



MAGNAVALE

ESG Policy

Introduction

Magnavale recognises and welcomes innovation as a vital part of our group wide environmental sustainability strategy. As a result, we are continually evaluating new technologies and management systems that will lower our carbon footprint by reducing electrical consumption and deliver increased energy efficiencies.

Environmental sustainability is the responsibility of every business globally. It is especially important to Magnavale in its vital role as part of the food supply chain serving the UK. Reducing and where possible, removing the environmental impacts of our business activities proves these values.

Across the Magnavale portfolio our facilities are equipped to capture real-time utility meter-level kWh usage data. With this data we compare usage day-to-day, year-over-year, or facility-to-facility. A comparative analysis allows Magnavale to compare and contrast power consumption on a half hourly basis providing total transparency on our energy consumption allowing us too quickly and efficiently implement changes in operation as required to deliver consistent improvements.

Active energy management systems have been developed and are managed in house across all of our locations to help evaluate and lower energy consumption and costs. A major part of the management system is identifying the areas in which new technologies can increase our efficiencies and be integrated into our existing programs of planned expansions and upgrading, allowing us to keep operations at their highest levels of energy efficiency and lowest kilowatt hour (kWh) usage.

The efficiency of Magnavale's energy consumption is managed and monitored on a day-to-day basis via our active energy management systems. An equally important factor as it relates to the businesses overall Environmental Impact is the source of the power it consumes. Historically, due to the energy demand profile of the business the Cold Store industry has had no choice but to draw power directly from the grid. Magnavale is now embarking upon an industry leading program which will remove over 90% of our reliance on grid electricity supply, lowering our carbon emissions and pushing us towards NET Zero by 2022/3.

Carbon Zero

Magnavale's drive towards NET Zero clearly highlights our market leading credentials and will be achieved by implementing a comprehensive strategy which will implement the following:

- 1) Transitioning from grid source electricity to electricity produced on site utilising natural gas, a first for the UK cold store industry. In addition, future developments will utilise the waste heat that is produced to further increase the efficiency of this system
- 2) Sourcing electricity directly from solar and wind farms via private wire to lower our dependency on the more carbon intensive national grid supply

- 3) Magnavale is increasing its involvement and actively developing waste to energy projects that have the potential to supply our operations with low carbon electricity to supplement supply from solar and wind sources.
- 4) Developing energy from waste projects for the production of low carbon liquid fuels sourced from industrial wastes such as plastic, cardboard and wood for use in the Heavy Goods logistics fleets.
- 5) Implementing a fully verified and accredited carbon offset program for all remaining emissions generated from our business activities

In order to achieve our targets Magnavale has been and will be continuing to invest significant funds across its three UK locations.

Sustainability Investment Case Studies

These projects are driven by a desire to make the Magnavale portfolio as energy efficient as possible by upgrading and enhancing the elements that enable significant energy efficiency to be achieved. Magnavale have a track record in seeking energy efficiencies and have held a Climate Change Agreement since 2015 demonstrating ongoing investment in energy efficiency. By upgrading systems to leading-edge energy efficient cold store technologies Magnavale is accelerating its contribution to the wider UK target to achieve net zero.

This major step change is achieved through the introduction of the latest energy efficient technology and intelligent controls offering a significant saving in energy usage per annum and consequent carbon emission reductions.

Energy Efficiency

Energy Efficiency Scunthorpe

During 2021 Magnavale invested over £1 Mn in new refrigeration equipment to increase its efficiency. Six new compressors complete with Variable frequency drives (VFDs) which control the speed and torque of the systems motor. This upgrade was complimented by upgrades to other systems such as Invert Drives and control systems fitted to condensers resulting in annual savings of 3,437,591.80 kWh and mitigates 368.11 tCO₂e GHG per year.

Over the 25 year useful life span, the newly installed equipment delivers a total carbon saving of 9,202.75 tCO₂e.

Energy Efficiency Chesterfield

During 2021 Magnavale invested over £1.8 Mn on equipment upgrades to its Chillers, Compressors and Blast Freezers at its Chesterfield facility to increase its energy efficiencies and deliver carbon savings which resulted in 3,499,651 kWh of savings and an average saving of 374.79 tCO₂e GHG per year.

Over the 25 year useful life span, the newly installed equipment delivers a total carbon saving of 9,369.75 tCO₂e.

Energy Efficiency Warrington

During 2022 will Magnavale invest over £760,000 on Compressor and Inverter Drive upgrades at its Warrington facility to increase its energy efficiency and deliver carbon savings which will result in 1,679,784 kWh of savings and an average saving of 179.88 tCO₂e GHG per year.

Over the 25-year useful life span, the newly installed equipment delivers a total carbon saving of 4,497.00 tCO₂e.

Solar

Magnavale is constantly looking for the cleanest sources of energy to power its facilities. The rise of solar energy production across the UK has presented a fantastic opportunity to the group to directly import solar sourced energy to power its Scunthorpe operation.

The cold store will draw over 13,000,000 Kwph of its power demand directly from the solar farm over the course of each year which will deliver a carbon saving of over 4,400 tCO₂e GHG per year.

Moving forward, Magnavale will continue to target solar power generated energy to utilise in its operations in its drive towards NET Zero.

Demand Response

Magnavale participate in a number of demand side response (DSR) schemes. DSR is all about intelligent energy use. Through DSR services Magnavale turn up, turn down, or shift demand in real-time.

DSR is an important tool that National Grid use to help ensure a secure, sustainable, and affordable electricity system. It helps National Grid to soften peaks in demand and fill in the troughs, especially at times when power is more abundant, affordable and clean.

One such scheme that Magnavale participate in is the Capacity Market (CM). The CM is one of the key policies of the Electricity Market Reform program. The CM aims to ensure the future security of our national electricity supply at the lowest cost to UK consumers.

Summary

- Total investment of over £3.560 Mn during 2021 delivering energy savings of 8,567,026 kWh and an average of 922.78 tCO2e saving per annum
- Active energy management systems in place across all stores to help evaluate and lower energy consumption and cost
- New cold stores being designed and built to be best in class, using the latest energy efficient materials and technologies
- Switching the source of over 90% of our power supply reducing our carbon footprint by over 45% Year on Year
- Targeting for all power consumption to be NET Zero emissions by 2022/3
- Ensuring all solid waste materials such as plastics, wood and cardboard are disposed of through environmentally friendly means
- Utilising alternative sources of energy such as solar and wind
- Developing waste to energy projects to co locate with our cold stores to produce renewable power for our stores and fuels for the HGV commercial logistic fleets

Food Waste

Producing food requires significant resources including land energy and water. With 25% -30% of total global food produced either being lost or wasted. Magnavale has recognized its own importance in the food supply chain to assist in reducing those amounts by firstly having strict operational controls to guarantee that no Food under its control is wasted (less than 0.001%) and furtherly by offering supply chain solutions to food manufacturers and retailers to assist in lowering waste. Magnavale has the largest blast freezing capacity of any which can assist its customers and repacking & date coding facilities which again lowers the risk for food waste. This is tracked by the business monthly in our KPI tracker

Waste

Magnavale tracks the non-food waste it creates as this a key way in which Magnavale can control its environmental footprint. We have key targets on reducing non recyclable waste by 15% YOY. All sites recycle plastic and cardboard with our own on site balers and are actively targeting how we can lower waste in the future. This is tracked by the business monthly in our KPI tracker

People

As all operational business's understand that without our employees that there is no business. We try to create an open and honest workplace with a flat leadership structure to ensure that all voices can be heard. With 250 employees we pride ourselves on our low Staff turnover and Sickness rates which we believe shows the dedication our employees have to Magnavale.

One of the keyways in which we invest in our employees is by training, we have in house trainers across the business to ensure that not only are we compliant with all Legal requirements we also ensure that all of our employees are trained across all areas of the warehousing where we ensure that we have a small team of highly skilled individuals which guarantee both our customer service and operational efficiencies.

Diversity and Equal Employment

Magnavale Group are an equal opportunities employer. Our future success in a highly competitive world depends on our employees and the development of their skills and abilities.

We aim to be an exemplar organisation, demonstrating excellence in equality and diversity. We strive to be inclusive through respecting one another, promoting and achieving equality of opportunity, and valuing diversity, and providing an accessible, responsive service to our customers.

Equality and diversity is central to our daily working life at Magnavale Group. We aim to prevent and remove unfair discrimination, harassment and victimisation wherever we encounter it in our work, to promote equality of opportunity in all that we do, and to value and respect differences.

Magnavale Group believes that freedom from discrimination and equality of opportunity are fundamental rights, and that each person should be valued regardless of age, race, gender, disability, sexual orientation, religion or belief, HIV status, and social class.

Harassment and Bullying

In complying with the Equality Act 2010, Magnavale Group has a legal obligation to ensure that harassment does not take place at work, as this is discrimination. In addition, it has a duty of care towards employees under the Health and Safety at Work Act 1974.

Magnavale Group is committed to providing a working environment free from bullying and harassment. We aim to ensure that all staff are treated, and treat others, with dignity and respect. This policy covers bullying or harassment which occurs at work and out of the workplace, including on work trips or at work-related events or social functions. Magnavale has policies in place for this which all employees are trained on.

Governance

Magnavale Group expects and demands that each of its sites, all its employees, and its directors carry out their business and perform their duties to the highest ethical standards and in compliance with all relevant legal principles.

This standard of behaviour and performance is maintained in the company's dealing with employees, customers, suppliers and all other stakeholders.

General Principles

The company and its employees will at all times demonstrate the highest levels of integrity, truthfulness, and honesty in order to uphold both personal and corporate reputations and to inspire confidence and trust in their respective actions. The company will conduct its business in a competent, fair, impartial, and efficient manner.

Health and Safety

The company is committed to providing a safe and healthy working environment for all of its employees both on and off its sites. There is a program of regular health and safety audits and safety training. The company applies its standards to all visitors to its sites.

Environment

The company respects the environment and the need to protect it and minimise the impact its operations have on it.

Employees

All employees are treated with dignity and respect with equal employment opportunities given to all irrespective of their race, religion, gender, sexual orientation, maternity, marital status, family status, disability, age, or national origin. Employees are offered a safe and healthy workplace and the company will not tolerate any form of harassment.

Customers

The company will take all reasonable care to avoid misleading statements, concealment, and overstatement in all of its advertising and public statements. It will seek to build long term partnerships with its customers by being always honest and straightforward in its dealings. It will respect the confidentiality of any information it may obtain in relation to its customers.

Suppliers

Suppliers will be chosen on the basis of factors such as price, quality, delivery, service, and integrity. The company's choice of suppliers will be made objectively. Honesty and openness will be paramount in the company's dealings with its suppliers.

Competitors

The company will build its reputation on the basis of its performance alone. It will compete vigorously and lawfully and will not compete unfairly with others. It will not seek to damage the reputation of its competitors either directly or by implication.

Government, Regulators, and Legislators

The company will seek to comply with all international, national, and local legislation affecting its operations. It will strive to follow the best practice in corporate governance. It will meet its tax obligations. It will not make any financial contributions or offer support to any political party.

Giving and Receiving Gifts and Entertainment

Employees will neither seek nor accept for themselves or others any gifts, favours, or entertainment without a legitimate purpose from any person or business organisation that does or seeks to do business with, or is a competitor of Magnavale Group. Gifts, favours, and entertainment may be given to others at the expense of the company as long as these are consistent with customary business practice and are not excessive in value.

Bribes and Corrupt Practice

The company does not allow the direct or indirect offer, payment, solicitation, or acceptance of bribes in any form. The policy makes it clear that any employee found to be involved in any kind of corrupt practice is likely to be immediately