



Vestey Foods UK Limited, Special Contracts Division



Communication on Progress

Company Profile

Vestey Foods UK Limited, Special Contracts Division is a provider of food and food related products to institutions and commercial organisations that require a unique and high quality service. The company is a Division of Vestey Foods UK Limited, which is an Importer, Exporter, Wholesaler and Distributor of Food many based around trading proteins. The UK operations are a wholly owned subsidiary of Vestey Foods Group Limited which has 14 offices operating worldwide.

Vestey Group consists of two main parts, Vestey Foods Group and farming interests in Brazil and Venezuela. Refer brief summary of how the business began and has grown since 1897. www.vesteyfoods.com



Statement of Support from Adam Cox, Deputy CEO Vestey Foods

Special Contracts Division became a signatory to the Global Compact in 2009 and the last two years have been a period of significant change for the Division. Despite achieving very high levels of growth and activity with the tendering and award of additional long term contracts the division has implemented and been accredited a full Business Management System complying to ISO standards Quality Management Systems 9001:2008 and Environmental Management 14001:2004.

The Division operates as a Small to Medium Enterprise (SME) with 26 employees achieving a turnover of around £40 million within what is basically an office based trading operation. Although at the outset there appeared to be little influence that we could bring to bear in the greater worldwide market place, we have been pleased with dissemination of the values of the Global Compact to our colleagues, suppliers and our customers. There has been interest, acceptance and support from all on what we are trying to achieve which gives us a firm base on which to build.

During the last year the Group as a whole undertook a Core Values project which underpins the 10 commitments which the Division has signed up to <http://www.vesteyfoods.com/en/vestey-group/values.html>. Having spent the last 12 months finding the baseline for our activities we now feel confident to move forward and continually improve our performance in all areas.

Our Priorities for the coming year will be to maintain our reputation for doing things right utilising the Honesty and Integrity that were the two most highly placed Core Values within the Group. We must show continued improve not only in our performance but also our management of quality and the environment. We will be proactive in not only seeking assurances from our stakeholders about the commitments of the UN Global Compact but testing the veracity of those assurances as well as seeking further proof of dissemination up and down our supply chain and those others over which we have influence.

Adam Cox

A handwritten signature in black ink, appearing to be 'Adam Cox', written in a cursive style.

Deputy CEO

Vestey Foods UK Limited

The Ten Principles

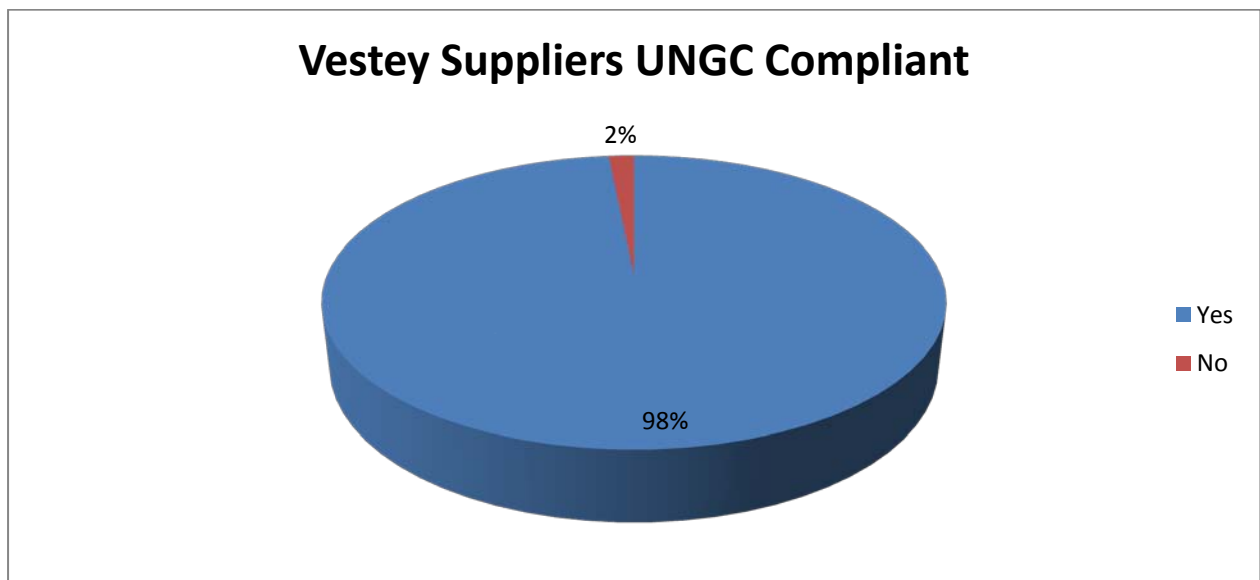
Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Vestey Foods UK Special Contracts Division (Vestey) ensure information relating to suppliers business activities and actions are obtained by providing Supplier Approval Questionnaires (refer to Supplier Approval Questionnaire document attached)

The SAQ questions suppliers as to whether they comply with the Ten Principles of the United Nations Global Compact, a link to the Global Compact website is provided so that suppliers can verify compliance against the principles. All responses to the SAQ are reviewed by Vestey. In addition, based on risk assessment Vestey conduct site audits of suppliers.



Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Vestey is committed to upholding freedom of association and the effective recognition of the right to collective bargaining. We are committed to the elimination of all forms of forced and compulsory labour and child labour and we aim to be an

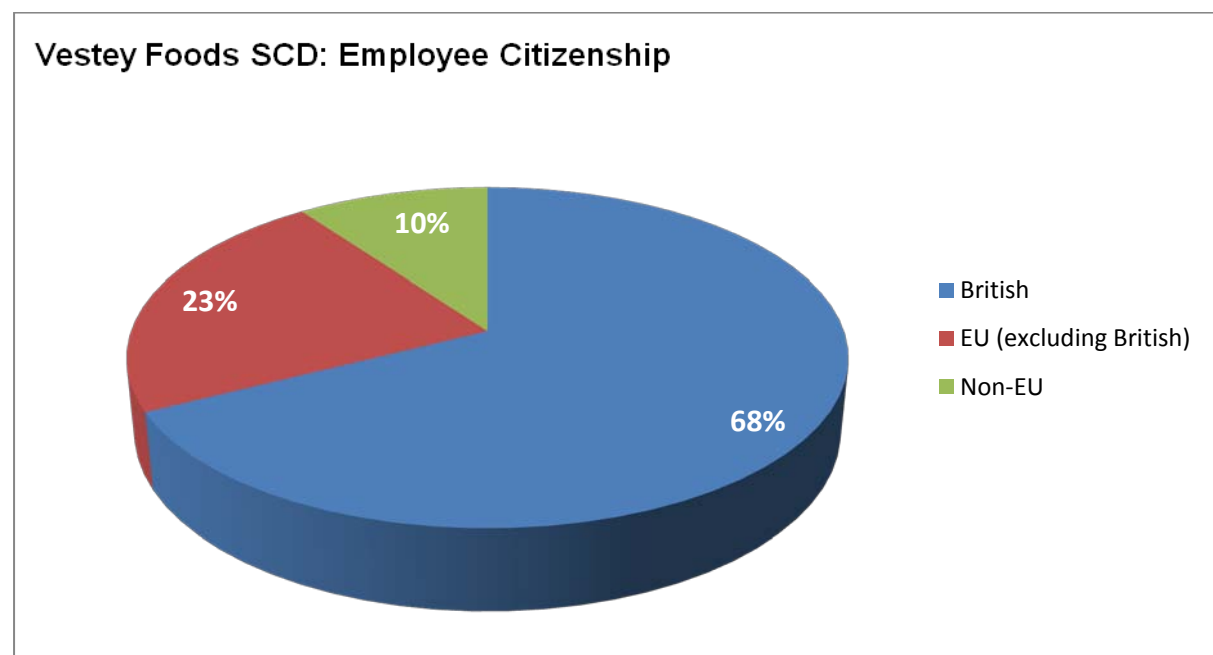
equal opportunities employer and respect individuals, regardless of ethnic origin, age or gender.

Currently Vestey does not employ any personnel under the age of 18. Vestey are aware of Council Directive 94/33/EC covering protection of young people at work, if required.

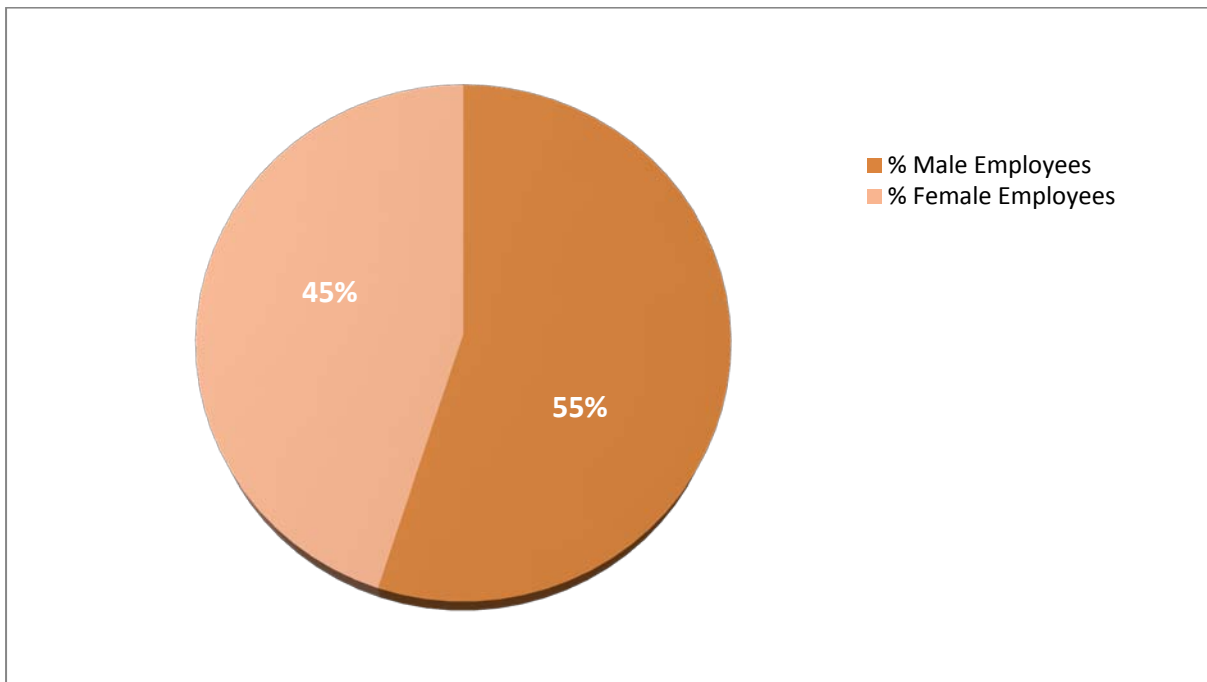
All employees are encouraged to respect the Vestey Group's Core Values; developed as a guide to how we conduct ourselves day to day, interact with stakeholders, implement decisions, reflect on performance and development needs, assess or give feedback to others. The four core values are: honesty and integrity; being a reliable partner, teamwork and individual responsibility and adapting to change. Research demonstrates that having a strong culture and shared values will enhance the company's reputation and help us attract and retain talented individuals who exhibit high levels of employee satisfaction and motivation. Values implementation is encouraged and monitored using surveys, communication, progress updates and personal feedback.

All employment posts have formal job description assigned and are advertised to the wider community during the recruitment process. After interview stage, all applicants are offered formal contracts of employment with information on roles and responsibilities, hours of work, conditions of employment clearly stated. The company aims to provide employees with just and competitive terms of employment, and attractive benefits to all employees after completion of a three month probationary period e.g. private healthcare, pension plan etc. Where necessary, the company endeavours to offer informal flexible working arrangements.

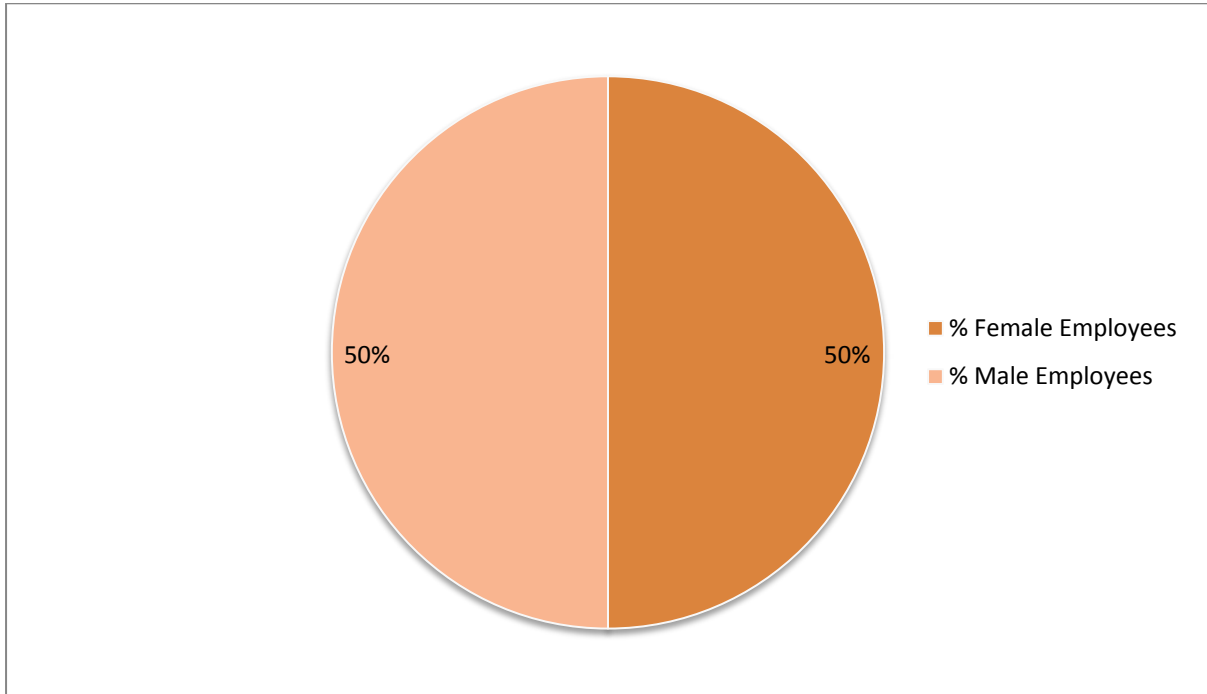
Vestey have an equal opportunity employment recruitment policy, which provides a diverse workforce, currently comprising majority British followed by EU and non-EU employees.



Employee's gender balance is also reviewed and currently VFUKSCD has a generally equal split for gender.

Vestey Foods SCD: Employees by Gender (2011)

Further breakdown into individual VFUKSCD departments demonstrates equal 50% split of male to female employees in the Technical Department.

Vestey Foods SCD: Employees by Gender in Technical Department (2011)

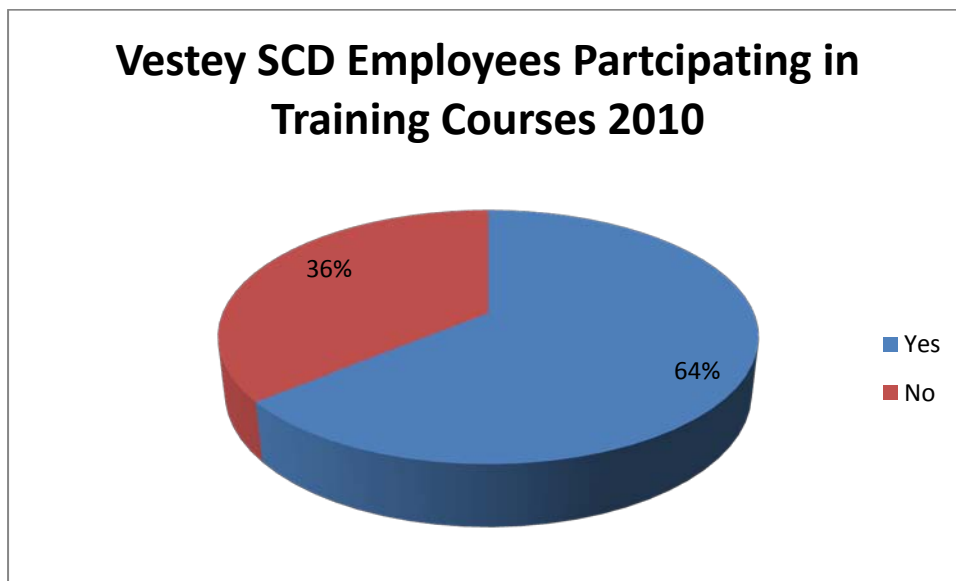
Vestey ensures protection of workers personal data with restricted access to only the Deputy CEO and PA to the Deputy CEO. Vestey are aware of EU directive 95/46/EC for the protection of individuals with regard to processing of personal data and the free movement of such data and 2002/58 covering processing of personal data and the protection of privacy in the electronic communication sector.

Vestey employee's hours of work in general are Monday to Friday 9am to 5pm, with appropriate unrestricted breaks with adequate provision for storage and preparation of meals and drinks. Vestey places no restriction on taking annual leave and sickness leave is provided when requested.

All employees benefit from a formal induction on commencing their position, which clearly defines company policy, reporting procedures, confidentiality and non-disclosure obligations, and it is our intention to brief employees on the principles of Global Compact during this induction process. All employees are encouraged to respect and adhere to the Vestey Group's ethics policy (refer to attached Vestey Ethics Policy) and core values on commencement of their post.

During their employment, all employees participate in annual appraisals and three month reviews. Employees are also encouraged to develop their professional skills through training to the mutual benefit of individuals and the company, and encouraged to raise any concerns through our grievance reporting procedure.

Vestey monitors training requirements and encourages all employees to participate in appropriate training for personal career development, during 2010 64% of employees completed training. In June 2011, all members of the Special Contracts Division completed appraisals in which training requirements and objectives are discussed and scheduled with the Deputy CEO.



Currently no employees are members of trade unions. VFUSCD strongly promote an environment allowing employees to represent themselves if an issue arises via open management structure, yearly appraisals and anonymous suggestion box.

Vestey continues to provide employees a better balance between family life, work, education and more individual responsibility by providing flexible standard contractual arrangements.

Environment:

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Vestey is ISO 14001:2004, Environmental Management Standard accredited. As the base of our environmental responsibility we have an environmental policy which is reviewed biannually (refer to attached Environmental Policy). The environmental policy is understood by all key personnel and communicated to all new staff when employed. Refresher training days and updates on progress are provided at the six monthly Business Management Meetings. Most recent meeting minutes can be found attached (refer to attached Management Meeting Minutes).

Vestey sets environmental objectives and targets annually. Reviews occur at Business Management System (BMS – refer to attached document Business Management System Overview) Management meetings against the information recorded in the Registers of Environmental Aspects and Environmental Legislation.

In setting these objectives and targets, the organisation is mindful of:

- The Environmental Policy.
- Relative importance of the environmental aspects.
- Relevant legislation.
- View of any interested parties.
- The need to prevent pollution in general.

Vestey encourages the use of environmentally friendly technologies and is currently in the process of investigating the suitability of energy saving lighting technologies such as motion sensor to help limit the amount of unnecessary light usage.

The commercial, technical and product development teams work together with our suppliers to endeavour to reduce packaging waste where possible. This is monitored and analysed annually.

Vestey have reduced packaging waste of beverage whitener by reducing the packaging dimension, but filling the same volume of product, providing a 25% reduction in packaging waste for this product.



Below is an example of the Operation Ration Pack (ORP) projected waste reduction for the year of 2011 versus the 2010 waste figures:

Supplier	Description	Packaging Configuration per Carton	Total Packaging waste 2011 kg	Total Packaging waste 2010 kg	Reduction	Comments
Orifo	Bar Caramel	50*50g	1734	2080	20%	50 Bars in a carton, instead of 40 bars in 2010
Orifo	Bar Cranberry	50*50g	1465	1759	20%	50 Bars in a carton, instead of 40 bars in 2010
Orifo - Seapac	Meal Chicken Sweet & Sour	24*300g	2642	2818	6%	Reduction in packaging - empty space at top of carton now removed
Orifo - Seapac	Meal Chicken Tikka Masala	24*300g	2616	2790	6%	Reduction in packaging - empty space at top of carton now removed
Orifo - Seapac	Meal Chicken Tomato Pasta	24*300g	2681	2859	6%	Reduction in packaging - empty space at top of carton now removed
Orifo - Seapac	Meal Green Chicken Curry	24*300g	2645	2821	6%	Reduction in packaging - empty space at top of carton now removed
Orifo - Seapac	Meal Chicken Sweet & Sour Pasta	24*300g	2609	2783	6%	Reduction in packaging - empty space at top of carton now removed
Orifo - Seapac	Meal Yellow Chicken Curry	24*300g	2484	2649	6%	Reduction in packaging - empty space at top of carton now removed

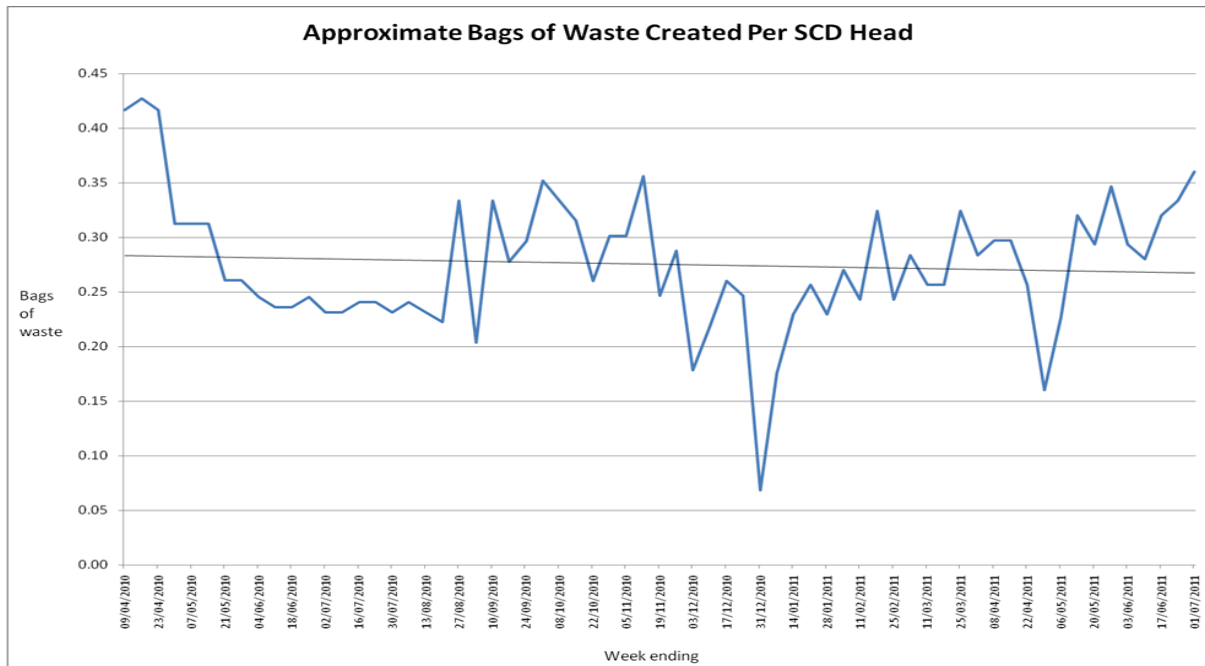
Acadia	Freeze Dried Coffee	60*65g	1009	1130	11%	Reduction in packaging - cardboard weight reduce to 40g per case
Single Source	Creamer Sticks	1250*4g	5354	7139	25%	Now 1250 units per carton instead of 1000 units per carton
Bertin	Meal Beef & Cassava	24*300g	5688	5688	0%	Reduction not possible
Bertin	Meal Beef Stroganoff	24*300g	3849	3849	0%	Reduction not possible
Bertin	Meal Chilli Con Carne	24*300g	2818	2818	0%	Reduction not possible
Aimia	Milk Powder	35*340g	4515	4515	0%	Reduction not possible
Nairn's	Biscuit Fruity Oatie	144*50g	1804	1804	0%	Reduction not possible
Nairn's	Biscuit Ginger Crunch	144*50g	1837	1837	0%	Reduction not possible
Nairn's	Biscuit Dark Choc Chip	144*50g	496	496	0%	Reduction not possible

Traffic Lights

	Reduction
	Pending
	No reduction Intended

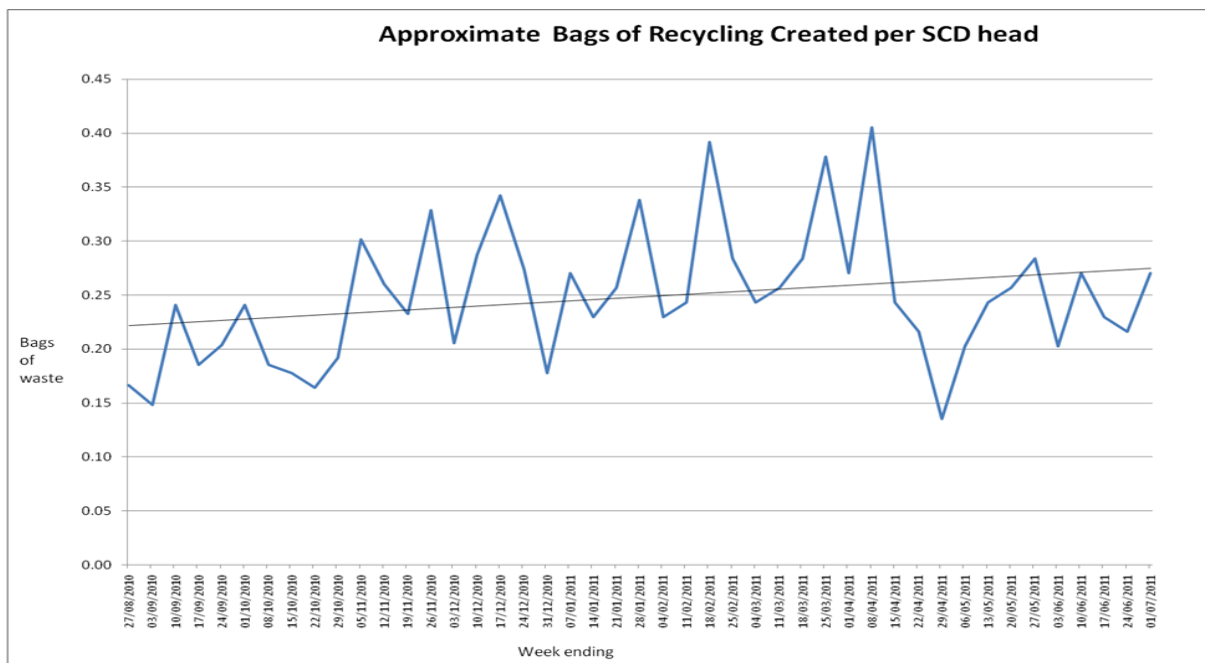
General waste and recycled waste is monitored by contract cleaners who supply Vestey with a count of the bags of waste produced at the end of each week. This is entered into a general waste monitoring sheet and the bags of waste produced per

head are calculated. The amount is trended and reviewed in BMS meetings. VFUKSCD has a demonstrated downward trend of general waste.

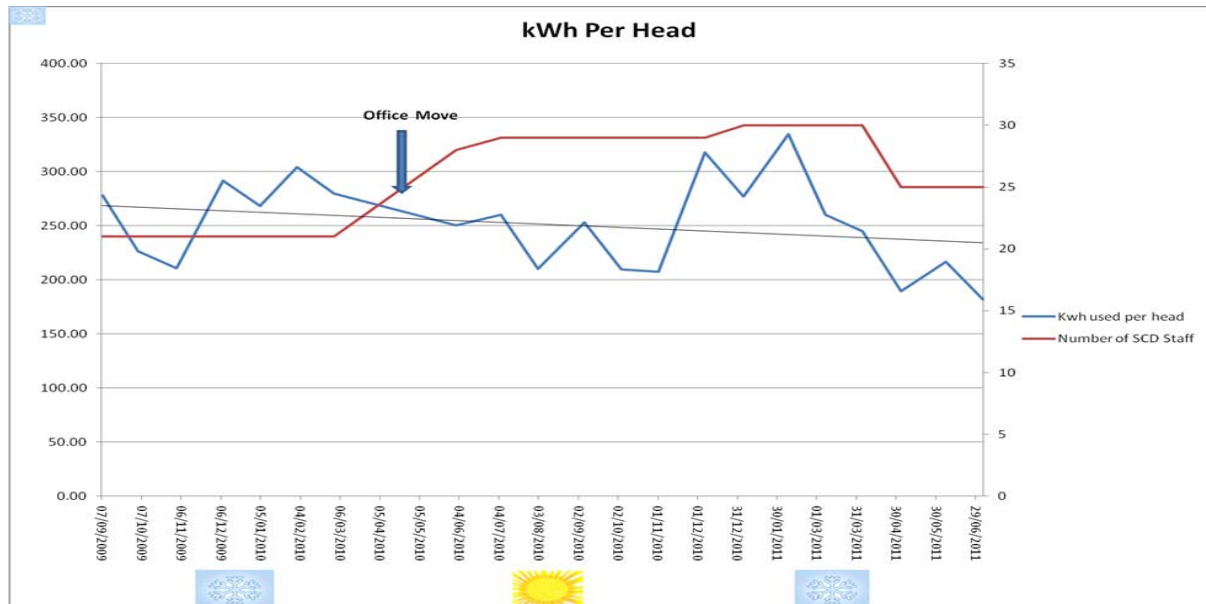


Recycling is also recorded and monitored. This is also trended and reviewed in BMS meetings.

VFUKSCD has demonstrated an upward trend of recycle waste.



Electricity usage is monitored and consumption in kWh per head calculated with the percentage decrease or increase calculated and recorded. Information is trended and review for environmental impacts for example extreme cold or hot weather.



Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

As outlined in the Vestey Ethics policy corruption in all forms is not acceptable. An anonymous suggestion/comments box is present in the office which provides individuals with the opportunity to communicate any concerns they may have relating to corruption or highlight any misconduct. To date, in the three months the suggestion/comments box has been present there have been no reports of misconduct.

Yearly appraisals conducted by the Deputy CEO with all Vestey staff ensure all individuals have the opportunity to raise concerns they may have with the manner in which business is conducted. No reports of concerns have been raised to date.