



**HAARSLEV™**

Processing Technology

**ANNUAL  
ESG  
REPORT  
2023**

**TAKING CARE OF  
TOMORROW**

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# 1 Words from the CEO

## Far ...

As reflected in the largely disappointing outcomes of COP28, there's a growing acknowledgement that something needs to change in our relationship to the impacts of human activity. Unfortunately, we're still lacking anything like global consensus about what that relationship should look like, or how fast the pursuit of any agreed climate goals should progress.

Frictionless implementation of a low-carbon economy is still a long way off, but we at Haarslev are determined to do our part – and then some. Our position as global market leader involves special obligations, and we are determined to lead our industry segment from the front in sustainability performance and responsible business practices.



Kim Christensen, CEO

Over the past year, we've all been witness to multiple international fields of tension and ongoing geopolitical issues. Regardless of geography or details, these almost inevitably give rise to wide-ranging uncertainties about international business operations and trade, highlighting supply chain vulnerabilities and how dependent we all are on global logistics. Looking at 2023, it is essential to acknowledge that numerous external factors have influenced our ESG reporting activities and our thinking.

## ... and near

2023 has been my first full year as CEO of Haarslev Industries. I am therefore particularly pleased to introduce our ESG report for this year, and to report that the growing, accelerating focus on sustainability agendas and documented sustainability performance is gaining momentum everywhere in the Group.

This applies right from the board of directors and management to all Haarslev staff at our manufacturing facilities and offices around the world. We're also beginning to extend this shift in focus to include ESG responsibility and reporting frameworks from our suppliers – and

this change will accelerate significantly with the upcoming introduction of CSRD-compliant reporting frameworks. This will include partnering even more closely with our customers to consider and implement wide-ranging "circular" approaches to the responsible use of resources.

Among our specific ESG achievements for 2023, I'm pleased to highlight:

- Scope 1 emissions reductions of 8.2 % amounting to 1,645 tCO<sub>2</sub>
- Scope 2 emissions reductions of 34 % amounting to 1,564 tCO<sub>2</sub>
- Scope 3 emissions reductions of 29 % amounting to 49,900 tCO<sub>2</sub>
- Gender diversity target of introducing 1 female member to the board of directors was ensured in Q4 2023

# 2 Business model rooted in sustainability

How Haarslev Industries works with sustainability - and why

## How we do business

Haarslev Industries is a manufacturing, engineering and services company with its origins in sustainable thinking – long before the word ever entered mainstream awareness or socio-political requirements.

We provide the engineering, hardware, technology and software/control capabilities that enable companies to recover, recycle, upcycle and repurpose valuable resources often otherwise seen as waste or destined for disposal via landfill or incineration.

Reliable Haarslev hardware, software and services enable our customers to turn the vast quantities of by-products, co-products, leftovers and off-cuts from processing meat, poultry and fish – as well as certain types of industrial operations – into valuable, useful proteins, minerals, biofuels and food and feed ingredients.

We install, commission, monitor, service and update such robust, well-engineered solutions to keep them operating without unnecessary interruptions and at maximum efficiency, over an exceptionally long service life.

## Paving the way to new benchmarks

Our products and engineered solutions contribute directly to reducing environmental impacts, as well as supporting our customers' overall aims of reducing their environmental footprints and improving their ESG reporting capabilities.

Haarslev enables customers to establish new benchmarks and levels of effectiveness in responsible, energy-efficient processes that pave the way to addressing accelerating responsibility agendas and expectations, worldwide.

We configure, provide and streamline the practical, nitty-gritty specialist hardware, software and know-how that together enable customers to actually implement the new levels of strategic ambition and technical capabilities that are essential to keep rendering (and other similar industrial operations) a safe, healthy and financially viable activity, with a credible "licence to operate" in the future.

## Looking forward

As the global population continues to grow and there is increasing pressure on the world's supply of proteins, minerals, fuels and other finite resources, Haarslev's unique mix of capabilities and know-how makes it possible for companies to make more effective and responsible use of these precious resources, while also using less energy and with less of an environmental impact.

# 3 Introduction to 2023 ESG report

At Haarslev, we continue striving to make sure waste can be made avoidable. Haarslev capabilities, solutions and products contribute to as many valuable resources as possible being recovered, upcycled and recycled.

We provide customers with reliable, effective technical solutions that convert waste, by-products and co-products into oils, proteins and feed products that are valuable, useful and responsible.

In doing so, Haarslev helps minimise the amounts of potentially useful and possibly valuable material that get incinerated, buried in landfills or disposed of in other resource-wasting ways. At the same time, we maintain a strong focus on emissions and impacts associated with our own supply chain, as well as on reducing the environmental impacts of how we manufacture Haarslev products and solutions. We hope this report will show you how Haarslev includes the crucial Environmental, Social and Governance (ESG) focus to build value for our customers, staff and our business.

Haarslev is constantly working on improving the processes, data quality and reviews required to improve our frameworks and processes within each of the fields involved in ESG monitoring and reporting.

In this report, we present our 2023 ESG data in comparison with previous years, showing the improvements we are making, and will continue to make. We are pleased to have approved and introduced a concrete set of Haarslev ESG policy guidelines in Q2 2023, accompanied by a target sheet featuring thirteen specific targets with ambitious goals. Both elements were approved by the board of directors.

This report also aims to provide readers with best possible documentation of Haarslev ESG performance for the 2023 financial and reporting year, as well as a look at our future ambitions about sustainability and responsible business.

We hope you find this report helpful and informative, reflecting how Haarslev wants to help ensure the best possible future for the environment, local communities and for people everywhere.

# Making waste avoidable

At Haarslev, we strive to make sure waste can be made avoidable. Haarslev capabilities, solutions and products contribute to as many valuable resources as possible being recovered, upcycled and recycled.

We provide customers with reliable, well-engineered and effective technical solutions that convert waste, by-products and co-products into oils, proteins and feed products that are valuable, useful and responsible.

In so doing, Haarslev helps minimise the amounts of material that get incinerated, buried in landfills or disposed of in other resource-wasting ways. At the same time, we maintain a strong focus on reducing the environmental impacts of our own supply chain.

## Four specialist fields

Haarslev focuses on four industry segments:

- Meat rendering
- Poultry processing
- Fish processing
- Industrial processing

Deeply rooted expertise and experience across all these specialist segments mean Haarslev is able to anticipate market developments and technology shifts, enabling us to adjust and streamline our business accordingly, and to serve Haarslev customers to the highest standard.

Haarslev products and solutions cover the full service life – from design and manufacturing to service and installation, followed by responsible de-commissioning and disposal of the equipment.



# 4 Compliance with Danish legislation and report highlights

## Going Danish

Compliance with Danish legislation (§ 99 a and b and d of *Årsregnskabsloven* [the Danish Annual Accounts Act])

### Complying with Danish annual accounts legislation

The parent company in Haarslev Group Holding is registered and headquartered in Denmark. This means the Group's management report and annual accounts are presented in Denmark.

The Haarslev Group's ESG reporting must therefore comply with the provisions about non-financial social responsibility laid down in the relevant Danish legislation – which consists of § 99 a and b and d of *Årsregnskabsloven* (the Danish Annual Accounts Act). Such an ESG report must now accompany the traditional financial report.

To comply with these legislative provisions, the Group's ESG statement must include structured, documented information about environmental impacts.

## Highlights

This chapter presents highlights from the Group's ESG report for 2023, illustrating the basic working procedures with which we approach all ESG-related matters. This structure is as follows:

1. Policy
2. Actions
3. Results
4. Risks
5. Plans for the future

### a) E – Environmental

Decarbonisation – Continuing from the Haarslev ESG reports in 2021 and 2022, the Group has now set specific reduction targets for Scope 1, 2 and 3 emissions.

These include target figures for emissions from combustion engines and motors from our premises and vehicles, as well as shifting to the use of responsibly sourced electricity

on a larger scale. They also include measures to reduce Haarslev electricity consumption everywhere in the world.

Highlight – Scope 1 – GHG emissions – reduce emissions from mobile and stationary combustion by 30% as of 2025, commencing with an absolute reduction in emissions from our baseline emissions in year 2022

Highlight – Scope 2 – GHG emissions – increase use of responsibly sourced electricity in Haarslev's top five electricity consuming entities, with the target of 45% responsibly sourced electricity in 2023

Highlight – Scope 3 – GHG emissions – ensure use of suppliers that have an ESG strategy in place. The Group plans to develop and specify this particular target in the course of 2024, under the guidance of Haarslev's new procurement director

#### i. Policy

- Enhanced obligations about emissions reporting
- Intentions to establish specific Science Based Targets initiative (SBTi) obligations

#### ii. Actions

- Focus on phasing out heavy fuel heating in favour of solutions based on responsibly sourced electricity or district heating
- Focus on phasing out fuel and diesel-driven transport, by converting to electric vehicles

#### iii. Results

KPI figures: Scope 1, 2 and 3 emissions by the Haarslev Group, in absolute numbers

Scope / Year	2021	2022	2023
Scope 1 / tCO <sub>2</sub>	2042	1793	1645
Scope 2 / tCO <sub>2</sub>	3710	2404	1564
Scope 3 / tCO <sub>2</sub> (up-stream)	62844	59120	41900

# 4 Compliance with Danish legislation and report highlights

## iv. Risks

- Practical, technical and regulatory obstacles in transitioning to technology featuring lower emissions

## v. Plans for the future

- Continued focus on conducting responsible manufacturing, production and other commercial activity at Haarslev's own sites, as well as with commercial partners, such as suppliers and sub-contractors
- Continue setting targets for reducing Haarslev's own carbon emissions
- Sign up to the Science Based Targets initiative (SBTi)

## b) S – Social

Health and Safety – Haarslev's strategic and operational HSE focus is to provide high-quality products and services, accompanied by a safe, healthy environment for all our employees and customers.

With HSE as a major focus, it's vital that we behave with appropriate humility and respect in all the many practical contexts in which people encounter Haarslev, its activities and its operations. Haarslev is well aware that a concern about diversity, social environments and the local communities affected by our operations also influences the wellbeing of our staff.

As just one example, we are aware of the considerable volume of traffic that our operations generate on the roads close to our headquarters and largest manufacturing entity, located out in the Danish countryside. Both children and adults need to ride their bikes to the nearby school, and to feel safe while doing so. Haarslev has therefore provided reflective bands and badges that children (and others) can wear on their clothing, bags and cycle helmets. In 2024, we will continue with this focus by providing high-visibility vests for young cyclists.

In the course of rolling out the Group's HSE policy and when working with the HSE reporting setup at Haarslev factories, we have become increasingly aware of the importance of correct, consistent reporting as the basis for our KPI measurements. We have therefore set up a global portal to collect and collate all reported HSE incidents from the different Haarslev production sites, each reporting on incidents using the same parameters and specifications, to ensure consistency and comparability in the incident data.

As a result, our reporting has become significantly more thorough in the course of 2023, and we are now able to carry out such reporting at all Haarslev facilities, and on a worldwide basis.

These registration improvements have, however, led to more reportable incidents for this year.

Haarslev has set an ambitious target of less than five HSE-related incidents per year by 2025. This will be a significant reduction.

## i. Policy

- Haarslev HSE Policy
- Haarslev HSE Policy is available on all the Group's intranet sites

## ii. Actions

- Focus on factory incidence monitoring, communication, evaluation and follow up at all Haarslev manufacturing and assembly sites
- Extensive HSE-related training provided for groups of employees who are particularly at risk

## iii. Results

KPI figures 2023 – number of HSE incidents – an increase due to more thorough registration, which we are now able to carry out on a worldwide basis

2021	2022	2023
56	31	56

## iv. Risks

- Local variations with regard to HSE legislation and regulations
- Access to relevant personal protective equipment

## v. Plans for the future

- Maintain strong, continuous focus on managing risks
- Identify hazards, assess risks, record findings, review monitoring frameworks and implement any updated preventive actions



# 4 Compliance with Danish legislation and report highlights

## c) G – Governance

Compliance and business ethics. At Haarslev, we are committed to conducting business in an honest and ethical manner. We have zero tolerance for any form of corruption or similar kinds of malfeasance, including extortion and bribery.

Furthermore, we believe that the use of appropriate ethical standards can reduce the likelihood of workplace lawsuits as well as helping to create a positive, encouraging and mutually beneficial work environment.

### i. Policy

- Privacy policy
- Compliance and business ethics policy

### ii. Actions

- Web-based training sessions, including individual follow-up tests for the managers, on an annual basis
- From 2024 onwards, this will apply to and be available for the entire organisation

### iii. Results

At Haarslev, we aim to be a company that is always in compliance with the appropriate governance frameworks and business ethics guidelines. We strive to establish and maintain working procedures and systems that ensure compliance in all relevant matters, as well as supplying products and solutions in full compliance with any contractual agreements. In order to monitor, inspect and improve Haarslev progress with regard to these parameters, the measurements will include KPIs that enable us to maintain focus on any progress that is needed.

Our business ethics policy is communicated as an e-learning module available to all Haarslev managers.

KPI figures 2023 – percentage of Haarslev managers who completed business ethics training

2021	2022	2023
51%	19%	51%

### iv. Risks

- Developing, implementing and maintaining an ethics compliance programme requires continuous adjustment and updates to reflect changes in workplace legislation and company culture

### v. Plans for the future

The Haarslev legal department will kick off a group compliance programme in 2024, in which all aspects of business compliance and ethics will be reconsidered and reviewed. Data ethics will be included as an additional area of focus.

## ESG pillars

To summarise, this section of the report highlights the Haarslev Group's commitment to sustainability by effectively managing CO2 emissions, prioritising health and safety standards, ensuring regulatory compliance, and upholding strong business ethics.

These highlights are examples selected as key pillars of Haarslev's ESG efforts. They illustrate and emphasise the Group's commitment to responsible business practices, contributing to positive environment, social and governance impacts from our business activities.

All other ESG-related matters are explained and elaborated upon in the remainder of this report.

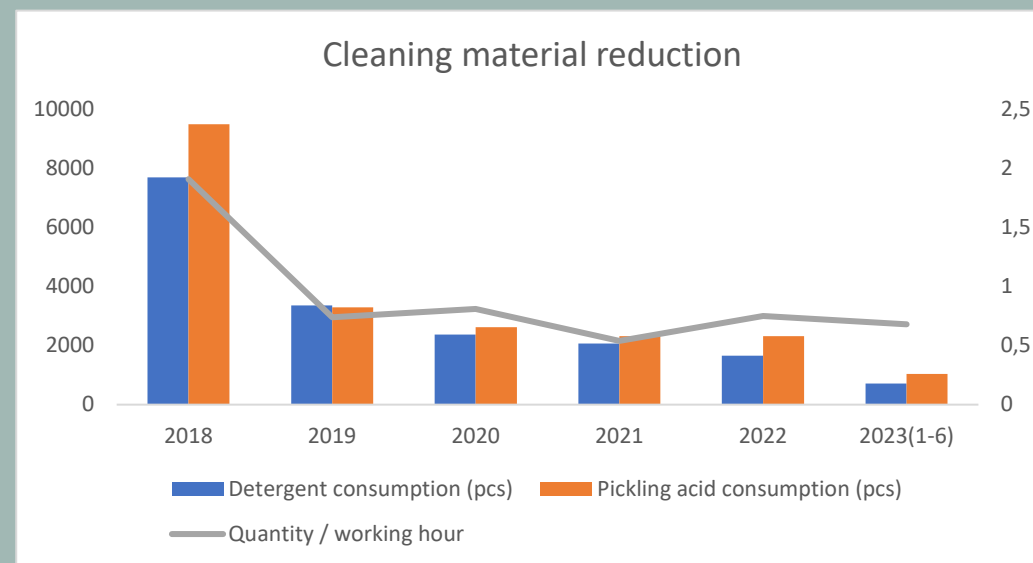
# Keep processes and premises clean

Cleanliness and good hygiene are important for a good, healthy and safe working environment for our employees and contractors, as well as for the overall efficiency of our manufacturing and assembly processes.

Haarslev's factory in Xuzhou City, Jiangsu Province in the People's Republic of China has made a determined effort to drastically reduce the quantities of materials they use for cleaning stainless steel – and also to roll back the quantities of precious water they use in various associated cleaning procedures.

## Addressing the mindset

However, reducing how much chemicals and water we use in cleaning stainless steel – in particular – is only part of the ESG impact equation. The resulting dirty mixture of water and chemicals needs to be cleaned and separated before it can be disposed of responsibly. Any sludge and solids in the mixture need to be carefully removed, with a clear plan about how to do so and how to dispose of such material responsibly and with all necessary documentation. Side by side with reducing our use of chemicals and reducing our output of sludge and dirty, chemical-laden water, we all need to become more aware and more careful about what we're doing – even in relatively simple, old-school operations like cleaning and cleaning up.



# 5 Haarslev sustainability thinking and action

## Background

With almost 900 employees across the world, Haarslev designs, manufactures, assembles and delivers rendering and processing equipment as well as complete, customised facilities for customers in 120+ different countries. Haarslev systems are renowned for being robust and reliable.

Haarslev equipment enables our customers to process many different inputs that would otherwise often go to waste, breaking such material down into its many potentially valuable constituent parts – including feedstuffs, proteins, ingredients, minerals and fuels. This enables companies to avoid wasting precious resources, as well as opening up new revenue streams and circular-economy successes.

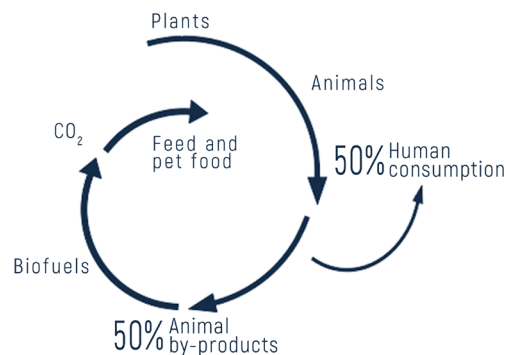
Haarslev has been actively pursuing sustainability strategies and objectives for several years. As part of these efforts, the company has appointed an ESG manager to be responsible for appropriate focus and action, and to make sure all aspects of the Group's ESG reporting – worldwide – comply with relevant legislation and with Haarslev's overall strategy for conducting business responsibly.

Haarslev ESG-related data collection and ESG reporting frameworks are based on inspiration from Global Reporting Initiative<sup>1</sup> frameworks, and undergo continual improvement and refinement.

## The benefits of circularity

The rendering industry plays a vital part in the circular economy. It's all about getting the most out of the limited resources available, and making sure as little as possible goes to waste, or ends up either incinerated or disposed of in landfills.

By making better, more responsible use of the vast quantities of meat, fish and poultry by-products that would otherwise be discarded as waste, and instead processing and refining them into valuable proteins, oils and other ingredients for animal feed and other commercially valuable and environmentally responsible products,



<sup>1</sup> <https://www.globalreporting.org/>

rendering processes have become textbook examples of how to make effective, responsible use of the planet's naturally limited resources.

This figure illustrates how such waste, by-products and co-products can be part of a circular flow that puts these resources to best possible use.

## Reducing environmental impacts

Haarslev equipment enables rendering operations to recover a broad spectrum of otherwise discarded leftovers, which drastically reduces the overall waste footprint of food and feed production.

Haarslev equipment also enables companies conducting rendering operations to significantly reduce greenhouse gas emissions (GHGs).

- Recycling unwanted meat and fish by-products into animal feed, pet food and fertiliser that helps grow the next generation of food
- Renderers recover and recycle millions of kilos of used cooking oil into biodiesel and other fuels, and into ingredients for pet food and animal feed
- A typical rendering plant sequesters five times more GHG emissions (carbon dioxide, methane, etc.) from the environment than it emits
- Rendering avoids at least 90% of the GHG emissions that would otherwise result from industrial composting as a way to dispose of such waste

# 5 Haarslev sustainability thinking and action

## RENDERING IS AN ENVIRONMENTALLY RESPONSIBLE WAY TO RECYCLE MATERIAL THAT WOULD OTHERWISE BE WASTED

### UP TO 50% OF A COW WASTED

In some markets, as much as 50% of a cow carcass is considered inedible, and only suited for waste.



Some animals die on the farm or in transit to slaughterhouses, as a result of injuries, age, accidents, etc. Renderers prevent all this material from going to waste, as well as preventing health hazards by eliminating pathogens.

### RENDERING IS

The process of breaking down animal by-products into fats and proteins



### FINISHED PRODUCTS

Carbon- and nitrogen-rich materials from rendering processes are recycled and upcycled into useful, valuable products.



### INGREDIENTS

Rendering products are used as ingredients in:

- Pet food
- Feed for cattle, pigs, poultry, fish and other livestock
- Fertiliser
- Biofuels



They are also used in commercial products such as soaps, detergents, lubricants, etc.

and software/control capabilities that enable companies to recover, recycle, upcycle and repurpose valuable resources otherwise seen as waste or destined for disposal via landfill or incineration into valuable, useful proteins, minerals, biofuels and food and feed ingredients.

Our market-leader capabilities and know-how enable Haarslev customers to rethink and re-align their operations to comply with rapidly changing and increasingly stringent societal expectations and ESG-compliant legislative requirements, paving the way to a credible “licence to operate” in the future.

This means Haarslev operations are set to play a key role in kickstarting and facilitating the emerging low-carbon circular economy for the food and feed processing segment worldwide.

## Sustainability at Haarslev

Haarslev follows market trends closely, and continuously strives to positively impact the environment by examining and reducing our own carbon footprint – in addition to enabling our customers to reduce theirs.

During the last decade, Haarslev has gradually strengthened and accelerated its overall focus on sustainability.

**2016–2020** Haarslev focused on building a strong foundation for ESG compliance, introducing global policies to make sure the Group’s in-house processes are fully aligned with the expectations associated with our position as industry leader in this specialist field.

**2020–2022** Sustainability was identified as a central pillar in the Haarslev 2025 strategy, positioned right at the heart of the company’s overall identity and self-perceptions about what we do. At the same time, we started measuring and documenting the Group’s own Scope 1–3 emissions and initiated several ESG-related projects. Haarslev’s first ESG report was published for the 2021 reporting year.

**2023–** Haarslev is working towards setting ambitious targets for concrete commitments rooted in the Science Based Targets initiative (SBTi)<sup>3</sup>, as well as continuing to improve the quality of Haarslev data related to ESG reporting. Furthermore, Haarslev is preparing for the numerous heavyweight legislative initiatives that will come into effect in the years to come.

## Sustainability by Haarslev

Haarslev Industries is a manufacturing, engineering and services company that provides a comprehensive range of practical, nitty-gritty specialist capabilities that together enable companies engaged in rendering, fish processing and industrial drying to re-invigorate, reconfigure and rethink their operations in terms of:

- Decarbonisation requirements
- Sustainability performance and/or resource utilisation
- The efficient, low-impact use of energy

and the UN food-water-energy-food nexus<sup>2</sup> as a whole.

We design, manufacture, configure and implement the engineering, hardware, technology

TAKING CARE OF TOMORROW <sup>2</sup> [https://www.fao.org/land-water/water/watergovernance/waterfoodenergy/land-water/water/watergovernance/waterfoodenergy/](https://www.fao.org/land-water/water/watergovernance/waterfoodenergy/land-water/water/watergovernance/waterfoodenergy/land-water/water/watergovernance/waterfoodenergy/)

<sup>3</sup> <https://sciencebasedtargets.org/>

# Rethinking the simple pallet

## Wood or steel? Doing the maths

All over the world, wooden pallets are used for countless kinds of stacking, storage and transport. Ask most people, and they'll probably answer that "wood is good" because timber is perceived as a renewable resource.

At Haarslev, we try to take a good hard look at the specifics of our own operations, rather than just blithely accepting standard truisms and clichés.

On closer consideration, Haarslev staff in China realised that lots of energy and resources were going into running the entire ecosystem needed to provide us with a seemingly endless stream of re-usable Euro pallets and the now-less-respectable single-use wooden pallets.

For example, Haarslev Machinery (Xuzhou) Co. Ltd. realised that its operations were using very large numbers of standard wooden pallets for moving materials, components and assemblies around the plant, as well as for storing them until they are ready to be used.

The thing is that Haarslev's metal-heavy operations often result in elements that are heavy, sharp-edged and irregular in shape. This places big burdens on the soft wooden surfaces of traditional pallets, and they can rarely live up to such demanding requirements. Haarslev Machinery became very aware that the company was buying and using thousands of wooden pallets each year, and that these had a relatively short service life.

This was (and is):

- A cost issue
- A safety issue
- A disposal and recycling challenge

From 2020 onwards, the Haarslev plant in Xuzhou therefore began to use steel scrap left over from manufacturing operations to make sturdy, resilient steel pallets that we can use for a wide range of internal transfers.

This makes it possible to greatly reduce the number of wooden pallets purchased and thrown away when damaged or broken. And to add yet one more small step to reducing the environmental impact of Haarslev operations. It's better to use what you've got than to continually buy new ....



# E Environmental

As a strong, experienced company that's a market leader within rendering and processing technology, Haarslev has set an ambitious sustainability strategy.

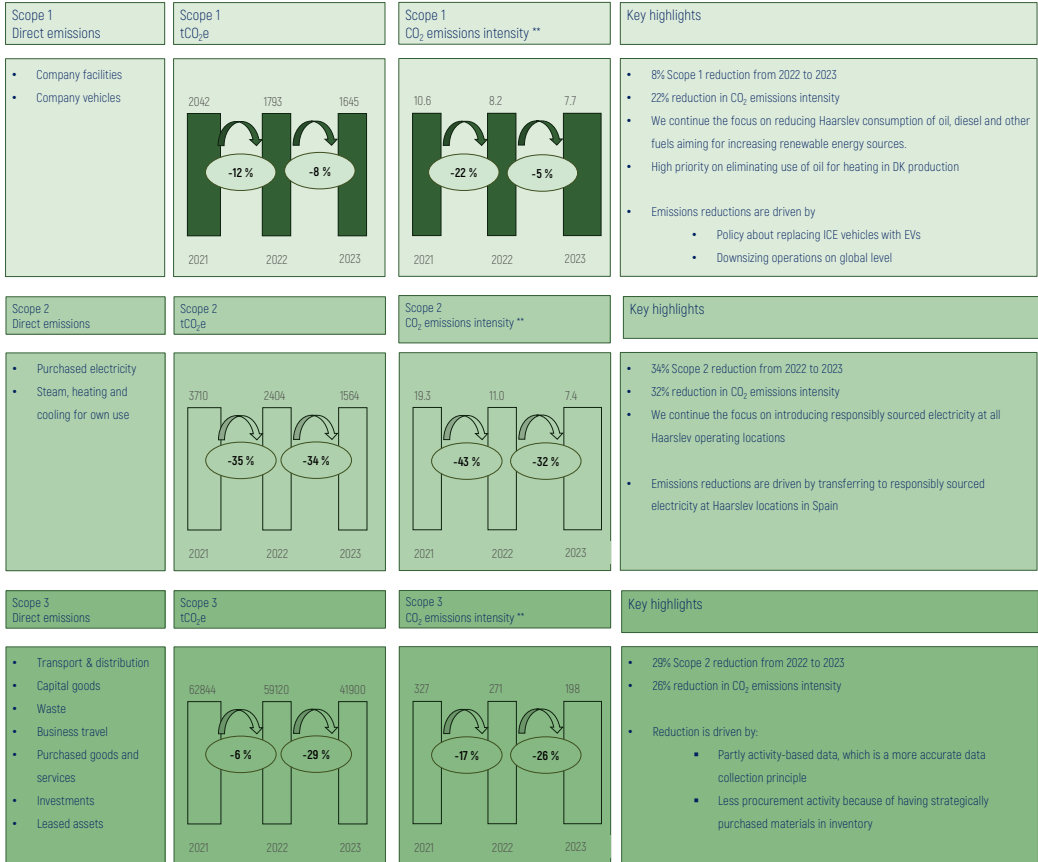
The Group's sustainability "journey" helps set a solid pace for implementation and transparency about environmental impacts, emissions reductions and other designated and desired ESG targets.

In addition to prioritising solutions characterised by lower greenhouse gas emissions, Haarslev stakeholders have expressed strong requirements for documented visibility about emissions of all kinds. They're also looking for clear, actionable opportunities for process optimisation. They want to know how best to actually achieve the targets being discussed - in practice.

Haarslev in-house data collection initiatives contribute to comprehensive, reliable documentation about CO2 emissions, by providing a structured, transparent overview of how our own commercial, industrial and logistics activities contribute. This valuable data also helps us set more ambitious, well-informed targets for Haarslev's in-organisation efforts targeted at reducing GHG emissions.

Energy consumption features big in Haarslev operations. 2021 was the first year for Haarslev to report on greenhouse gas emissions (GHGs). During 2022, Haarslev reduced Group's GHG emissions by 7%, with a continued strong focus on ensuring use of responsibly sourced electricity, as well as GHG emission optimisation in general. We have also expanded the use of responsibly sourced electricity to include the Haarslev facilities in Denmark, Germany and Spain. The 2023 results are shown in the figure to the right.

To help us achieve all this, Haarslev has partnered with Normative, a company that specialises in actionable sustainability intelligence. Normative provides us with tested-and-proven frameworks for expert carbon accounting data analysis, which is vital for reliably processing and validating Scope 1-3 GHG emissions data.



\*\* intensity - ratio of t GHG emissions to million-euro revenue



# E Environmental

**Scope 1** has been a strong focus area for the last years, where Haarslev's electrical vehicle company car policy ensures transferring away from ICE vehicles fuelled by diesel and petrol. This drives the reduction of scope 1 emissions.

**Scope 2** has led to increased dialogue about renewably sourced electricity, which we have managed to ensure in our Spanish facility during 2023. We have discussed installing solar panels at a number of locations, and those investigations will continue in 2024.

**Scope 3** has shown remarkable reductions ,mainly driven by fewer purchases of steel items. Haarslev has instead used materials from inventory.

## Reducing customer footprints

Haarslev supplies energy-efficient rendering and process equipment as well as other specialist equipment that reduces undesirable odours and other emissions from such processing operations. This is just one of the multiple ways we contribute to reducing energy consumption in an otherwise energy-intensive industry, thus helping our customers reduce their environmental impacts on local communities.

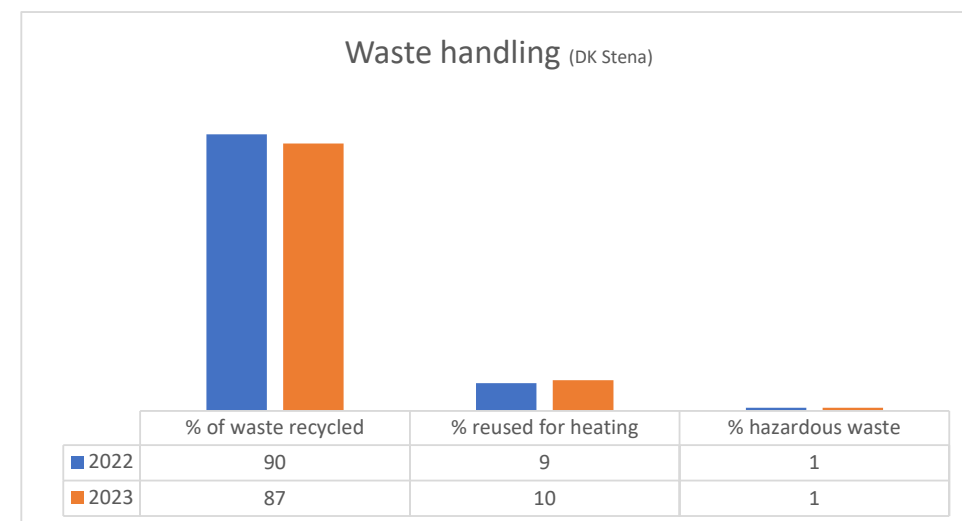
The Haarslev low-temperature wet rendering process is one example of the environmental benefits that our technology and capabilities provide. In wet rendering, proteins and fat are separated early in the process. This provides significantly increased yields as well as fat with excellent colour. Compared to traditional dry rendering, Haarslev equipment for low-temperature wet rendering reduces the amount of steam used to do this by as much as 50% in some cases (the actual figures depend on the moisture content of the raw materials).

## Circularity of resources

Haarslev plays a significant role in the circular economy within meat and fish processing, because we are a major supplier of equipment and process solutions to customers around the world.

At our production sites we ensure focus on Haarslev's waste handling. At our manufacturing site in Denmark, cooperation with waste management specialists Stena Recycling provides a transparent overview of the distribution and recycling of "waste" downstream from Haarslev manufacturing and production facilities.

According to Stena Recycling's feedback and calculations, Haarslev waste handling and management measures have helped prevent more than 2.8 tons of CO2 emissions in 2023\*.



\* DK Factory

# E Environmental

## Responsible recycling

To ensure operations stability and continuity for customers still using older Haarslev equipment, we have more than 30 years' of stored documentation and specifications for equipment supplied.

This remarkable treasure trove of data enables us to renovate, refurbish or rebuild our customers' used equipment, thereby increasing resource efficiency for our customers' operations.

Haarslev operates manufacturing sites around the world, and has therefore focused on recycling materials used in our own manufacturing, production, assembly and finishing activities.

The Haarslev scheme for responsible recycling includes proper handling of all waste materials as well as transparency in terms of documenting all forms of waste handling.

In order to make sure we produce as little waste as possible right from the outset, Haarslev has introduced rigorous material planning and management procedures throughout the company's engineering centres. The aim here is to achieve – wherever possible – the most effective use of incoming raw materials, and to minimise all forms of waste.

At the other end of the service life continuum, Haarslev encourages customers to refurbish and/or recycle equipment once it has reached the end of its service life, or is no longer in use.

## Future focus

Haarslev's continued focus on reducing own emissions from Haarslev facilities has proved successful. Our future focus will continue to be on our global footprint and on Scope 3 emissions, where we will include focus on both supplier and customer network.

Haarslev strategic plans have to be ambitious, inclusive and credible in order to ensure continuous improvement, to work towards compliance with Haarslev's forthcoming SBTi commitments and our general aim of reducing emissions from our company's activities.

We focus on contributing to "avoided emissions", by ensuring energy efficiency improvement solutions for rendering and fish processing. Those meat and fish processing companies that commit to SBTi will increase their focus on sustainability, and Haarslev will be ready to cooperate with them on finding the best solution for each respective customer.

Haarslev's market-leader capabilities and know-how enable our customers to rethink and re-align their operations to comply with their respective sustainability aims, making sure of their "licence to operate" in the future.

This means Haarslev operations are set to play a key role in kickstarting and facilitating the emerging low-carbon circular economy for the food and feed processing segment worldwide.

# S Social

At Haarslev, we strive to become better every day. We have customers in mind at all times and we take pride in the Group's core values.

Haarslev employees are critical for success in our journey towards shaping a better tomorrow. Their hard work makes the largest single contribution to our performance and results.

**Haarslev values**

**Customer-focused**  
Committed to the success of our customers

**Working together**  
Teamwork is at the heart of how we operate

**Performance-oriented**  
Striving for excellence and delivering above and beyond our commitments

## Human rights and people

Haarslev conducts business in many different countries and cultures. Respect for human rights is essential to the Group, and is a core feature of the values and principles featured in the Haarslev guidelines about business ethics.

Haarslev's success in setting and achieving sustainability goals depends heavily on our staff and on their ideas, skills and commitment.

We want to make sure our employees thrive while doing their jobs, by providing a safe, inspiring working environment. At Haarslev, we provide concrete, structured opportunities for all employees to develop and extend their skills and capabilities, as well as to grow their personal strengths.

Haarslev employees are able to undergo additional training and to develop skills and know-how based on inputs and guidance from other more experienced colleagues. Know-how and experience are extremely valuable – perhaps even priceless! – commodities. As market leader,

it is vital that we are able to pass on this hidden value from business-hardened experts to those still learning, from one department to another, and from one manufacturing unit to another.

This is why we provide a wide range of training courses as well as brush-up sessions on different levels and tailored to different specialist areas of the business. These measures include:

### Haarslev Academy

The Haarslev Academy is an online training centre that provides the framework necessary for such continuous learning, fostering a strong culture focused on developing, supporting and extending appropriate skills and capabilities.

Haarslev Academy is the platform where such information, knowledge, training material and tutorials are shared and passed on.

### "About Haarslev" training

All Haarslev employees – regardless of which specialist field they will be working with – are given a comprehensive introduction to what rendering processes are all about, along with background explanations about how rendering equipment works – and the ins and outs of many other Haarslev capabilities and associated systems.

Employees also have good opportunities to study the core concepts and basic ideas around which Haarslev equipment is designed, manufactured, configured and installed.

### Haarslev knowledge hub

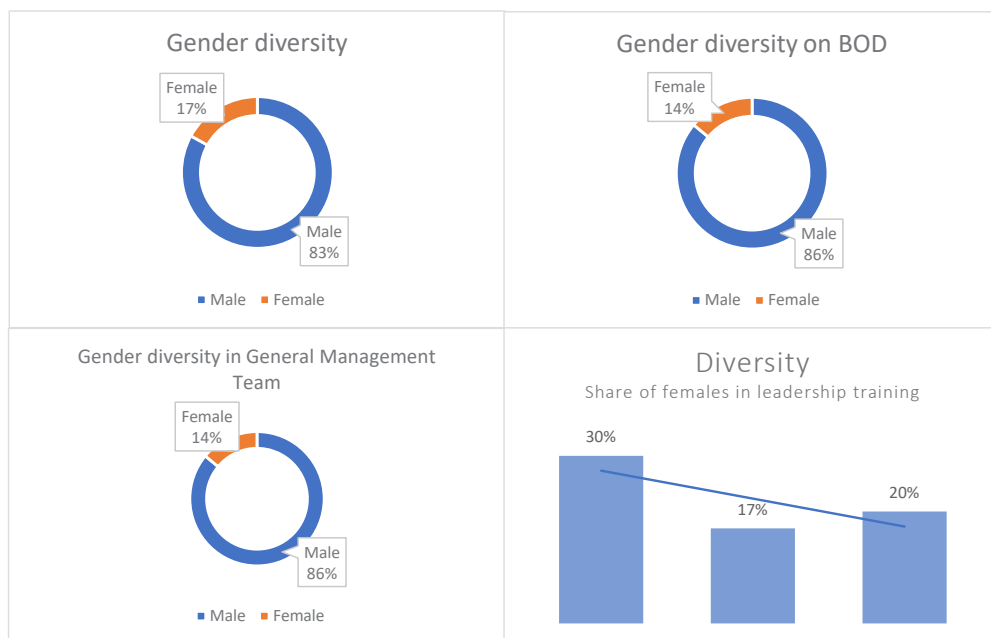
This provides relevant, well-structured information for online self-study and learning about processes, machinery and equipment, commercial matters, and a wide range of the IT tools used throughout the Haarslev workplace.

Training sessions are provided throughout the year, including leadership courses, annual performance review brush-ups for managers, product training sessions and legal training sessions, as well as introductory sessions for new Haarslev employees.

### The Haarslev Leadership programme

This is where 10–15 selected Haarslev Group executives undergo a tailored leadership training programme, in cooperation with a Danish university. We aim for 1–3 programmes to be conducted each year.

# S Social



We aspire to continuously implement new initiatives to make Haarslev a more attractive company to work for, and a better place to work. Regular performance reviews and engagement surveys are among the ways Haarslev works to foster and strengthen employee engagement.

At Haarslev, we strive to treat all job applicants with respect and with equal focus. We want to make sure we have the best-qualified, most suitable people in positions throughout the Group.

Moreover, we want to establish the best ways for the Haarslev Group to ensure community engagement wherever in the world we operate. This includes initiatives ranging from donations to local hospitals, sports clubs, schools and other activities, through engaging locally to help and support nature conservancy and other similar efforts, or by offering internships to students from local schools – thus nurturing the talents of tomorrow.



## Diversity and inclusivity

At Haarslev, we aspire to create a fair, diverse and inclusive workplace in which all our staff feel a sense of belonging. As market leader, Haarslev's customers are as diverse as our people and we aim to build a winning team in which each of us can "be ourselves", because we believe that this sense of belonging supports creativity and innovation, and helps make our business more successful.

Our goal to recruit at least one person from the under-represented gender to the company's board of directors was met in Q4 2023, with the successful selection of an experienced female to serve on the board. Haarslev also has two employee-elected females on the board of directors. We will continue to prioritise addressing and promoting diversity and inclusivity among Haarslev board members, and have set new 2025 targets that are ambitious yet realistic.

Haarslev has not yet set any specific target for the EC and GMT layers of the management organisation, and cannot at the present moment report on status or actions to meet it. In the course of 2024, Haarslev will prepare gender composition policies accounting for the EC and GMT layers of the Group's management organisation.

# S Social

	2021	2022	Status 2023	Target 2025
<b>Board of Directors</b>	7	7	Number of board members	7
	0	0	% of the under-represented gender	14 30 <i>(equivalent to one additional female)</i>
<b>Executive Committee (EC)</b>	4	4	Number of EC members	4
	0	0	% of the under-represented gender	0 30
<b>General Management Team (GMT)</b>	7	7	Number of GMT members	7
	6	11	% of the under-represented gender	14 30

## The development of DEI thinking

Many high-profile employers find themselves having to rethink key policies associated with Diversity, Equity and Inclusion (DEI) programmes in the light of changing circumstances, as well as changes in public and political opinion.

We are aware that perceptions change over time. However, Haarslev has decided to stick with fairly conventional current interpretations of DEI policy scope, because these seem to provide the best fit for the practical realities and decision-making priorities within which the Haarslev Group normally operates.

We provide equal access to opportunity via policies and practices that are fair and transparent. Haarslev has zero tolerance for any form of discriminatory behaviour.

To help ensure accountability, we now conduct appropriately structured employee satisfaction surveys on an annual basis, asking our staff about how they think we are doing, and whether they think we actually deliver on what Haarslev says it wants or intends to do.

With its historical roots as a village blacksmith, Haarslev is inescapably part of a traditionally male-dominated industry segment. But Haarslev has a strong focus on improving the gender balance via ensuring equal opportunities and on driving toward a diverse workforce.

Flexible working and good parental leave entitlements can be important for helping both men and women balance home and work life, post-COVID. We therefore prioritise workplace flexibility to support our diverse workforce and their personal and family needs. Our policies embrace remote work, flexible hours and alternative schedules, fostering a healthy balance. This not only benefits employee wellbeing but also reduces our environmental impact. We continually see feedback to improve our initiatives, recognising that flexibility is not just a policy, but a commitment to a sustainable and inclusive work environment.

# S Social

## Health and safety

Haarslev's strategic and operational HSE focus is to provide high-quality products and services, accompanied by a safe, healthy environment for all our employees, suppliers and customers. We operate and maintain high standards that cover everything from robust quality management procedures, safe working systems, effective risk control measures and legal compliance tailored to our operations, underpinned by strong management commitment and support.

Haarslev manufacturing facilities involve the use of many advanced technologies and much complicated equipment. Many Haarslev products are extremely big and heavy, and take a lot of lifting and moving.

The primary element of risk related to the working environment at Haarslev lies in accidents and job-related illnesses that can cause harm to individuals, and/or have detrimental effects on their physical and mental health and wellbeing.

The global Haarslev HSE policy is clearly displayed on all the Group's intranet sites, and extensive training is provided for certain groups of employees who are particularly at risk, with a view to driving down accident statistics.



# G Sustainability governance

The development and implementation of Haarslev's sustainable working practices is borne by a solid governance structure. As market leader within our market segment, we take pride in a high level of integrity when conducting all aspects of Haarslev operations.

The Group's strong attention to this matter is reflected in active involvement from the board of directors and from executive management, who together bear ultimate responsibility for the company's sustainability strategy and performance.

All Haarslev governance policies are shown on the company intranet, which all employees are free to use. Other key company policies and information are available at [www.haarslev.com](http://www.haarslev.com)

## Stakeholder engagement

Creating and ensuring change and sustainable solutions for the environment and the planet require strong collaboration right across – and up and down – the value chain.

The overall sustainability journey should spread like ripples on a pond, so it is essential for Haarslev to focus on our customers and their needs – to compare and understand their respective sustainability journeys, but also to promote Haarslev solutions that our customers can benefit from to help them prevent or cut back undesirable emissions. We are now actively reaching out to our customers, with a view to substantive dialogue about sustainability ambitions and opportunities on both sides.

## Supply chain responsibility/sustainable procurement

Programmes such as the Science Based Targets initiative ensure working together with our suppliers, sharing interest in their sustainability efforts, and collaborating on striving for higher sustainability ambitions throughout the supply chain.

Haarslev initiated a preliminary supplier screening programme in 2021, and has subsequently established a supplier code of conduct policy that we have communicated to a select number of suppliers to date. We were unable to complete our plans for implementing this in full during 2023, but as of Q3 2023 the company has recruited a procurement director whose responsibilities include implementing such supplier screening worldwide.

We continue to extend the scope and depth of this screening programme. The aim is to ensure a supplier network featuring partner companies that comply with basic human rights, are in

alignment with all applicable environmental legislation and regulatory standards, provide safe, healthy working conditions for their employees, and in general adhere to all relevant rules and regulations within their particular fields.

As part of these efforts, we have decided to sign up for the Science Based Targets initiative<sup>4</sup>. This will include setting targets for a responsibly minded supplier network in which the companies involved have each established their own SBTi targets.

## Business ethics

Haarslev currently operates in fifteen countries on five continents. Our customers are located across the globe, including in countries in which business operations can be exposed to a medium-to-high risk of corrupt practices.

At Haarslev, we are committed to conducting business in an honest and ethical manner. We have zero tolerance for any form of corruption or similar kinds of malfeasance, including extortion and bribery.

Specific behaviour types that we want to avoid and prevent, and which are prohibited by the Haarslev guidelines for business ethics, are:

- Use of child labour
- Discrimination
- Violation of employee privacy
- Violation of human rights
- Corrupt practices
- Money laundering

We require our employees and business partners to comply with the values and principles laid down in the Haarslev guidelines for business ethics, and we encourage and support the reporting of any violations or suspected breaches.

# G Sustainability governance

The online Haarslev whistleblower system makes sure all employees are able to report any issues or suspected violations under the protection of full anonymity. It is important to us that they should feel it is easy, professional and safe for them to use the setup, and that there will not be any repercussions for doing so. The Haarslev whistleblower system was used twice during 2023.

We continue pushing out e-learning sessions about such compliance and business ethics issues to the entire organisation, including the board of directors.

## Data protection

The Haarslev Employee Code of Conduct includes a special focus on the work environment, including employee privacy. We have policies about the work environment in place in order to ensure compliance with this Code of Conduct, including a data protection policy. We began such data ethics policy work in 2022, and have continued this work throughout 2023.

The EU General Data Protection Regulation (GDPR) has been in effect since 25 May 2018, and Haarslev complies with these requirements at an overall level. However, we do not currently have a dedicated data ethics policy as described in § 99d of the Danish Financial Statements Act because we do not currently make use of automatically generated data and are not running algorithms carried out by computers.

We also continue to maintain a strong focus on data and customer privacy, and will also continue to train, educate and inform our employees about matters and issues within the scope of GDPR provisions.

We maintain constant focus on GDPR requirements in order to make sure Haarslev continues to handle sensitive data correctly. We regularly re-assess our GDPR compliance programme in order to comply with latest developments and initiatives, and to align all necessary Haarslev legal initiatives within one, unified framework.

## Cybersecurity

Digital operations are the backbone of everything Haarslev does – the sine qua non of our operations.

At a time when digitalisation is accelerating exponentially, strong IT governance is crucial for safeguarding our business and the Haarslev intellectual property that helps give us a key competitive edge.

It is also vital for protecting both our own data and the data of our customers, suppliers and business partners. Prevention is vastly better than any after-the-fact cure.

Haarslev launched its first stringent, company-wide IT security policy in 2019. In order to strengthen our focus on cybersecurity, we resolved to set a strong team with specialist skills and forward-looking capabilities that put us in a strong position to keep up with rapidly changing IT tools and technologies, and to act preventively and proactively.

We strive to implement and maintain strong, robust procedures, frameworks and systems to detect and prevent a broad spectrum of IT threats and possible “accidents”. We also focus on our ability to deal with any such events promptly and effectively if and when they do arise.

Part of this is that we continuously train and educate our employees in all aspects of good data management, IT governance and security, and make IT security a key part of our practical mindset in day-to-day operations as well as in systems design and company planning throughout the Haarslev Group.

In Q1 2023, we also launched a global risk assessment framework in order to highlight our current status with regard to IT governance and security. These measures will also help identify improvements that we can make to the Haarslev IT infrastructure in order to modernise our IT setup and data management practices still further, to minimise the risk of IT security breaches and to prepare us to conduct robust operations in an increasingly digital future.

# 6 Navigating future requirements

## Haarslev intentions

Before long, it is going to be an unavoidable legislative requirement for companies both up and down the supply chain to report and document the ESG impacts of what they are doing. Before long, ESG documentation and other reporting frameworks are no longer going to be an option – compliance will be compulsory – a prerequisite for continuing to do business.

Haarslev does not want to wait for such legislation to be implemented, or just to work with after-the-fact compliance. We want to do what is right and responsible for our customers and for the planet we all have to live on. We are determined to put our own house in order regarding ESG compliance and the responsible thinking that lies behind such steps.

In Haarslev's experience, customers are becoming increasingly interested in such approaches, because they can see that they are necessary as well as unavoidable, and that there are concrete commercial benefits to be had from doing so.

## From voluntary efforts to legislative requirements

A lot of the current initial discussions about "if"/"whether" and about the "how" details of ESG reporting frameworks are all too soon going to become redundant. Compliance with the new legislative frameworks simply isn't a matter of taste or convenience or comfort zones.

The drastic changes barrelling down the turnpike towards us aren't take-or-leave-it options – they are cast-in-stone legislative requirements that apply to worldwide operations. And they will almost certainly be followed by additional requirements that are even more stringent.

There is a growing, accelerating sense of urgency about the role companies can and should play in reducing the impacts they have on our planet and our society, and in sharing and allocating responsibilities for doing something effective about the whole woeful situation. One result of this is a proliferation of new legislation, international agreements and cross-border frameworks for action, reporting, tariffs and responsibility allocation.

Manufacturing companies like Haarslev are going to have to put in a lot of effort to get our

heads around these rapidly evolving new legislative frameworks – which are mandatory requirements for continued operations.

## Tomorrow isn't going to be like yesterday

Haarslev is able to provide, configure and optimise the hardware and the software that makes practical implementation of these new ESG-compliant and future-compatible reporting frameworks possible. This in turn paves the way to new frameworks for doing business together in the future. But customers have to understand why we are making such changes and improvements.

Communication and transparency are therefore vital for making this happen, and for ushering in the new mindsets and paradigms essential for making sure existing business relations can continue (with renewed strength) in the future.

Tomorrow is NOT going to be like yesterday.

## Deciphering alphabet soup

There is a lot of new legislation, international agreements and cross-border frameworks for action, reporting, tariffs and allocation of responsibility.

This then means there are a lot of abbreviations flying around, and these can be difficult to remember and to navigate.

At Haarslev, we aim to be ahead of the game and to understand the full implications of new legislation and new requirements pertaining to ESG. Because we are the market leader in our specialist field, our customers, suppliers and working partners expect us to be ahead, and to provide clear, accurate and well-informed answers about how Haarslev is going to tackle such new requirements. And because of our market position there are often also questions and expectations about how we are going to help our customers do the same thing.

# 6 Navigating future requirements

## SBTi

It's easy to agree that something is wrong about the planet's environment, and that something needs to be done. It's much less easy to agree on exactly what needs to be done, and what effect it is likely to have.

But it's virtually impossible for individual companies to know how best to navigate this unbelievably complex – and undeniably unavoidable – future challenge. Embedding agreed, science-based targets into companies' sustainability management efforts is a crucially effective way to do this.

### The Science Based Targets initiative (SBTi)

Science-based targets provide companies with a clearly defined path to reduce emissions in accordance with the Paris Agreement goals. More than 4,000 businesses around the world are already working with the Science Based Targets initiative.

Science-based targets show businesses a consensus about research-supported figures for how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to meet their own agreed goals and the legislative restrictions they have to comply with.

A solid, research-based consensus of this kind makes it easier for decision-makers to take responsible action to prevent the worst effects of climate change, to agree on exactly what needs to be done, and to identify what the concrete benefits of different ESG strategies are likely to be.

## What we're doing about SBTi

In Q2 2023, Haarslev decided that we will sign up to the Science Based Targets initiative (SBTi)<sup>5</sup>.

In the course of the 2023 reporting year, we have been carefully considering, exploring and negotiating exactly how we want Haarslev to sign up to SBTi and commit to its provisions – because those decisions involve heavyweight repercussions for our future, and our role in the planet's future, and in establishing the basis for our role in society and Haarslev's overall "licence to operate" in the future.

We predict that Haarslev will make its specific SBTi commitments in Q1 2024, after which the Group has 24 months to implement the agreed measures (in accordance with SBTi guidelines).

## New frameworks coming into force

Haarslev is helping build and rethink frameworks for complying with the multiple layers and facets of impending reporting and documentation frameworks laid down by the European Union.

These are set to provide governments, investors, companies and consumers with a simpler, more reliable and more consistent way to understand and compare the environmental, social and governance (ESG) impacts of any organisation's activities.

Prime among the major legislative requirements soon to come into force are:

### CBAM

The Carbon Border Adjustment Mechanism (CBAM)<sup>6</sup> is a tariff on carbon-intensive products that companies import into the European Union. CBAM reporting started in 2023, and will take effect in full in 2026.

The basic aim of CBAM is to place a structured, fair and transparent price on the carbon emitted during the manufacture of carbon-intensive goods entering the EU, and to encourage cleaner industrial production in non-EU countries.

By confirming that a price has been paid for the embedded carbon emissions generated in the production of certain goods imported into the EU, the CBAM framework aims to make sure the carbon price of imports is equivalent to the carbon price of domestic production. The intention is to help make sure "carbon leakage" doesn't undermine agreed EU climate objectives.

# 6 Navigating future requirements

## What we're doing about CBAM

Haarslev has already received its first few invoices bearing CBAM categorisations.

Our accounting systems, reporting frameworks and organisational mindset are all going to have to be looked at to make sure they're ready to deal with this significant restructuring of the commercial landscape for manufacturing operations.

The practical challenge lies in establishing clear frameworks for deciding which specific legal entity is required to book the CBAM tariff as payable, within complex supply chains that often extend across the globe.

## CSRD

The European Union's Corporate Sustainability Reporting Directive (CSRD)<sup>7</sup> was introduced to improve the disclosure process and provide companies, investors and consumers with a more straightforward, consistent way to understand and compare the environmental, social and governance (ESG) impacts of an organisation's activities – and to pave the way to making better-informed decisions based on more comprehensive sustainability data.

The CSRD is based primarily on the EU Non-Financial Reporting Directive (NFRD)<sup>8</sup>, and CSRD compliance is being phased in from 2024 through to 2029. By 2028, all large EU-based undertakings – whether listed or not – will have to comply with the CSRD.

The CSRD framework reflects the fact that in the real world ESG impacts are the result of the complex interplay of multiple factors, both up and down the supply chain. No company operates in isolation. CSRD reporting is based on the *double materiality* concept, with its dual focus on the social and environmental impacts a company has, and on how a company is itself impacted by its supply chain.

The CSRD framework and the double materiality assessments on which it is built will substantially change how companies provide documentation about the ESG impacts of their business activities, and how they report on their sustainability efforts.

Intelligently applied, such measures can be an exceptionally effective tool for business transformation. Implementation of CSRD-compliant frameworks can provide big-opportunity pathways towards new business models and closer supplier-collaboration frameworks, along with how commercial activities and technical processes are interdependent, and about new

focused mindsets on circularity and shared responsibility.

## What we're doing about CSRD

The CSRD directive will come into force for us as of 2025, because Haarslev is not a stock-exchange-listed company. Haarslev is well aware of the significance of CSRD, and is actively preparing for how best to implement its terms and to navigate within its practical, commercial implications.

To date, we have established an in-house "community" of those most closely involved and most likely to be affected. We have also nominated eighteen "ESG ambassadors" in thirteen countries to help the Group prepare for CSRD implementation at all relevant levels.

# 6 Navigating future requirements

## Interaction and intentions

The taxonomy metrics of the European Union's Non-financial Reporting Directive (NFRD)<sup>9</sup> and the CSRD<sup>10</sup>, ESRS<sup>11</sup> and CBAM<sup>12</sup> reporting and documentation frameworks soon coming into force are all intended to give investors, business partners up and down value and supply chains, and consumers more reliable and more consistent ways to grasp, compare and deal with the environmental, social and governance (ESG) impacts of any organisation's activities.

Small, incremental changes are soon no longer going to be enough for companies to maintain a competitive edge or even to continue operations. Such wide-reaching gamechanger measures require significant, documented improvements and sometimes even radical changes to the ESG impacts of an organisation's activities.

Actively and successfully navigating the combined complexities of the Corporate Sustainability Reporting Directive (CSRD)<sup>10</sup>, the European Sustainability Reporting Standards (ESRS)<sup>13</sup> and the Carbon Border Adjustment Mechanism (CBAM)<sup>12</sup> soon to come into force can enable companies to forge transformative paths toward sustainable business models.

At Haarslev, we're already doing our best to determine how best to do this. Not least because the company that understands the full ramifications of these new measures – and is able to implement them in ways that strengthen and streamline relations with suppliers and customers willing to adopt a similar mindset about future responsibility – is probably going to be able to carve out a big slice of competitive advantage in the radically different legislative landscapes of the future.

## Changes and opportunities

Soon-to-be-implemented generations of ESG-related legislation are going to usher in big changes as well as significant commercial opportunities.

- They will change how we interact with our suppliers, how our suppliers impact us and how we impact our customers
- Double materiality assessments will help us identify new possibilities/opportunities, new business models and new circular business relationships

Details will vary, but the basic structures and mindsets about what to do and why need to be in place.

9 [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/654213/EPRS\\_BRI\(2021\)654213\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/654213/EPRS_BRI(2021)654213_EN.pdf)

10 [https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting\\_en](https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en)

11 [https://finance.ec.europa.eu/news/commission-adopts-european-sustainability-reporting-standards-2023-07-31\\_en](https://finance.ec.europa.eu/news/commission-adopts-european-sustainability-reporting-standards-2023-07-31_en)

12 [https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism\\_en](https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en)

13 <https://www.efrag.org/lab6?AspxAutoDetectCookieSupport=1>



# 7 Future perspectives

## Supply chains and building responsible ecosystems

New generations of ESG-compliant documentation and reporting requirements shift focus to interdependency, transparency and circularity, because each company is just one part of a whole ecosystem of corporate and environmental responsibility. This ecosystem will be judged, validated and allowed to continue – or not – on the basis of its overall impact on the planet we all live on.

Measures to reduce these impacts in accordance with forthcoming legislation require intelligent interaction and effective collaboration between manufacturers, suppliers and sub-contractors. This can provide big-opportunity pathways to new structures and new ways of working together in circular ecosystems focused on planet-responsible rendering operations.

This means Haarslev operations are set to play a key role in kickstarting and facilitating the emerging low-carbon circular economy for the food and feed processing segment worldwide.

The opportunities are there to be grasped.

# Supplementary reporting data

- i. ESG targets and progress
- ii. Governance data and KPIs
- iii. GHG calculations

# ESG targets and progress

	What we said	What we did – 2023	What we want to do – 2025
<b>Environmental considerations</b>	<ul style="list-style-type: none"> <li>Set SBTi targets, committing to emissions reduction before end of 2024</li> <li>Reduce emissions from mobile and stationary combustion by 30% as of 2025</li> <li>Responsibly sourced electricity to be used in Haarslev's top 5 electricity-consuming entities (CN, DE, DK, ES, US) by 2025</li> <li>Electricity consumption in kWh will be reduced by 2% per year (on average)</li> <li>Suppliers will be assessed for sustainability</li> <li>Supplier spend will be allocated to suppliers with ESG strategy</li> <li>Waste management procedures and solutions will be in place at all Haarslev manufacturing entities (DK, CN, US, BR, DE, ES)</li> <li>Identifying potential emission reductions that customers can benefit from via Haarslev products, processes and services</li> </ul>	<ul style="list-style-type: none"> <li>Data collected to ensure a data base line for 2022, to serve as a starting point for realistic yet ambitious targets</li> <li>We achieved 8,2% reduction from the starting point of 1793 tCO<sub>2e</sub> to 1645 tCO<sub>2e</sub></li> <li>The Haarslev office in Spain transitioned to responsibly sourced electricity, leaving Haarslev with 66% of all electricity being responsibly sourced</li> <li>Worked with the Haarslev global organisation to investigate electricity consumption and ensure initiatives to reduce electricity consumption throughout the Group</li> <li>Supplier screening initiative specified and planned for implementation in 2024</li> <li>Decided to focus on an additional screening initiative to ensure working with suppliers that include ESG reporting as part of their strategy</li> <li>Waste management experience and discussions from DK have been shared with Haarslev manufacturing entities in China and US, requesting a clear focus and implementation in respective entities</li> <li>Haarslev business plan states clear focus on supporting customers in their efforts to reduce and avoid emissions</li> </ul>	<ul style="list-style-type: none"> <li>SBTi goals set and implemented as integral features of the Haarslev working strategy</li> <li>Emissions reductions to below 1255 tCO<sub>2e</sub></li> <li>Responsibly sourced electricity is to be used to cover electricity needs of 50+% of Haarslev's top 5 electricity-consuming entities</li> <li>Electricity consumption in kWh will be reduced by 2% per year (on average) by 2025</li> <li>Clear overview of supplier footprints, with Haarslev information-based decision-making that takes ESG profiles into consideration when selecting supplier</li> <li>Placing most of our supplier spend with suppliers that publish and operate a clear ESG strategy</li> <li>All Haarslev production sites must have a clear waste handling strategy, with KPI measurements and documented results</li> <li>We are yet to specify clear future targets points in this field</li> </ul>
<b>People and society</b>	<ul style="list-style-type: none"> <li>We want to make sure there are more of the under-represented gender in management and on the board of directors</li> <li>We want to be a "great place to work", and for this to be reflected in employee satisfaction surveys. Target set to 72 in 2023</li> <li>Health – we want to make healthy meals and snacks available to all employees</li> <li>Safety – Zero-accident culture for our employees, to ensure a safe working environment. Target is annual reductions of 30%</li> </ul>	<ul style="list-style-type: none"> <li>Haarslev welcomed a female board member in Q4 2023</li> <li>Satisfaction with our global employee satisfaction survey result of 72 about "a great place to work"</li> <li>All Haarslev business units were introduced to the Group's ESG initiatives, and are to plan health initiatives – including selection of healthy snacks and meals available</li> <li>Health and safety-related incidents reduced from 31 in 2022 to 22 in 2023 – a 40% reduction</li> </ul>	<ul style="list-style-type: none"> <li>Continue our focus on gender diversity, and are looking into defining new targets</li> <li>Set a global employee satisfaction target to be above average, with 75 as the target score in 2025</li> <li>All Haarslev entities to provide employees with access to a selection of healthy snacks and meals</li> <li>A clear zero-accident culture includes setting a target of less than 10 health and safety-related incidents in 2025</li> </ul>
<b>Orderly business</b>	<ul style="list-style-type: none"> <li>Compliance – We have a strong zero-claims culture, and a clear overview of all Haarslev deliveries registered as non-conformity cases</li> </ul>	<ul style="list-style-type: none"> <li>The Haarslev legal department received 2 claims in 2023. Both are currently undergoing legal procedures, involving investigating liability</li> </ul>	<ul style="list-style-type: none"> <li>We want to continue our focus on a strong zero-claims culture, and are looking into defining new targets</li> </ul>

# Governance data and KPIs

	Area	Material topic	2021	2022	2023	Unit of measurement	Standard
Environmental	GHG emissions	Scope 1 GHG emissions	2042	1793	1645	Tons CO2e	GRI 305-1
		Scope 2 GHG emissions	3710	2404	1564	Tons CO2e	GRI 305-2
		Scope 3 GHG emissions	62844	59120	41900	Tons CO2e (upstream)	GRI 305-3
		Scope 1 GHG emissions intensity	10.6	8.2	7.77	Tons in CO2e/mEUR revenue	GRI 305-4 (a-c)
		Scope 2 GHG emissions intensity	19.3	11	7.39	Tons in CO2e/mEUR revenue	GRI 305-4 (a-c)
		Scope 3 GHG emissions intensity	327.3	271	198.02	Tons in CO2e/mEUR revenue	GRI 305-4 (a-c)
		Share of renewable electricity	20	30	60	Per cent	GRI 305-4 (a)

# Governance data and KPIs

Social	Area	Material topic	2021	2022	2023	Unit of measurement	Standard
	Employment	Number of FTE at year end	909.5	934	881	Number	
		Employee turnover	8	14	9	Per cent	GRI 401-1 (b)
	Diversity	Total FTE ratio	17%	24%	17%	Female / male ratio	GRI 203-2 (indirect), 102-8 (a) (indirect) and 401-1 (a, b)
		Executive team (EC)	0%	0%	0%	Female / male ratio	GRI 405-1 (a, i, b) and 102-22
		General Management Team (GMT)	6%	11%	14%	Female / male ratio	GRI 405-1 (a, i, b) and 102-23
		Board of Directors	0%	0%	14%	Female / male ratio	GRI 405-1 (a, i, b) and 102-24
	Employee development and dignity	Engagement survey	84	n/a	85	Per cent participation	
		Leadership training	23	12	60	Total participants	GRI 404-1 (all)
		Female participants in leadership training	30%	17%	20%	Female distribution	GRI 404-2
Non-discrimination policy		Yes	Yes	Yes	Policy in place	GRI 406-1	
Incidents of discrimination		0	0	0	Number	GRI 406-2	
HSE	Global HSE policy	Yes	Yes	Yes	Policy in place	GRI 403	
	Number of incidents	56	31	22	Number		
Human rights	Child and forced labor policy	Yes	Yes	Yes	Policy in place (code of conduct)	GRI 408, 403-10 (a,i)	
	Human rights policy	Yes	Yes	Yes	Policy in place (code of conduct)		
	Number of human rights violations	0	0	0	Number		

# Governance data and KPIs

	Area	Material topic	2021	2022	2023	Unit of measurement	Standard
Governance	Supplier management	Business ethics policy for suppliers	No	Yes	Yes	Partner code of conduct	GRI 308-1 (all), 414-1 (all)
		Share of suppliers that have been screened for compliance and ESG	0	0	0	Per cent	GRI 308-1 (all), 414-1 (all)
	Compliance	Ethics and anti-corruption policy	Yes	Yes	Yes	Policy in place	GRI 205-2 (a-b, d-e) (indirect)
		Share of managers who have completed Haarslev business ethics training	51	19	51	Per cent	
		Whistleblowing channel in place	Yes	Yes	Yes	Whistleblowing in place	GRI 102-17 (all), 207-2 (b)
		Number of whistleblower cases	1	0	2	Number	
	Data policy	Data privacy policy	Yes	Yes	Yes	Policy in place	GRI 418-1 (all)
		Data ethics policy	No	No	No	Policy in place	GRI 418-1 (all)
		Substantiated complaints concerning breaches of customer privacy	0	0	0	Number	GRI 418-1 (all)
	ESG reporting	ESG report published	Yes	Yes	Yes	Policy in place	
		Management approach to ESG	Yes	Yes	Yes	Comment	GRI 103-2 (all)
		Focus on specific sustainability goals	Yes	Yes	Yes	Comment	
		External audit of ESG Reporting	No	No	Yes	Comment	

# GHG calculations

In 2023, Haarslev again teamed up with Normative to calculate the Group's actual greenhouse gas emissions.

The Normative Emissions Accounting Engine follows the Greenhouse Gas Protocol, the widely used international protocol for carbon accounting. The engine uses science-based emissions data and a combination of spend-based, activity-based and supplier-specific methods to calculate a company's greenhouse gas emissions. Each business activity that gets inserted into the Normative calculation engine is paired with a corresponding emissions factor, to then calculate Haarslev's total carbon footprint.

$$(\text{BUSINESS ACTIVITY} \times \text{EMISSIONS FACTOR}) = \text{COMPANY CARBON FOOTPRINT}$$

The business activity consists of the actual data inputs that Haarslev provides to Normative – in terms of litres, km, kWh, €, etc.

The emissions factor represents the amount of greenhouse gases emitted for each activity. These results from the Normative Carbon Accounting Engine are always validated by Normative Sustainability Experts.

The Normative Carbon Accounting Engine uses emissions data from government databases, academic studies, company reports and regulatory disclosures. These are regularly updated by Normative Sustainability Engineers.

## Scope 1

For vehicles and fuel use, conversion factors from the UK Department of Environment, Food and Rural Affairs and Ecoinvent are used.

## Scope 2

For electricity consumption, the Normative Carbon Accounting Engine calculates the market-based emissions. Market-based means the supplier-specific emissions factor provided by the utility provider, also including renewable energy certificates if these were purchased, or

residual mixes where no supplier is disclosed.

Normative can also calculate location-based emissions, where the average supplier mix of the particular country is used instead. Both methods are accepted by the Greenhouse Gas Protocol.

## Scope 3

For spend-based calculations, the EXIOBASE Multi-Regional Environmentally Extended Input Output (EEIO) Model is used to calculate upstream emissions. Normative calculates the "cradle-to-gate" emissions generated by the purchased product or service, based on every transaction to supplier, that supplier's economic activity sector and the multi-regional EEIO emissions factor.

For calculations about Scope 3 emissions in which activity data is used, other scientific sources and emissions factor databases are used, including DEFRA, Idemat, Quartz and EPDs.