

**MEADOW**

**LEADING THE  
INDUSTRY ON  
SUSTAINABILITY**

ESG Report 2023



# Our TOP commitments.

- NET ZERO 2050
- OUR sites NET ZERO 2030
- Sustainable Packaging 2030
- Responsibly Sourced Ingredients

Our company values:

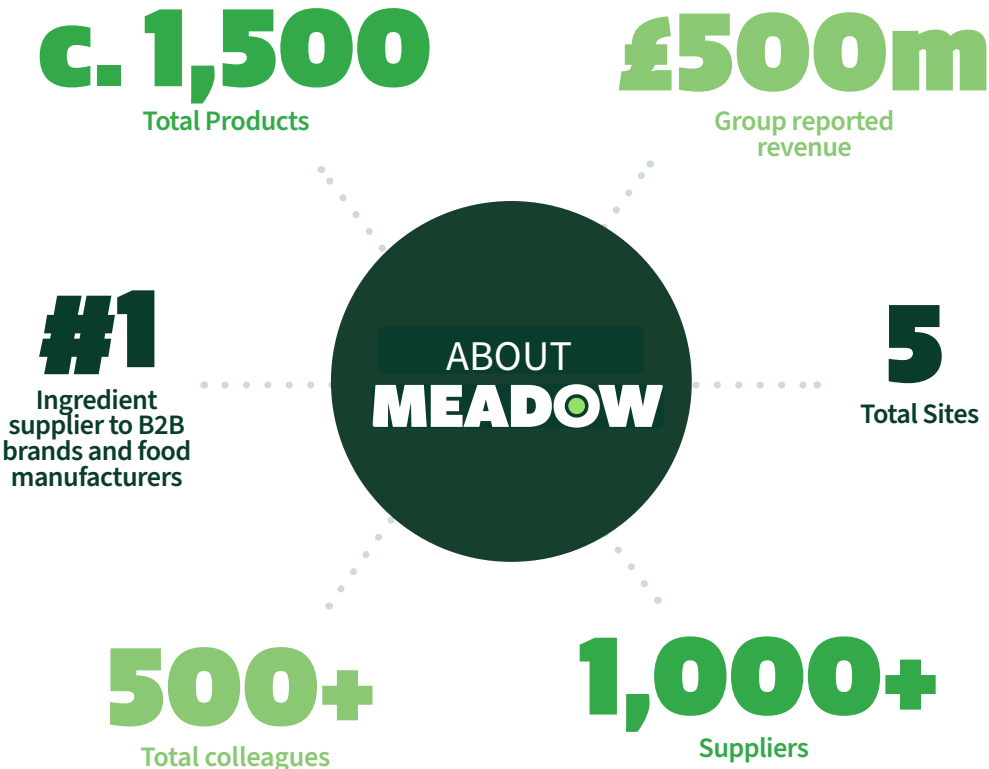
# We think BIG.



 We **get it done**

 We **support** each other

 We do the **right thing**



## OUR AMBITION

To provide the **LOWEST CARBON FOOTPRINT** and the **MOST SUSTAINABLE** ingredients to the world's best companies

## OUR ESG STRATEGY



# AT MEADOW WE ARE PROUD TO PUT SUSTAINABILITY AT THE CORE OF OUR STRATEGY



## OUR VISION

Sustainability is always at the core of our strategy, which is why blue-chip companies trust us to help deliver on their own sustainability goals.



## OUR AMBITION

Our ambition is to provide the lowest carbon footprint and the most sustainable dairy and non-dairy ingredients to the world's best companies.



## OUR VALUES

We are committed to doing the right thing for our people and our communities; environmentally, socially and economically. We share our customers' commitment to a sustainable future and through our products and processes we can work together to achieve it.

# WHAT DOES ESG MEAN FOR MEADOW?



We are the experts in sustainable dairy, confectionery and plant-based ingredients. We partner with the world's leading food manufacturers to solve their most complex challenges and we are the crucial ingredients in many of the UK's favourite brands. Employing over 500 people across 5 BRC accredited sites in Chester, Peterborough, Holme-on-Spalding Moor, Dolgellau and Headcorn.

*"As one of the UK's leading value-added ingredients businesses, sustainability is at the heart of our strategy. We have set out a clear roadmap to achieving net zero milestones across all operations by 2030. Meadow's mission is to provide the lowest carbon footprint and the most sustainable ingredients in the UK's dairy and plant-based sectors.*

*Sustainability and carbon reduction are amongst the biggest challenges facing the food industry today. We've listened to our customers and taken steps to meet these challenges head on by announcing a series of pledges to ensure that we not only deliver on our commitments but help our customers and suppliers meet their own goals too. We have already made significant progress including:*

- Reclaiming and re-using almost 1 million litres of water a day at our Chester site
- 100% of waste diverted from landfill
- Transport and distribution carbon emissions down by 26.71% from 2022

*Sustainability is here to stay and our plans, that are defined in a measurable pathway, ensure we remain on track and focused on delivering for our business, employees, and customers. Our plans are ambitious, but we believe they will also help us further our position as the go-to market leader for high quality, sustainable ingredients."*

**Raj Tugnait, CEO, Meadow**



# OUR 5 ESG AREAS

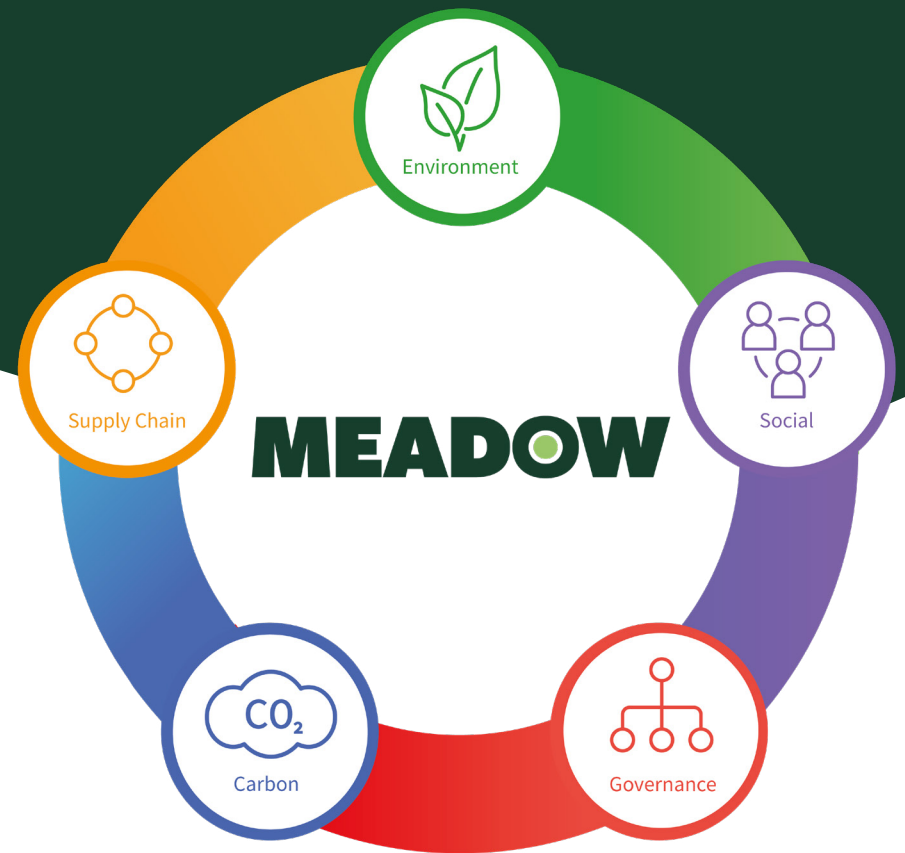


“As Head of sustainability and with 17 years’ experience at Meadow, it is my job to ensure that sustainability is at the heart of everything we do. We have listened to our customers and other stakeholders, and we share their priority for a sustainable future. We have set ourselves ambitious targets in each of our 5 ESG areas and a clear roadmap for achieving our goals on carbon, environment, supply chain, social and governance to reach net zero by 2025.

We share our customers’ priority for a sustainable future and work together to achieve it.

We adhere to the strictest policies on sustainability including the UK Agricultural Reform, the National Food Strategy and Government Food and Health Strategy and are now looking to lead our sector by setting the standards through de-carbonisation and providing support for customers in meeting their own objectives.”

**Alun Lewis, Head of Sustainability, Meadow**



## EXAMPLES OF OUR EXTERNAL ACCREDITATIONS



We are supported  
by a network of

# THIRD PARTY SUSTAINABILITY EXPERTS

To help meet our ambitious sustainability objectives we will continue to work alongside leading partners, including Brodie, an internationally recognised ESG expert, Altruistiq, a data acquisition platform that's able to identify carbon emissions down to an individual SKU, and academic institutions including Harper Adams University and The School for Sustainable Food and Farming to help find science-based solutions to some of the biggest challenges.

With these long-term partners in place for our continued progress towards net zero, we are well positioned to deliver on our sustainability commitments.

## BENCHMARKING

Internationally recognised ESG experts who validated our sustainability strategy against recognised ESG standards.

**BRODIE**

## MEASUREMENT

Data acquisition platform that delivers carbon emissions down to an individual SKU level for the products we supply to our customers.

**ALTRUISTIQ**

## INNOVATION

Partnerships with leading academic institutions to find science-based solutions to our biggest challenges.

 School of Sustainable  
Food and Farming

 Harper Adams  
University

# OUR ROADMAP TO NET ZERO

2023

2024

2025

2030

2035

2050



Carbon

- ✓ Measure Scope 3 emissions
- ✓ Energy strategies at all operation sites
- ✓ Carbon measure all farms annually
- ✓ Farmer Engagement Programme
- ✓ Innovative partners to lead practices

- ✓ Move to alternative fuel for forklift trucks within the business

- ▲ Company car policy moves to hybrid/electric cars only
- ▲ Reduce farm emissions by additional 10% from 2021 base line

- ▲ **NET ZERO** Operation sites

- ▲ **50% REDUCTIONS** Scope 3 emissions

- ▲ **FULLY NET ZERO**



Environment

- ✓ Maintain permit compliance across sites

- ✓ Engage with suppliers measuring their ESG journey

- ▲ Animal feed from sustainable sources
- ▲ Reduce food waste to drain
- ▲ Reduce imported water to operational sites

- ▲ Sustainable packaging



Resilient Supply Chain

- ✓ Maintain awareness on current and potential regulation updates or changes that affect the sector

- ▲ 100% participation in supplier responsibility policy

- ▲ Complete TCFD
- ▲ Responsibly sourced ingredients

- ✓ **Complete**
- ▲ **In progress**



Social

- ✓ All operation sites to be BRC certified
- ✓ All operation sites to be SEDEX 4 pillar certified

- ▲ Launch new diversity & inclusion strategy policy
- ✓ Launch employee well-being program

- ✓ Human rights impact assessment on suppliers

- ✓ Continue supporting chosen charities across all sites



Governance

- ✓ Protect and promote physical and mental wellbeing of employees

- ✓ Protection against criminal activities carried out online
- ✓ Development of supporting legal infrastructure to ensure data protection and security

- ✓ Effective corporate governance to manage corruption and bribery, conflicts of interest and implement the code of conduct

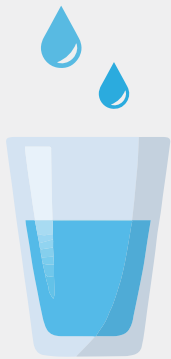
- ▲ Business continuity maintained and reviewed across the business



ENVIRONMENT

# MEASURES

Meadow is committed to **reducing** its environmental impact and is **active** in **encouraging** its suppliers and customers to do the same. As a group we focus on targeting **water, waste and energy reduction** and aim to **exceed** the legal policies and accreditations to contribute to a more **sustainable** environment.



**9%** reduction  
in water usage  
across the  
business since  
2022

## WATER

Water reduction is a key KPI for the group and one we continue to drive initiatives in. We focus our efforts on reuse of permeate water and upgrading condensate recovery. Each site discharges water waste to either an on-site treatment facility or direct to sewer. It is monitored and targeted to reduce kg/COD tonne of product. We review our water against a 'reduce waste to drain' initiative that manages the amount and process of our waste.

## WASTE

We work under the Food Waste Reduction Road Map (Target, Measure, Act) to ensure that we create economic and environmental value by reducing our food waste and greenhouse gas emissions. All sites are signed up to a waste management company who ensure that none of our waste ends up in landfill.

Waste  
Management  
ensures **zero**  
**waste** to landfill



## ENERGY



Energy is always a high focus topic and we continue to look at ways to reduce our impact. We are Energy Savings Opportunity Scheme (ESOS) compliant and undertake many projects and initiatives in our Lean Management Programme – Journey to Excellence (JTE).

When looking at future projects we focus our attention on lower energy options in any equipment we purchase. Two of our sites have solar panels and we ensure the basics like low energy LED fittings are always ticked off. Year on year we are seeing energy reduction across the business.

**3.03%**  
reduction in energy  
usage across the  
business since  
2022





# SUCCESS STORIES

## B&M Waste Management

### NET ZERO TO LANDFILL

Meadow is proud to be diverting 100% of waste from landfill with B&M Waste Services Ltd. We have worked in partnership with B&M to create a tailored yet simplistic waste strategy to increase recycling and reduce carbon.

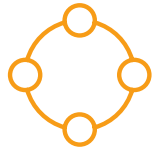


We reclaim and re-use almost **1 MILLION** litres of water every day at our Chester plant! By recycling our water on-site, we can save energy on transportation and pumping.



This also prevents **1 million litres** of potentially polluted wastewater from entering our waterways. With sustainability **at the heart** of what we do here at Meadow, reclaiming water is just part of our commitment to **reducing** our environmental impact.





## SUPPLY CHAIN

# SUPPLIER RESPONSIBILITY

We are committed to ensuring that our complete supply chain adheres to current regulations and responsible sourcing.



## PRODUCE

At Meadow we are proud to manufacture a range of dairy ingredients, inclusions and plant-based alternatives that meet the highest standards of food safety. In addition to customer requirements, the group is subject to extensive food safety regulations. Meadow adheres to documented food safety procedures which are scrutinised by external parties during audits. Meadow has BRC accreditation across all sites ensuring the safety of raw materials, on-site hygiene and the highest quality finished goods.

We also take business continuity seriously. Regular system checks and emergency preparedness procedures ensure that continued operation at all sites will be maintained at the highest standards at all times including during emergency situations.

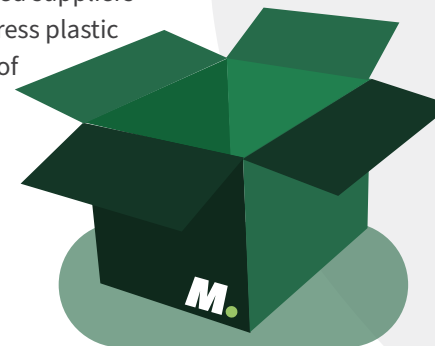
All of our sites are BRC certified.

## PROCUREMENT

We have a Supplier Corporate Responsibility policy which we use to engage with all of our suppliers within the supply chain. We ensure that all of our suppliers work in a sustainable manner in-line with our legal requirements.

We also run an annual supplier sustainable and ethical questionnaire to ensure our policy is being adhered to with some positive results.

All of our corrugated packaging is sourced from FSC certified suppliers and we continue to address plastic usage and look at ways of reducing plastic usage.



## PALM OIL

The palm oil we purchase comes from the highest sustainable sources through our certified, segregated sources.



## COCOA

We purchase cocoa through Rain Forest Alliance and Fairtrade® certification using the mass balance system, dependent on customer requirements.



## SUGAR

Sugar is widely used as an ingredient across the business. We purchase our sugar from suppliers in the UK and Europe, which meets all strict environmental laws surrounding sugar and is therefore considered sustainable.



## TRANSPORT & LOGISTICS

As a national company we understand the impact our transportation and logistics could have on our carbon footprint and energy use, therefore this plays a vital role in our Supplier Corporate Responsibility Policy which asks our suppliers to do their part in reducing their carbon footprint.

We look at the many areas within the transport and logistics sector and have focused our efforts on monitoring energy uses at off-site storage locations, while reviewing the capacity utilisation at our own sites. This is continuously assessed and updated to ensure our efforts are directed at the most productive and efficient initiatives.

Transport and distribution carbon emissions down by **26.71%** from 2022





# MAKING A DIFFERENCE

We ensure that we are providing the best possible support for our people and the communities in which we live and work.



## OUR COMMUNITIES

We are committed to our local communities and believe strongly in collaborating with them. Through our operations, we actively support projects that help build a sustainable future for the communities in which we live and work.

We support a number of charities across the UK and pride ourselves in giving back to the local areas in which we are based.

Our Supply Chain Director, Jim Bebb took part in the 'Pick Ups for Peace' initiative to take fully stocked four wheel drives to the Ukraine front line to provide essential supplies.

## CHARITIES SUPPORTED THIS YEAR:



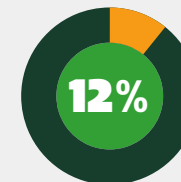
## INCLUSION, DIVERSITY & EQUALITY ('ID&E')

Our ambition is to create an inclusive workplace where everyone has a real sense of belonging and can be their authentic selves at work every day. We are working on our ID&E policy which will be shared with all employees.

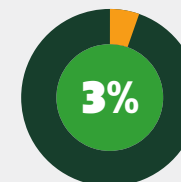
## GENDER PAY GAP

Across our Meadow sites our mean gender pay gap is 12%. Our median pay has improved from 2018 by 4%, demonstrating the work we are doing to ensure that we have equal representation from our employees across all role levels. We are encouraged that this is lower than the current national median pay gap within the manufacturing industry, which sits at 13% for July 2021. We are closer than ever before with achieving equality in regards to our bonus scheme, which has seen an equal percentage of males and females receiving a bonus in 2022. We are also committed to maintaining pay systems which are transparent, based on objective criteria and free from gender bias.

## GENDER PAY GAP STATS



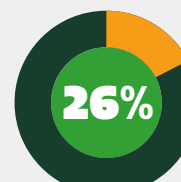
Mean Pay Gap



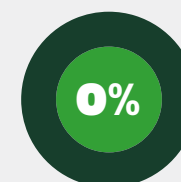
Median Pay Gap



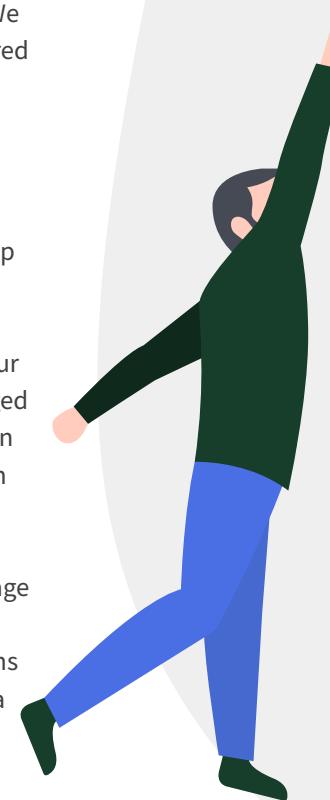
Median Bonus Gap



Mean Bonus Gap



Bonus Allocation Gap





# OUR PEOPLE

Our aim is to be recognised as a company which is a great place to work and an employer of choice for top talent. We understand that our success is driven by our highly valued and motivated teams across our sites.

The health, safety and wellbeing of our people is our number one priority and we have a number of initiatives in place to ensure that we are offering the right support, advice and guidance to all Meadow employees.

## MENTAL HEALTH FIRST AIDERS

At each of our sites we have dedicated mental health first aiders who are always on hand to offer support to our employees whenever they need. We were proud to promote mental health awareness day across our sites.



## EMPLOYEE WELLBEING PROGRAMME

An ongoing initiative which includes activities for both physical and mental support including 'Move with Meadow', a weekly free online PT session, badminton sessions, coffee mornings, etc.

## WELLBEING AND BENEFITS EMPLOYEE PORTAL

All employees have access to our online portal which provides a raft of excellent offers and discounts. This includes 24 hour access to a GP, reduced dental fees, shopping discounts and helpline numbers for multiple services.

## RABI FARMER MENTAL HEALTH TRAINING

Farm team are all Level 2 certified.



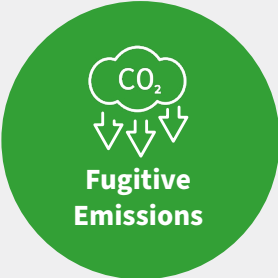


# CARBON EMISSIONS FY23

Scope 1 are direct emissions that are owned or controlled by a company, whereas scope 2 and 3 are indirect emissions which are a consequence of the activities of the company but occur from sources not owned or controlled by it.

## SCOPE 1

tco2e **1%** reduction v FY22



Fugitive Emissions



Gas Use



Company Car Fuel Use

## SCOPE 2

tco2e **14.7%** reduction v FY22



Green Electricity

## SCOPE 3

tco2e **3.3%** reduction v FY22



Producers



Business Travel



Ingredients



Packaging



Employee Commute



Waste



Transport & Distribution



# CARBON REDUCTION SUCCESS STORIES

We are proud to have our best practises demonstrated with just 3 of a number of stories around our carbon reduction journey.

## PLASTIC REDUCTION BY SWITCHING FROM TUBS TO BAGS

At our site in HOSM we recently switched from bulky plastic tubs to recyclable plastic pouches. Aside from the recycling benefits, the pouches are much easier to palletise. The empty space caused by the circular tubs is now filled so the pallet configuration has improved significantly and the quantity of product on the pallet has increased. The reduction in pallets has led to fewer trucks needed to transport the products and a significant carbon reduction

## REDUCED WASTE AND CARBON REDUCTION

Originally we were using green plastic trays for our pergals, however we experienced multiple trays collapsing on a pallet. To address this we swapped to a new supplier who provides us with much stronger, returnable trays. Not only do they not collapse, but they can be stacked higher on the trailer and therefore reduce the amount of trucks on the road and deliver a carbon saving of 100 tonnes. Even though these trays are much stronger, they don't use any more plastic than the old ones.

## MILK SWAPS

Due to our strong relationship with other milk supply chains we are able to do milk swaps which saves costs for us and our customers and reduces the amount of tankers on the road. This in turn has reduced our carbon emissions by 567 tonnes. As we are a member of AIMS (Assured Integrated Milk Supplier) this gives the assurance that we have been audited against AIMS standards to ensure our milk and processes are of a specific criteria and we can provide evidence that we can complete full traceability on all of our milk loads.







## CARBON (FARMS)



*'We know how important it is that we support our dairy producers on our sustainability journey and as part of this, we hope our Alltech E-CO2 farm visits, creating individual reports for producers and identifying trends across Meadow's milk pool, will help improve on-farm efficiency and reduce associated greenhouse gas emissions. We share our customers' priorities for a sustainable future and through our partnership with Alltech E-CO2 we can demonstrate the work we are doing alongside our dairy producers, supported by data which has been independently verified through a Carbon Trust accredited programme.'*

**Jonathan Evans, Head of Farms**

### ALLTECH E-CO2 PARTNERSHIP

Alltech E-CO2 holds Carbon Trust certification which provides independent third-party certification of the tools, software and services we use. Through our relationship with Alltech E-CO2, we can offer a fully certified Environmental Assessment to PAS 2050: 2011, and ISO 14067:2018 Life Cycle Analysis (LCA) methodologies for the calculation of a carbon footprint per unit of output on farm.

By working with our farmers, we now have insights into Meadow's emissions on farm and how to improve the efficiency and sustainability of production. A project was completed across 135 farms between April 2021 to March 2022 and from year 1 to year 2; the average carbon footprint across the Meadow producer group has decreased by 1.39%. The average carbon footprint in year 2 was 1,053 gCO<sub>2</sub>e/kg FPCM whilst the average carbon footprint in year 1 was 1,068 gCO<sub>2</sub>e/kg FPCM. This is mainly due to the following reasons: 1. Reduced age at first calving 2. Reduction in the amount of fertiliser used 3. Reduction in youngstock percentage. We have now outlined our top 4 efficiency targets for Meadow Producers.





# SUPPORTING OUR FARMERS TO DRIVE NET ZERO TARGETS

We are an associate partner in Harper Adams University's School of Sustainable Food and Farming, which is working to help the farming industry on its journey to achieve net zero.

Created by sustainable agri-food chain specialists at Harper Adams, it sees academics working alongside various commercial partners. The partnership with Harper Adams on this new sustainable initiative lines up perfectly with our values and mission. We will be combining our influence, knowledge and passion for sustainability, as well as our 30+ years of experience working with producers to identify challenges facing farmers and how to best support them. This is another resilient tool for the farmers, on their road to a sustainable future.



Harper Adams  
University

We share the knowledge that we've gained from the partnership with our producers through our farmer engagement programme which was launched early 2023. Through this engagement programme we also host a series of face-to-face producer meetings. During these informal, relaxed sessions we get the opportunity to have open, honest conversations, hear what our producers need from Meadow and agree on collaborative ways to drive forward on our shared sustainability goals. Our Mental Health First Aid training which all of our Farm team have passed at Level 2, also ensures that we can offer the right kind of support for our valued farmers if needed.



# FY22 V FY23 DATA

Area	FY23	Change	FY22
<b>Annual Energy Consumption - Group - MWh</b>			
Electricity	53324	▼ 3.5%	55258
Gas	20914	▼ 1.8%	21296
<b>Total energy</b>	<b>74238</b>	<b>▼ 3.0%</b>	<b>76554</b>
<b>Greenhouse Gas Emissions</b>			
Scope 1	10180	▼ 1.0%	10,282
Scope 2	3,851	▼ 14.7%	4,517
Scope 3	455,923	▼ 3.3%	471,719
<b>Total</b>	<b>469,954</b>	<b>▼ 3.4%</b>	<b>486,517</b>
<b>Renewable Energy - Group - MWh</b>			
Total renewable electricity generated	85	▲ 15.8%	101
Total electricity consumption	53324	▼ 3.5%	55258
Energy saving from grid	0.16%	▲ 11.1%	0.18%
<b>Scope 3 Greenhouse Gas Emissions - Group - tCO2e</b>			
Purchased goods & services	437,261	▼ 3.11%	451,315
Capital goods	3,049	▲ 84.12%	1,656
Fuel & energy related activities	2,906	▲ 70.04%	1,709
Upstream transport & distribution	12,163	▼ 26.71%	16,596
Waste generation	445	▲ 56.14%	285
Business travel	106	▼ 41.11%	180
Employee commuting	93	▲ 38.81%	67
<b>Total Scope 3</b>	<b>455,946</b>	<b>▼ 3.34%</b>	<b>471,717</b>

Area	FY23	Change	FY22
<b>Food Waste - Group - COD (Chemical Oxygen Demand)</b>			
Product input (COD) mg/l	199204614	▼ 4.9%	209469602
Product to drain (COD) mg/l	1427879	▼ 4.4%	1493138
Percentage loss to drain	0.72%	▲ 1.4%	0.71%
<b>Water Usage - Group - m3</b>			
Water usage (mains)	384204	▼ 9.0%	422203
Water/tonne product produced	1.62	▼ 9.0%	1.78
Carbon emissions tCO2e	61.6	▼ 2.1%	62.9
<b>Plant Based Speciality Ingredients</b>			
Plant based growth in speciality division	0.60%	▲ 100.0%	0.30%
<b>H&amp;S Performance</b>			
RIDDOR	2	▼ 50%	4
LTI	11	▼ 8%	12
Total LTI	13	▼ 19%	16
Lost days	94	▼ 60%	235
Minor injuries	99	▼ 10%	110
Total injuries	112	▼ 11%	126

# DON'T JUST TAKE **OUR WORD** FOR IT



**Gü**

We take sustainability seriously so by working with Meadow as our ingredients supplier we know we are in safe hands. They share our commitment to a sustainable future and through our products and processes we can work together to achieve it.

**Rachael Ramotowski**

Head of Sustainability



**BARRY CALLEBAUT**

Having recently sharpened our targets for Forever Chocolate, it is our plan to make sustainable chocolate the norm, however, it is clear that we cannot reach these targets on our own. By choosing a supplier such as Meadow that has sustainability at the heart of its strategy we know we can rely on their commitment to help us reach our goals in terms of sustainable sourcing and GHG reductions.

**Sonja Frommenwiler**

Sustainability Manager



 **Harper Adams University**

Sustainable supply chains and sourcing continues to be increasingly important to customers, suppliers, and producers. We're proud to be partnering with Meadow, a leading company in the Agri-sector, and helping them to deliver on their sustainable ambitions. Collectively we can achieve ambitious sustainability goals across the industry.

**Alex Hardie**

Business Development Manager



 **PREMIER FOODS**

It's reassuring to see Meadow's robust sustainability roadmap in place which helps us to deliver on our own ambition to make more nutritious and sustainable food. With our aligned goals we can collaborate and contribute to a healthier planet.

**Mandy Smith**

Senior Procurement Manager





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