the Safety Management System that standards are implemented to ensure a safe workplace for employees while remaining compliant.



As members of SEDEX (Supplier Ethical Data Exchange) and with SMETA (Sedex Members Ethical Trade Audit) accreditation, Meadow Foods upholds the principles of the ETI (Ethical Trading Initiative) Base Code, ensuring the highest standards of employee welfare. We have instilled policies across the group covering Modern Day Slavery and Human Rights in line with the UN (United Nations) Guiding Principles. We actively engage with our employees by means of an Employee Engagement Questionnaire, which helps identify any areas for improvement.

We recognise and understand the complexities associated with the existence of modern slavery and its potential impact on global supply chain networks and we are committed to working with our Suppliers, Customers, Regulatory Authorities and other parties to support the development of long-term solutions to this issue. We are fully committed to ensuring that we purchase only from legitimate companies that meet all appropriate legislation and are not in any way engaged or associated with modern slavery or human trafficking.

Meadow Foods are proud to report that for April 2017 our mean gender pay gap was just 7%. This is less than half the mean rate for the manufacturing sector as a whole. We are committed to maintaining pay systems, which are transparent, based on objective criteria and free from sex bias. We also support the agenda for introducing young girls into STEM (Science, Technology, Engineering and Mathematics) subjects and are pleased to report that 2 out of our 3 EDEN Dairy Technology Apprentices are young women undertaking a structured technically – focussed career path, providing them with opportunities for defined career progression eventually leading into senior management roles.

Employees Priorities 2018/2019:

- Maintain ISO18001 accreditation across the group and continue to promote safety awareness
- Maintain SEDEX membership across the group and ensure a continued safe, ethical and sustainable working environment
- Continue working with EDEN Dairy Technology Apprenticeship Scheme

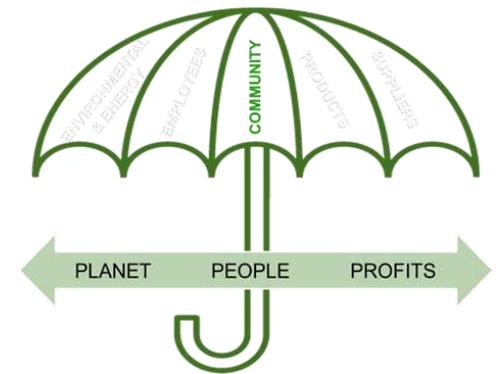
COMMUNITY

Meadow Foods has links with local colleges and universities, encouraging students who are interested in a career within the dairy/food industry.

Meadow Foods looks at funded work experience opportunities for students who are looking to experience life within the dairy industry.

Although we don't subscribe to any one charity, there have been many occasions where Meadow Foods has donated or organised events to raise money for charities. Meadow Foods will consider all requests for a charitable donation or sponsor.

Meadow Foods prides itself in its close working connections to the local Parish Councils and looks forward to continuing the good relationship by working together on different areas within the Parish.



Community Priorities 2018/2019:

- Maintain links with colleges and universities
- Continue with funded work experience opportunities
- Continue with charitable works and requests
- Maintain communication with local parish council

PRODUCTS

Meadow Foods Manufactures dairy ingredients that meet the highest standards of food safety. In addition to customer requirements, the group is subject to extensive food safety regulations. Meadow Foods uses HACCP (Hazard analysis and critical control points) principles to identify any potential food safety risks and to ensure these risks are robustly controlled. To deliver these controls consistently, the group adheres to documented food safety procedures, which in turn are scrutinised by external parties during audits. The group is accredited to BRC (British Retail Consortium).

Meadow Foods takes Business Contingency and Continuity seriously. Regular system checks, and emergency preparedness procedures ensure that a continued operation at all sites will be maintained at the very highest standards, even during emergency situations.



Products Priorities 2018/2019:

- Maintain BRC accreditation across the group
- Continue with business continuity training across the group
- Reduce Customer Complaints
- Become BRC Unannounced

SUPPLIERS

Meadow Foods uses multiple suppliers to ensure year-round supply. Ensuring the integrity of those ingredients is a vital part of our business. We recognise our responsibility to ensure the traceability of our ingredients through all stages of production, processing and distribution.

To ensure that our factories obtain raw materials competitively and at required quality and safety specifications, we engage in developing sustainable agricultural practises and systems that contribute to long term production efficiency and viable incomes for farmers. To maintain this, we have adhered to the Dairy RoadMap for farmers.

We have asked all our farmers to review their positions against the Dairy RoadMap and review opportunities to further reduce their environmental impact. Meadow Foods will encourage any farms that haven't adopted any of the Dairy Farmer Targets and will assist where practicable with knowledge and expertise. All our farm suppliers are part of the Red Tractor Assurance Scheme, assuring food safety, animal welfare, hygiene and environmental protection through every part of the food chain. Meadow Foods utilises the "Muddy Boots Software" which ensures our farmer supplier base is compliant with the Unilever Sustainability Code.

Meadow Foods has developed a Supplier Corporate Responsibility Policy which we use to engage with all of our suppliers to bring about transparency within the supply chain. Meadow Foods encourages all its suppliers to work in a sustainable manner in line with their legal requirements.



Suppliers Priorities 2018/2019:

- Review gaps from farm suppliers against Dairy RoadMap
- Maintain Red Tractor Assurance farm supplier base
- Maintain farm supplier compliance against Unilever Sustainability Code
- Deliver Supplier Corporate Responsibility Policy to all suppliers



**meadow
foods**

The essential ingredient