



HAARSLÉV™

Processing Technology

**ANNUAL
ESG
REPORT
2022**

**TAKING CARE OF
TOMORROW**

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INTRODUCTION

1 Introduction

A word from the CEO

Haarslev marks its 50th anniversary this year.

While celebrating the rewarding, educational adventure towards the point we've now reached, we also reflect on making sure we have the right focus on the journey ahead. Sustainability requires special attention, because Haarslev is the global leader in manufacturing equipment for the rendering industry. We are determined to embrace our global responsibilities, and we want to contribute to a better tomorrow for this world.

The past year has been eventful and demanding for many, with the world on its way out of the grip of Covid-19. We've faced inflation, supply chain problems and – not least – the first war in Europe in eighty years. The conflict between Ukraine and Russia has given Haarslev particular challenges, due to several projects with Russian customers.

From the very beginning, Haarslev made sure we were fully compliant with all relevant embargoes and sanctions. Projects were firmly managed and implemented, with special attention paid to embargo requirements, as well as to contractual agreements with customers. There may have been certain legal avenues for continuing some operations on Russian soil, but Haarslev decided to uphold our beliefs and values, and to pull out of the Russian market to comply with these. 2022 was also the year in which Haarslev welcomed me as the new CEO, and in which I took on the challenge of bringing Haarslev to the next level. A key part of this future focus lies in sustainability, which is central to our



Kim Christensen, CEO

“HAARSLEV IS DETERMINED TO HELP ENSURE THE FUTURE OF THE ENVIRONMENT, LOCAL COMMUNITIES AND PEOPLE EVERYWHERE. WE WANT TO ENABLE ALL OUR EMPLOYEES AND CUSTOMERS TO NAVIGATE TOWARDS A BETTER TOMORROW.”

entire purpose as a company.

Looking at our 2022 ESG achievements, I am pleased to highlight these important progress points:

- Scope 1 emission reduction of 12%
- Scope 2 emission reduction of 35%
- Scope 3 emission reduction of 6%
- HSE incident reduction of 44%

BETTER TOMORROW

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 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 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 this crucial Environmental, Social and Governance (ESG) focus to build value for our customers, people and our business. In the report, we present our 2022 ESG data in comparison with previous years, showing the improvements we are making, and will continue to make.

I hope you enjoy reading this report, reflecting how we at Haarslev want to display initiative and to help ensure the best possible future for the environment, local communities and for people everywhere.

We want all Haarslev employees and customers to navigate towards a better tomorrow.

1 Introduction

About this report

This report seeks to provide readers with the best possible overview of Haarslev's ESG performance for the financial year 2022, as well as a look at our ESG targets and ambitions for the future.

This report supplements the Haarslev Annual Financial Statement, which primarily covers financial performance. This statutory account for Haarslev's ESG performance (presented in accordance with the Danish Financial Statements Act, § 99a, § 99b and § 99d) is part of the management review 2022 and covers the financial period 01.01.2022 – 31.12.2022.

This account was developed for the legal entity Haarslev Industries A/S, but also covers input from subsidiaries, and thereby the whole Group. Unless otherwise stated, the data in the report covers Haarslev globally, and includes all its entities.

Haarslev is constantly working on improving the

processes, data quality and reviews required to improve our reporting about each of the fields involved in ESG monitoring and reporting. We welcome feedback of all kinds about our ESG report and our performance.

Any questions, comments or other relevant feedback can be sent to ESG@haarslev.com.



1 About Haarslev

Vision and values

TAKING CARE OF TOMORROW



+100 YEARS
EXPERIENCE



ONLY GLOBAL VENDOR

COUNTRIES
15

CONTINENTS
5

COUNTRIES SOLD TO
+120

67% CERTIFIED ENGINEERS
EMPLOYEES IN SUPPLY CHAIN **+115**

EMPLOYEES
~900

15,000
ORDERS
PER YEAR

€249
MILLION
ORDER
INTAKE

OUR VISION

It's our vision to be the undisputed leader in creating solutions for sustainable feed and food processing.

- Undisputed** - in the eyes of our customers
- Leader** - in Technology, Innovation and Service
- Creating solutions** - that make our customers successful
- Sustainable** - contributing to a sustainable planet

OUR 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

BUSINESS MODEL AND STRATEGY

Haarslev is the world's no. 1 provider of rendering and related (fish) processing solutions. From offices around the globe, Haarslev employees take pride in providing the specialist equipment and knowhow it takes to keep rendering a safe, healthy and financially viable activity. As the global population continues to grow and the world's supply of vital proteins, minerals, fuel and other essentials are increasingly constrained, Haarslev seeks to play its part in utilising resources more efficiently.

LEADING PROCESSING SUPPLIER

We design, manufacture and sell leading-edge equipment, control systems and processing solutions for the rendering, fish and industrial drying industries. We install, commission, monitor and service the solutions to keep them running 24/7.

LEADERSHIP THROUGH INNOVATION

We invest significantly in product and process innovation. Our dedicated Innovation and Process departments are working relentlessly to continuously improve the overall efficiency, capacity and quality of our equipment. In the coming years we plan to step up our investments in innovation.

ENVIRONMENTAL IMPACT

Our products contribute directly to improving the environment as well as supports our customers' aims of reducing their environmental footprint.

GLOBAL REACH

The heart of the company is our more than 900 dedicated employees in 15 countries around the world. We offer a unique service network with 9 service hubs and a Global Services team with more than 150 people dedicated to supporting customers around the world keeping their processing running 24/7. Our local presence is complemented by a strong network of experienced agents and distributors with whom we have a partnership to deliver the best solutions to our customers.

WORLDWIDE CUSTOMER BASE

With customers located in more than 120 countries across the globe, we are a truly global company. We are in business to build long-standing partnerships, based on a deeply rooted customer focus and strong co-operation with customers across industries and geographies.

CLEAR AND PERFORMANCE-ORIENTED STRATEGY

Haarslev is expected to grow faster than the market in the coming years, and our strategy is clear: we want to deliver leading performance on all measures. As performance takes precedence over growth, we are continuously reviewing all areas of our business to improve performance.

THREE KEY INDUSTRY SEGMENTS

At Haarslev we focus our efforts and dedication on three main industry segments:

- Meat rendering
- Fish processing
- Industrial processing

With deeply rooted industry expertise across all industry segments, our team of industry professionals are able to anticipate market developments and changes in the industry, enabling us to adjust our business accordingly and serve our customers to the highest standard.

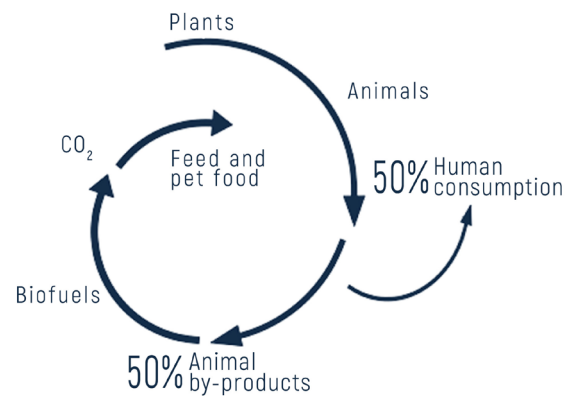
In all industry segments, our offerings cover the full product life cycle – from design and manufacturing to service and installation and, ultimately, de-commissioning of the solutions.

CRUCIAL FOR A CIRCULAR ECONOMY

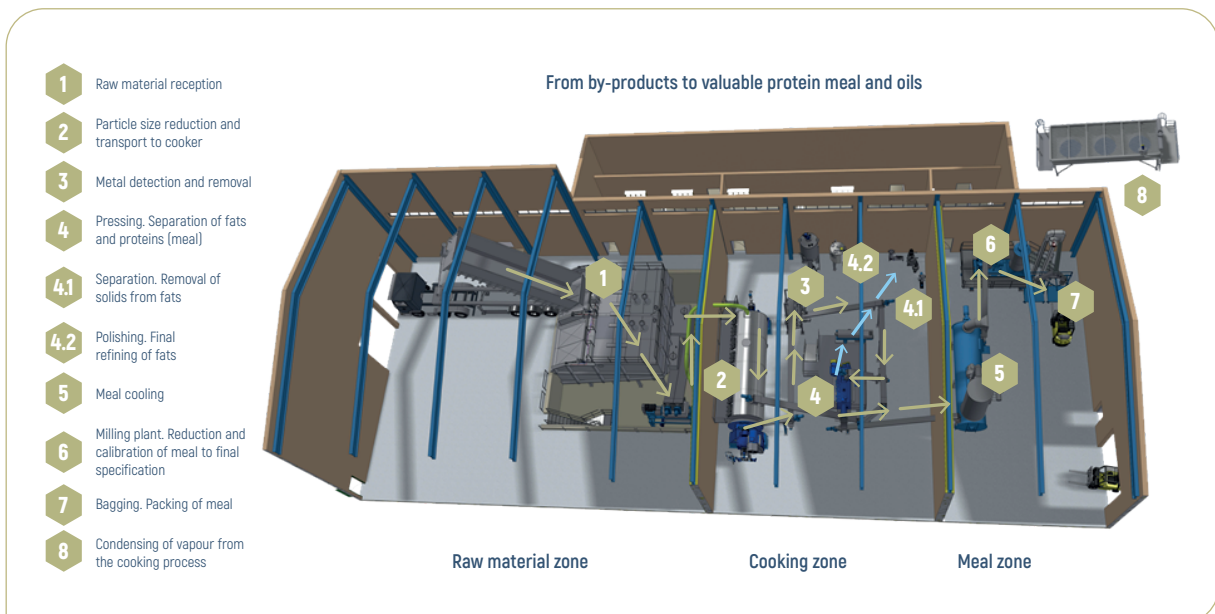
The rendering industry plays a vital part in the circular economy. It's all about getting the most out of the limited resources available.

By utilising meat, fish and poultry by-products that would otherwise be discarded as waste, and processing them into valuable proteins, oils and other ingredients used for animal feed and other commercially valuable and environmentally responsible products, the rendering industry has become a textbook example of how to make effective, responsible use of the planet's limited resources.

The figure below shows how such waste, by-products and co-products are part of a circular flow that puts these resources to best possible use.



PROCESS FLOW



REDUCING ENVIRONMENTAL IMPACTS

Haarslev equipment enables rendering operations to reclaim otherwise discarded meat leftovers, which drastically reduces the waste footprint of food production.

- “Recycling” unwanted meat by-products and fish by-products into animal feed, pet food and fertiliser that helps grow the next generation of food
- Renderers recycle millions of kilos of used cooking oil into biodiesel and other fuels, and into ingredients for pet food and animal feed.

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

- A typical rendering plant sequesters five times more GHG emissions from the environment (carbon dioxide, methane, etc.) 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.

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

RENDERING IS

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



UP TO 50% OF A COW WASTED

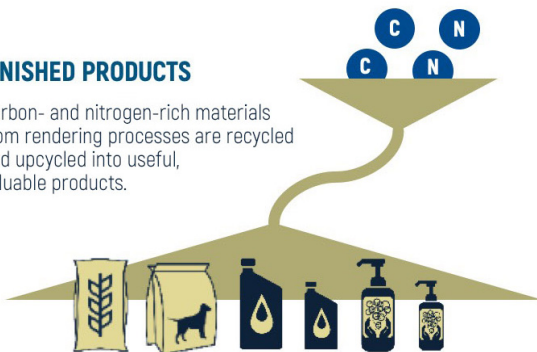
In some markets, as much as 50% of a cow carcass is considered inedible, and only suited for waste.



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.

FINISHED PRODUCTS

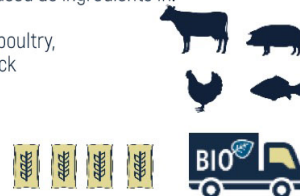
Carbon- and nitrogen-rich materials from rendering processes are recycled and upcycled into useful, valuable products.



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.



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**SUSTAINABILITY
AT HAARSLEV**

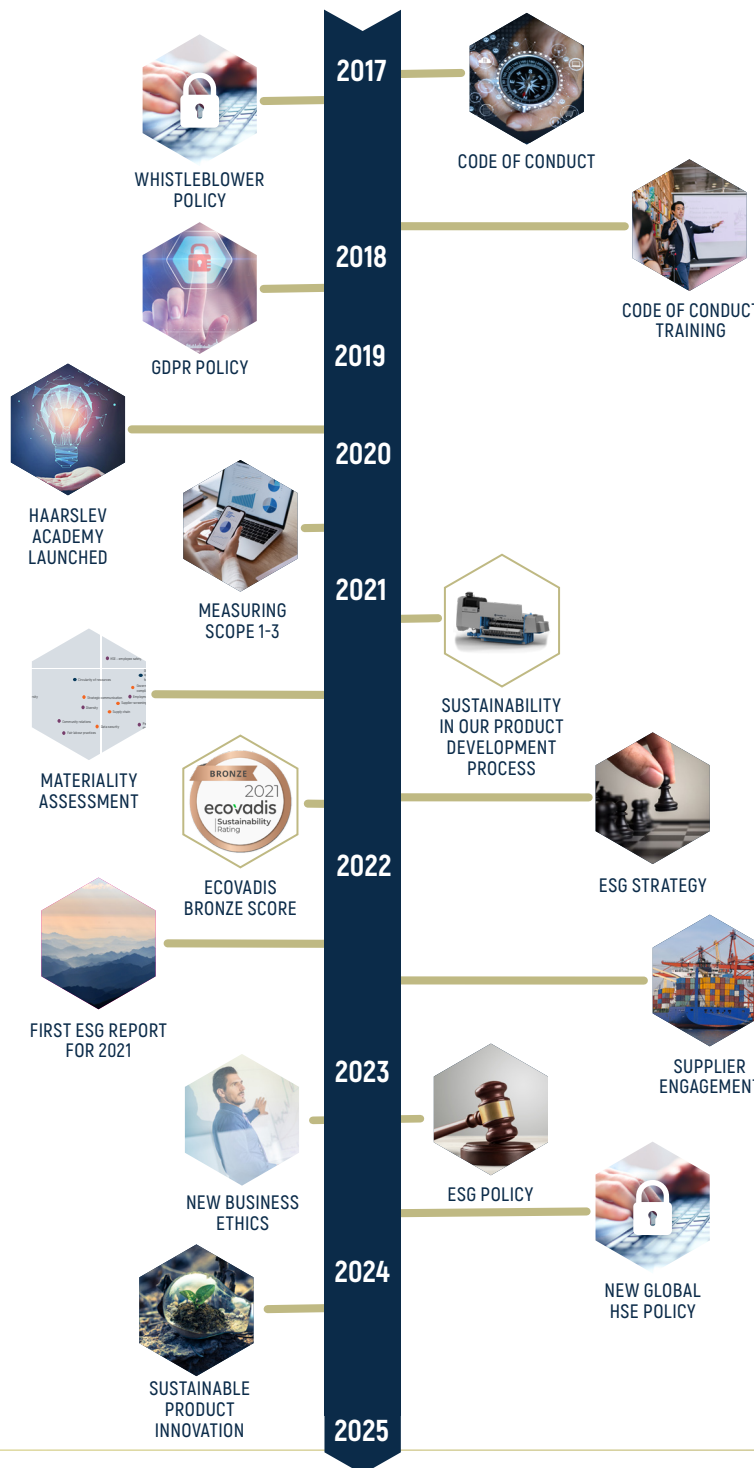
2 Sustainability at Haarslev

SUSTAINABILITY AT HAARSLEV

The Haarslev vision of becoming “the undisputed leader in creating solutions for sustainable feed and food processing” reflects the fact that sustainable thinking is at the core of our business.

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

At Haarslev we say “Taking care of tomorrow”. This has several aspects to it.



Sustainability is not only about environmental efforts. It is just as important to ensure that we run our business in a responsible manner in terms of the full spectrum of economic, environmental and social concerns.

2016 - 2020

In this period, we focused on building a strong compliance foundation, introducing global policies to make sure our in-house processes are fully aligned with the expectations associated with our position as industry leader in our specialist field.

2020 - 2022

Sustainability was identified as a central pillar in the Haarslev 2025 strategy, right at the heart of what we do and who we are as a company. At the same time, we started measuring the company’s Scope 1-3 emissions and initiated several ESG-related projects.

We also published our first Sustainability Report for the reporting year 2021.

2023 -

With a stronger baseline for quantifying the company’s Scope 1 - 3 emissions, we will work towards setting ambitious targets and investigating possibilities for concrete Science Based Targets Initiative (SBTi) commitments, as well as continuing to improve our data quality. We will also continue to engage with suppliers to identify and implement effective ways to reduce CO₂ emissions.

2 Sustainability at Haarslev

SUSTAINABILITY GOVERNANCE

Sustainability has been at the core of Haarslev business strategy for decades. Our position as market leader in our industry means we take pride in always operating at the highest level of integrity.

The way we work rests on a foundation of good business ethics, human and labour rights, employee safety, environmental responsibility and a strong general focus on good governance and compliance with appropriate standards and expectations. This includes principles about anti-corruption and fair competition practices.

The board of directors bears ultimate responsibility for the company's sustainability strategy and performance. However, global management team, the ESG Manager and relevant key employees has day-to-day responsibility for Haarslev sustainability performance. This includes responsibility for making sure strategy is transformed and implemented in the form of tangible actions that pave the way to achieving the company's long-term goals and targets.

In 2022, we introduced the ESG Manager role at Haarslev, to ensure an even stronger focus on Haarslev's continued working with sustainability. The ESG Manager will drive the ESG focus, including introducing and obtaining ESG awareness within the organisation.

Our sustainability governance structure enables us to keep track of our progress and to make sure we are on the right path to achieve our goals. This structure also provides us with a clear framework against which to manage priorities, roles and responsibilities. The structure is crucial for ensuring that Haarslev's sustainability strategy and targets are evaluated on regular basis.



MATERIALITY ASSESSMENT OVERVIEW - INCLUDING DOUBLE MATERIALITY ANALYSIS

In 2021, Haarslev conducted its first materiality assessment to identify reporting topics that are considered of key interest to relevant stakeholders and to the company itself. These topics were based on desk research as well as stakeholder engagement.

The materiality topics were identified by considering market trends, along with guidance sourced from the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the UN Sustainable Development Goals (SDGs).

During 2022, we continued with the key topics based on the initial materiality assessment. We operate in a constantly changing world, which means there is a need for undertaking the materiality assessment on a regular basis, and as the double materiality analysis principle has been introduced as required due diligence, Haarslev's material topics will be revisited – including a double materiality analysis – during 2023.

The list of Nine specific topics have been considered as key interest points, based on their importance to our stakeholders and to Haarslev business operations.

Key topics

Own operations footprint

Customer footprint

Circularity of resources

Sustainable products and food waste reduction

People and development

HSE – employee safety

Governance and compliance

Supply chain / supplier management

Strategic communication

2 Sustainability at Haarslev

STAKEHOLDERS

For Haarslev, key stakeholders mainly consist of customers, employees, shareholders, strategic partners, local communities, suppliers and the relevant international, national and local authorities. We strive for long-term partnerships with all our stakeholders.

Openness and dialogue are our preferred tools for maintaining close connections with our stakeholders, as a part of risk management procedure.



ESG DATA



The data in this ESG report is subject to continued improvement as both Haarslev and general ESG reporting standards develop further.

This report is based on the inspiration from the GRI framework regarding the included data. With the 2022 data, we are now able to report on the basis of data collected over a period of up to three years.

2 Sustainability at Haarslev

Targets and achievements

OUR CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

At Haarslev, we are committed to playing an active role, targeting specific SDGs. We have goals where an additional and more specific approach is intended.



SDGs



"Take urgent actions to combat climate change and its impacts"

Our ambition

Become the global industry leader in reducing our own operational carbon footprint and in maximising the effective use of resources, while enabling our customers to increase their own climate actions through our innovative products and services



"Ensure sustainable consumption and production patterns"

Continue to develop responsible and innovative products that positively contribute to the world's responsible consumption, while increasing own circularity of resources through appropriate initiatives that increase levels of responsibility in our own consumption of materials

2 Sustainability at Haarslev

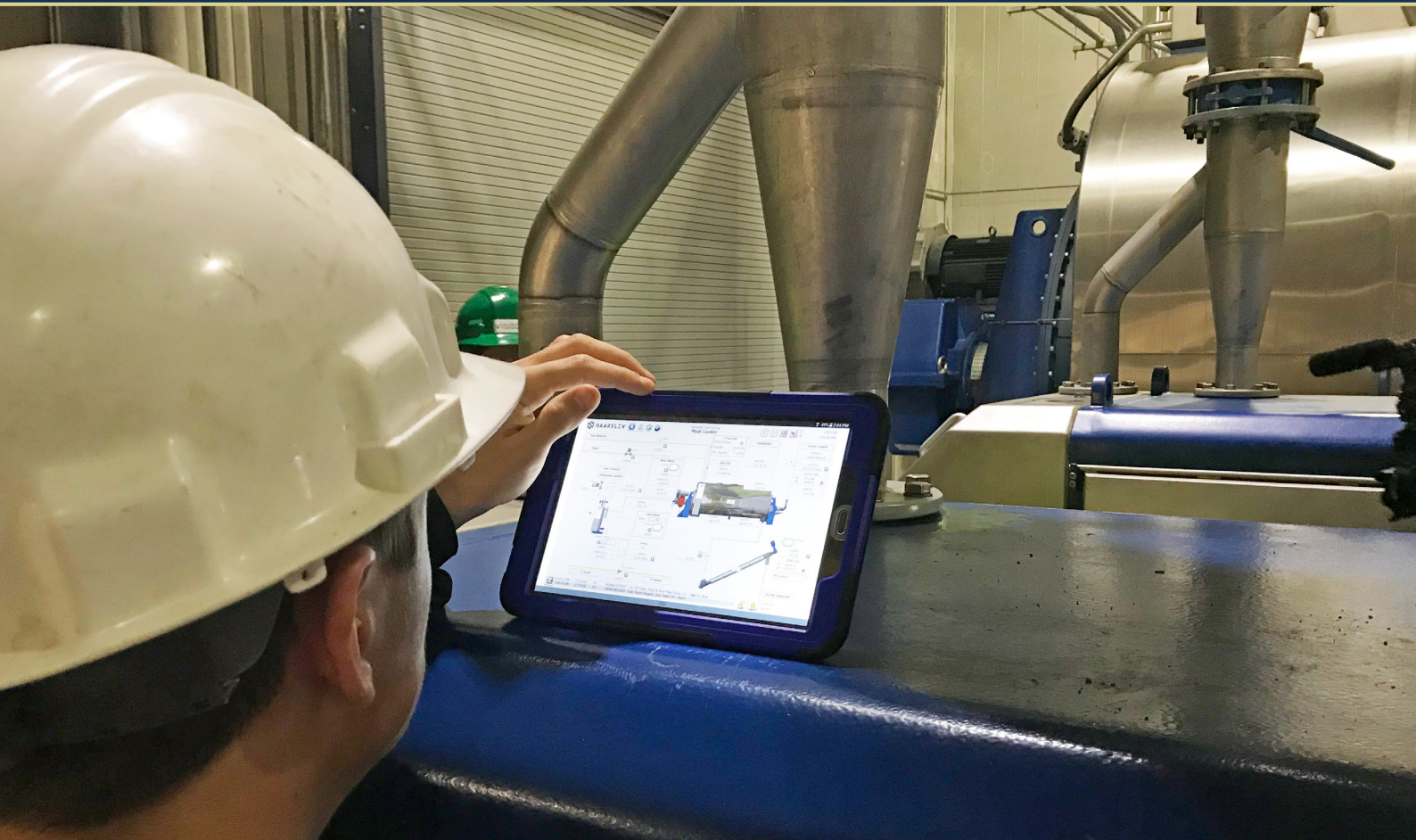
Key targets and performance

Environmental areas	SDG	Status	Achievements	Next steps
Own operations footprint 			Promote low-energy solutions	Set ambitious targets and investigate SBTi commitment
Customer footprint 			Promote low-energy solutions	Further develop innovative energy-efficient solutions
Circularity of resources 			Partnership with Stena Recycling in Denmark	Improve recycling globally and reduce material use in our products, wherever possible
Sustainable products and food waste reduction 			Included sustainability in our product development process	Investigate LCAs or EPDs for major equipment
Social areas		Status	Achievements	Next steps
People and development 			Prioritised development and training via measures that include HI leadership course and HI Academy	Integrate core leadership competencies globally
HSE - employee safety 			Measuring key HSE KPIs	Target a zero-accident culture
Governance areas	SDG	Status	Achievements	Next steps
Governance and compliance 			51% of managers trained in business ethics	100% of managers trained in business ethics
Supply chain / supplier management 			Identified all major suppliers based on carbon footprint	Start ESG screening of key suppliers
Strategic communication 			Publish first ESG report	Full GRI report Continuously communicate



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3

**MAKING
A DIFFERENCE**

3 Making a difference

Our place in the ecosystem

RESOURCE CONTROVERSY

Inconceivable amounts of resources are used to raise livestock, poultry and fish around the world. These animals consume vast amounts of water, plants, feed and energy to grow.

Many people don't realise that as much as half of the livestock, poultry and fish slaughtered for human consumption never actually gets used, whether for food or for other purposes. Large amounts simply get discarded as waste, and in many countries it may end as landfill.

Haarslev specialist technology makes it possible to deal with this left-over material – all the innards, offcuts and discards, as well as the by-products and co-products from processing operations. We help and enable Haarslev customers make the most responsible use of these precious naturally derived resources, by turning what would otherwise be low-quality leftovers and waste into other important materials that are more useful and that have greater value.

THE MULTIPLIER EFFECT

The equipment we develop, design and manufacture helps our customers with their sustainability agendas, providing equipment, systems and know-how that enable them to regard the world's resources in a responsible manner.

Like ripples on a pond, Haarslev know-how and technology centred on resource optimisation and waste reduction have important multiplier effects on meeting ESG targets at our customers' operations, all over the world.

This is where the big payoffs and benefits of Haarslev capabilities and technologies come fully into play – and where the real value lies.





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4

ESG
ENVIRONMENTAL

We have a global reach, with offices, production sites and customers all over the world.

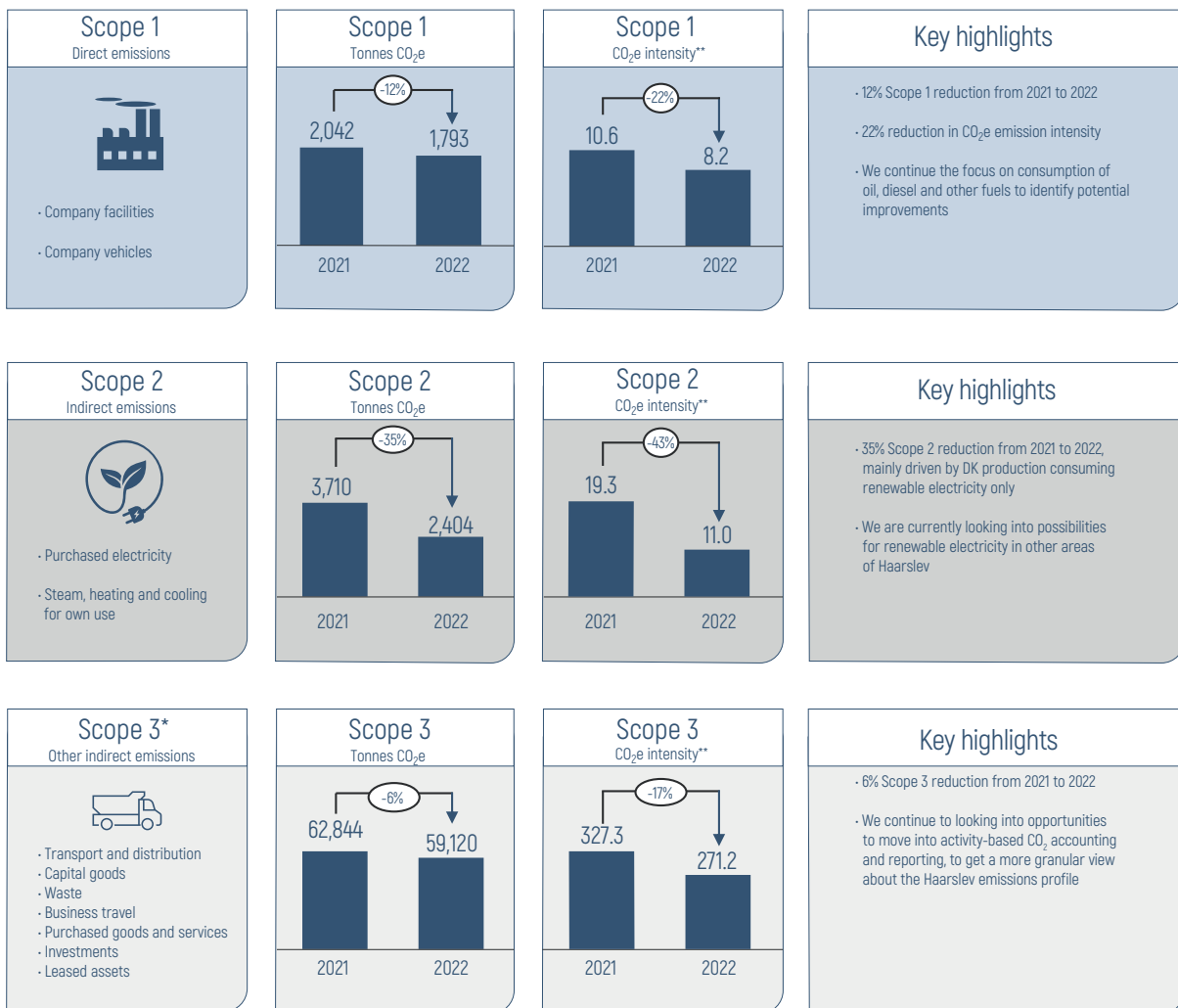
sites Denmark – and are delighted to show the results in the figures below.

We have continued our partnership with Normative – experts in actionable sustainability intelligence. Normative helps us calculate and validate Scope 1–3 GHG emissions for Haarslev, using their expert carbon accounting data analysts.

This reporting framework complies with the Greenhouse Gas Protocol.

ENERGY CONSUMPTION

Every year we use large amounts of energy to manufacture equipment and run the business. 2021 was the first year for Haarslev to report on our greenhouse gas emissions (GHGs). During 2022, maintained a strong focus on greenhouse gas emissions – especially at our



* Spend based
 ** Intensity – ratio of tonnes GHG emissions to million Euro revenue

CONCLUSION

The focus on reducing emissions from Haarslev facilities has proved favourable, with clear reductions achieved. We will continue this focus on a global level in 2023, as well as maintaining a focus on Scope 3 areas where we see potential for further improvement.

4 ESG Environmental

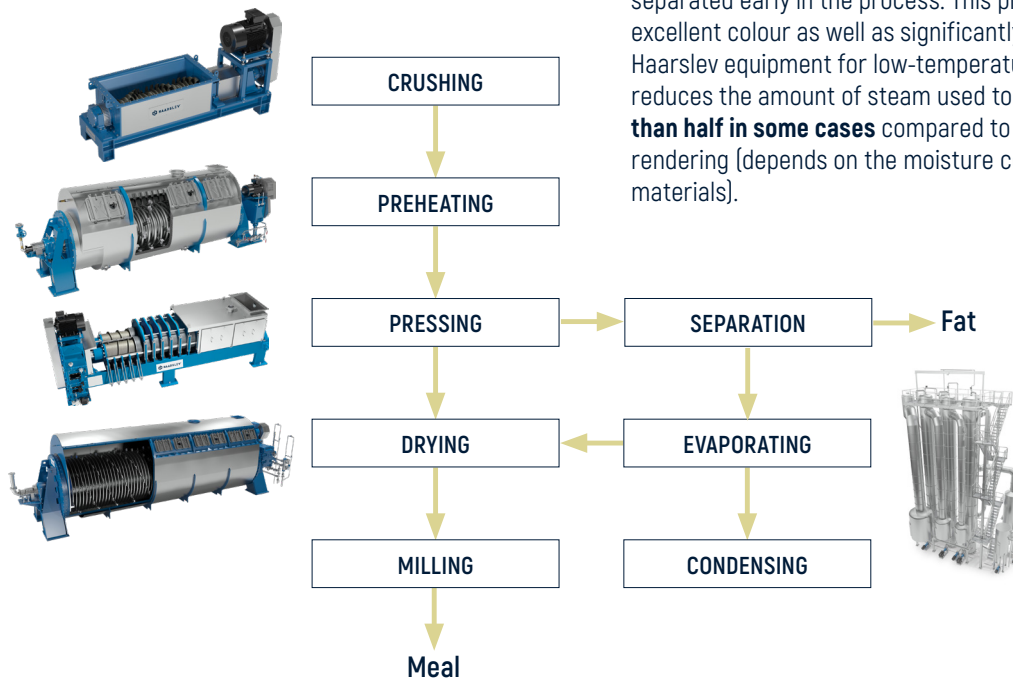
Products reducing customer footprint / refurbishing old equipment

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

To ensure operational stability and continuity for customers still using older Haarslev equipment, we have more than 30 years' of filed documentation and specifications for equipment supplied. We also offer to renovate or rebuild our customers' used equipment, thereby increasing resource efficiency for our own product line as well as our customers' operations.

One example of the environmental benefits our technology and capabilities provide is the Haarslev Low Temperature Wet Rendering process, which ensures lower energy consumption compared to traditional dry rendering processes, thus also reducing customers' operating costs.

In the wet rendering process, proteins and fat are separated early in the process. This provides fat with excellent colour as well as significantly increased yields. Haarslev equipment for low-temperature wet rendering reduces the amount of steam used to do this to **less than half in some cases** compared to traditional dry rendering (depends on the moisture content of the raw materials).



SUSTAINABILITY IN PRODUCT DEVELOPMENT



Sustainability, circularity and sustainable solutions are an integral part of the overall Haarslev product development process. Haarslev is continuously working with incorporating the sustainability mindset into our products, processes and solutions implementation. This contributes to more environmentally friendly products and services. When combined with an effective focus on HSE, Haarslev products also become safer and more hygienic.

4 ESG Environmental

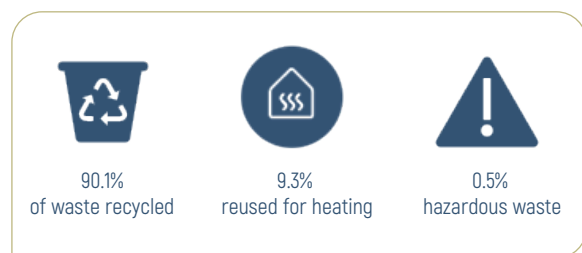
Circularity of resources

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

In 2021, our Danish production site cooperated with Stena Recycling to launch an ambitious project aimed at providing a full overview of Haarslev waste management procedures and how these are implemented.

This resulted in identifying more than 30 different waste fractions, as well as concrete measures to improve the quantities of recyclable material collected. It is now possible to view, analyse and evaluate this data on a monthly basis, giving us transparency about our waste profiles and making it possible to utilise this key information to initiate any appropriate actions.

According to Stena Recycling calculations, we have continued the good efforts and prevented more than 3 tons of CO₂ emissions in 2022 (4,8t in 2021) Furthermore we have maintained a material recycling percentage of 90% - the same as 2021. Looking forward, we will continue our focus on reducing waste as well as ensuring recycling of waste in Denmark, and also expand our focus to other Haarslev production sites.



¹Calculation: The CO₂e saving is the difference between using recycled materials compared to using virgin materials. This figure shows the quantity of emissions avoided as a result of passing carefully identified material through the recycling process, compared to emissions resulting from extracting new raw materials for the same purpose.

Managing environmental and quality risks

ENVIRONMENTAL RISKS

Our primary risk related to the environment and climate lies in the consumption of energy and resources used in our production as well as any residual waste. If this is not managed responsibly, it could negatively affect the environment. Because we are a manufacturing company, we consume energy in large quantities. We are therefore working continuously on reducing our energy consumption.

In 2021, we managed to reduce Scope 1 and 2 emission intensities for Haarslev, and we continued the reduction trend in 2022, with 13% for Scope 1 and 54% for Scope 2.

We strive to comply with local and international legislation for mitigating our environmental impacts. Although they are not contained within a formalised environmental policy, they are to some extent covered by our ESG policy, which contains the guiding principles that we operate by.

In order to achieve these goals, we continuously invest in our production facilities. For example, we have invested in upgrading lighting, installing energy-efficient LED technology as well as shifting to renewable electricity where possible. This has led to Haarslev being Scope 2 99% CO₂ neutral at our production site in Denmark for 2022.

Furthermore, we decided to invest in a software tool that enables real-time tracking of energy consumption in selected production halls at the Danish factory, enabling future decisions regarding energy improvements to be based on data, and thereby ensuring focus on highest impact.

As a part of our code of conduct we expect our partners to strive to minimise and prevent their own negative impact on the environment – from heating of buildings, consumption of electricity and waste management to the manufacture and handling of goods, distribution services and any other activities associated with their business. We expect our suppliers to integrate environmental considerations into their activities and strive for continuous improvement, by minimising any adverse effects of their activities upon the environment.

Our partners must also comply with any relevant local and national environmental laws and regulations, as well as any requirements for environmental licenses and permits.

QUALITY RISKS

We design, develop, and manufacture the machinery that our customers require to meet their particular needs and demands, and configure our products so that they always meet the specific legislation and industry standards that apply in the markets where we operate.

We work in accordance with clear procedures and policies in order to make sure our products live up to the highest possible quality standards, and that our manufacturing processes are lean, effective and energy efficient.

To strengthen our quality management frameworks still further, the Haarslev Project and Engineering Centre focuses on correcting as well as improving designs and drawings before they are used in actual manufacturing, production and assembly.

In our Haarslev production facilities, we have also established a special quarantine area to separate bad items from good items. This means we have been able to optimise workflows and at the same time minimise errors before shipping Haarslev products out to our customers.



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5

ESG
SOCIAL

The people behind Haarslev

At the core of what we do are three values: **Performance Oriented, Customer Focused and Working Together.**

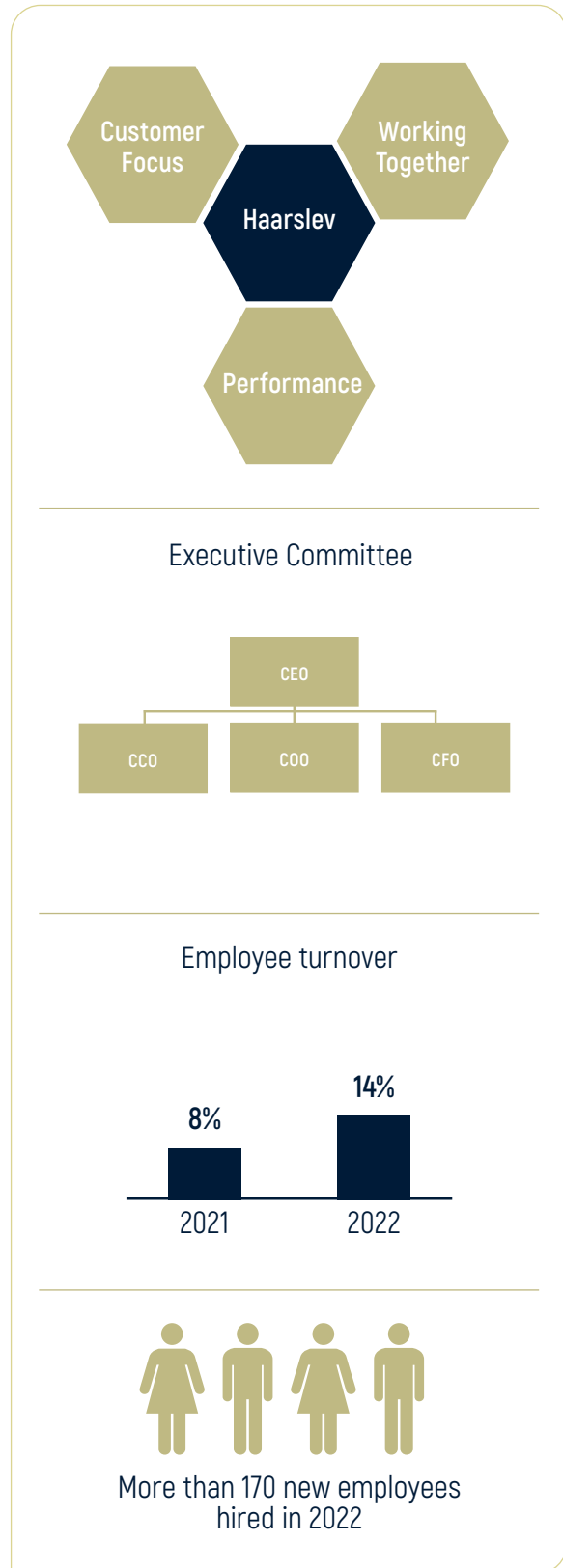
At Haarslev, we strive to become better every day by having the customer in mind while we are working together. Our employees are critical for success in our journey towards shaping a better tomorrow. It is the hard work of over 900 employees globally that makes the largest single contribution to our performance and results.

At the heart of working in accordance with Haarslev values is the Executive Committee (EC). At Haarslev, the EC and HR are jointly responsible for the company's global social and governance initiatives.

Central functions are our HR & Legal Director and People and Business Partners, who together set the direction for targeted initiatives to fulfill our promises to Haarslev employees. Locally, however, there are key representatives who make sure these initiatives are implemented effectively at all of our sites, while keeping the local community and regulations in mind.

In the period up to and including 2020, we implemented many new people-focused initiatives, including Annual Performance Reviews, Engagement Surveys, training programmes and ensuring basic employee rights and benefits. Towards 2025, the focus will be on strengthening and integrating these initiatives, and making sure we do things right regardless of where we do them.

Even though COVID-19 dramatically affected our business, order intake and revenue, the retreat of the pandemic came along with an 8% fall in employee turnover in 2021. This was below the acceptable level. In 2022, we have seen an increase to 14%, which may have been caused by organisational restructuring, the long COVID-19 period giving employees time to reflect on their work life, the general tendency towards more frequent job rotations, and the fact that many Haarslev profiles are in high demand on the general job market. On a positive note, we do see interest in Haarslev in terms of the many applications and replies to the job ads we have posted. Nevertheless, we must focus our efforts on a strong value-based culture featuring employee commitment and low turnover.



Performance requires people

To ensure performance in a complex global market, we need people of many different kinds and with many different skill sets in order to deal with a wide spectrum of tasks.

The male gender has always been significantly over-represented in our particular field of business, although gender gaps in these traditionally male-dominated fields are narrowing. Our focus continues to be on offering and ensuring equal opportunities and on driving towards a diverse workforce.

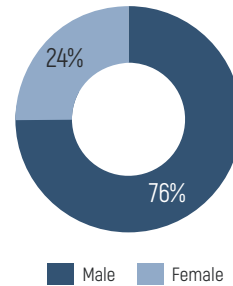
We see a great strength in a diverse workforce, and know that it is an important component in ensuring innovation and creativity. We therefore have a target of onboarding at least one female representative in the global management team as well as the board of directors within the next four years. In section 19 of the Haarslev Business Ethics Policy, we address the policy of increasing the underrepresented gender in Haarslev.

By 2021, we had 17% females in our workforce as a whole, and in 2022 we had 24%. It has not proved possible to achieve our desired aims set out for 2022 with regard to introducing female representatives on the board of directors and in the global management team. There have not been any changes to the Haarslev board of directors, and as a result no new representatives have been introduced. We emphasise that in 2022 we retained our female representation within the global management team, at a level of 11%.

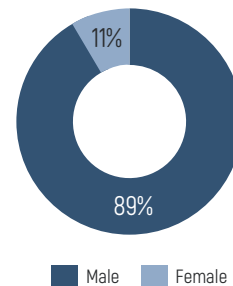
At Haarslev, we strive to treat all applicants with respect and equal focus, ensuring the best qualified colleague in respective positions within the company.

We do encounter the fact that when operating in a male-dominated industry, it is more difficult to attract and find females to management and board positions. This will, of course, not keep us from trying and hence continuing our focus on gender diversity.

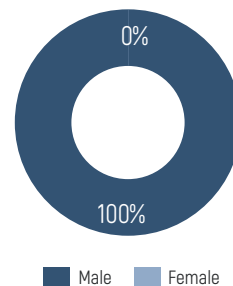
Gender diversity
Share of males and females in the Haarslev Group



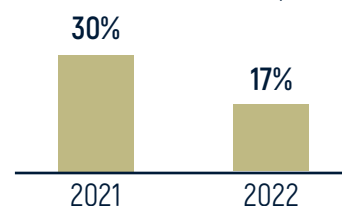
Gender diversity in the GMT
Share of males and females in the global management team



Gender diversity on the BOD
Share of males and females on the board of directors



Diversity
Share of females in leadership training



Performance requires people

Haarslev is very well aware that developing our employees and their skills is essential to staying competitive in a world with increasing competition for talent.

Having an innovative, creative and diverse workforce involve deploying a vast set of skills but also demands more of our managers, because leading diverse teams is a skill in itself. Haarslev tries to balance our focus on the development of employee and manager skill sets, because it is important that such development work is coordinated and integrated.

At Haarslev we have considerably increased our focus on employee development over recent years. The opportunities currently offered include:

- The Haarslev Leadership programme
- Leadership training and female participants
- Haarslev Academy – an online e-learning platform, currently featuring more than 115 videos featuring training material on multiple topics, targeting a broad audience of Haarslev employees.

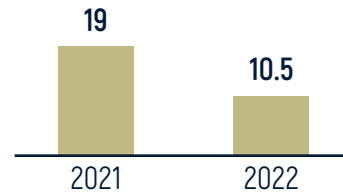
We continuously implement new initiatives to make Haarslev a more attractive company to work for. Conducting regular performance reviews as well as engagement surveys is just one way of fostering employee engagement.

Such surveys also help senior management identify areas where improvements are needed, as well as providing each department with specifics about where and how to improve working conditions and employee satisfaction. We do carry out Annual Performance Reviews (APRs) for staff working in production as well as the offices, but at the moment our systems are only able to capture the APR results for office employees. We are striving towards getting all APR data into the system to get a full overview.

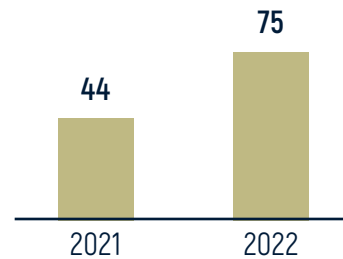
Haarslev will be focusing on establishing which employee benefits we have globally from health insurance, health checks, catering services, flexible working hours, ensuring a healthy work-life balance and celebrating employees' jubilees and personal anniversaries.

Moreover, we want to establish how we, as a company, 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 increase biodiversity or by offering internships to students from local schools, thus nurturing and ensuring the talents of tomorrow.

People and development
Average training hours per employee



People and development
Share of office employees receiving an APR



HSE – employee safety

Safety concerns are hardwired into Haarslev thinking – working together also means working safely.

We have a strong focus on safeguarding all aspects of the physical and mental well-being of our employees. We are committed to maintaining and improving high standards of health and safety in all Haarslev business entities and in all markets in which the company operates.

Our primary element of risk related to the work environment lies in the risk of accidents and job-related illnesses, which could harm individual employees as well as affecting the company’s overall ability to attract and retain our workforce.

Haarslev’s HSE strategic and operational focus is to provide high quality products and a safe and healthy working environment for all our employees and clients. The strategy is built around our value of actively caring. We operate and maintain high standards that cover everything from robust quality processes, safe systems of work, risk control measures and legal compliance, tailored to our operations underpinned by strong management commitment and support.

Haarslev production 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.

So it’s not surprising that providing a safe, healthy working environment for all our employees and sub-contractors is – and always has been – crucial for Haarslev. In fact, we consider it a basic human right, which is why HSE is a top

priority throughout the company.

During 2022, we decided to bring our many different safety initiatives together into one dedicated, focused HSE initiative to ensure the safety of Haarslev employees in our operations and offices, as well as our employees working at customer sites. The result is a global HSE policy, clearly displayed on Haarslev Intranet. The global HSE policy includes;

1 - Statement of intent

The statement lists the company’s aims for health and safety.

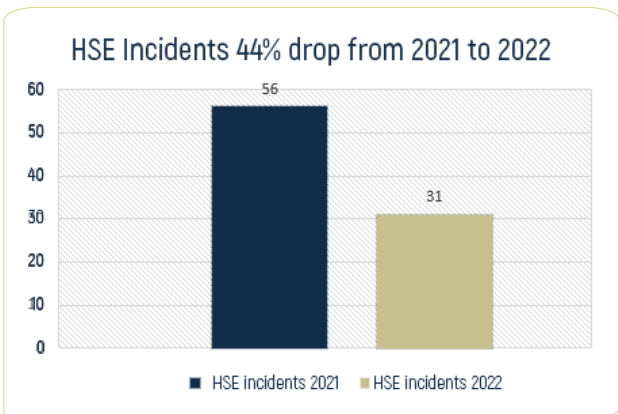
2 - Responsibilities for health and safety

This section of the policy lists the names, positions and roles of the people within the company who have specific responsibility for health and safety.

3 - Arrangements for health and safety

The arrangements section gives details of the specific systems and procedures in place. This part of our policy describes in detail how we control the risks associated with business activities such as work at height, confined spaces, chemicals, training, anti-discrimination, disciplinary action, etc.

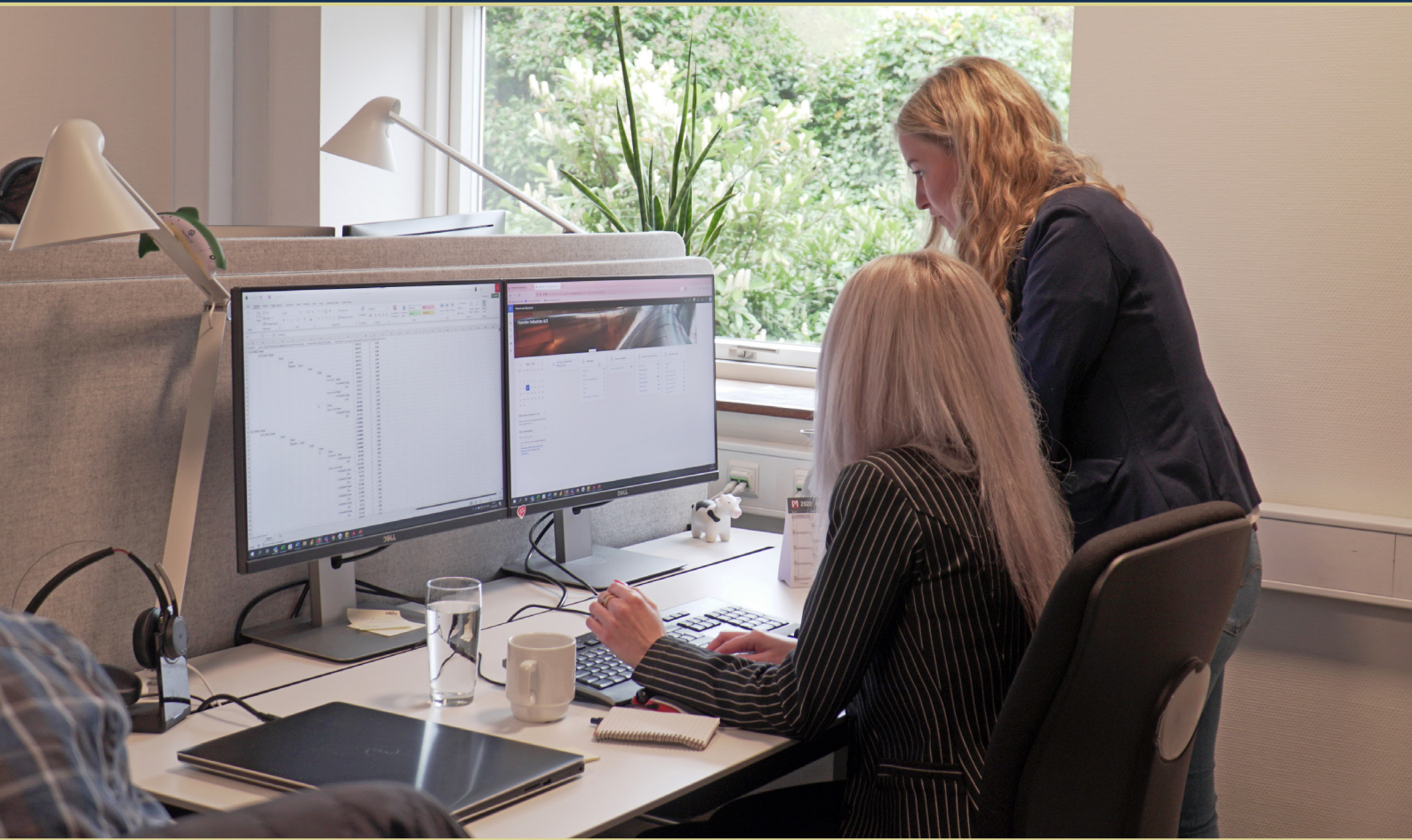
With the global HSE policy and strong management commitment, Haarslev will ensure market leadership and global compliance with regards to all appropriate and relevant health and safety concerns throughout our organisation, so far as is reasonably practicable.





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6

**ESG
GOVERNANCE**

6 ESG Governance

Human rights

At Haarslev, we strive to do business right through a value-based strategy aimed at ensuring the safety, development and training of our staff.

As an international provider of rendering and related processing solutions, Haarslev has a global network of business partners. Our suppliers are located throughout the world, and we are well aware that specific risks may occur among other business partners with regard to human rights, labour discrimination, child labour and other issues.

We strive towards making sure our most important suppliers act in full accordance with the Haarslev Code of Conduct to eliminate any such risks.

We expect our business partners to always support and respect the protection of the UN Universal Declaration of Human Rights and the Core Conventions of the International Labour Organization (ILO), and that our partners' businesses are not complicit in any abuse of human rights.

However, we do not have a separate policy that is specifically about human rights – even though these rights are important to Haarslev. We have the principles of human rights and rights at the workplace integrated in the Haarslev employee code of conduct. With that, Haarslev undertakes to support and respect human rights and core conventions of the International Labour Organization (ILO). Furthermore, human rights issues are an integrated part of the Haarslev employment policy, covering matters that include **non-discrimination**,

freedom of association and the right to safe, healthy working conditions. Human rights policy issues have been strengthened in our corporate codes of conduct for commercial partners as well as employees, and special focus has been allocated to issues associated with non-discrimination, forced/child labour, and freedom of association. We are not aware of any violations concerning human rights in Haarslev in 2022.

During 2022, we have asked all our key suppliers to sign and comply with the Haarslev code of conduct as well as investigate the opportunities to carrying out additional ESG screening of selected suppliers and setting standards for our suppliers through a global supplier policy. As of now, we have 154 signed supplier codes of conducts for 2023 and we will continue approaching all Haarslev suppliers for their signatures on similar code of conduct agreements.



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HUMAN RIGHTS VIOLATIONS IN 2022

Compliance and business ethics

We run our business in accordance with principles for good governance, in order to avoid any risk of unethical business practices, such as using illegal means to obtain an advantage. Our governance principles have full backing right from board level, via a strong, holistic approach to compliance and risk.

All our governance policies are shown on the company intranet, which is available for all Haarslev employees. Other key company policies about compliance and good business ethics are available at www.haarslev.com

CODE OF CONDUCT AND WHISTLEBLOWER PROGRAMME

The Haarslev Code of Conduct was implemented in 2017, and is revised and renewed every second year. The Haarslev Code of Conduct contains the guiding principles for the way we strive to conduct our business and was reviewed and updated in 2022.

Haarslev works with two different versions of the Code of Conduct: one for our suppliers, agents and business partners ("Partner Code of Conduct") and one for our employees ("Employee Code of Conduct"), which has been sent out to all new employees throughout 2021 and 2022, as part of their onboarding process.

The Partner Code of Conduct is published and available at haarslev.com. Business partners, such as agents and distributors, have to sign the Partner Code of Conduct before initiating any business with Haarslev.

The Employee Code of Conduct has been translated into seven languages to make sure all employees have a good understanding of this important framework for good conduct.

A whistleblower policy and programme have been implemented to support our Code of Conduct and – in particular – if a violation occurs, in order to ensure a structured, responsible process when suspected violations of the Code of Conduct, laws or business rules have been detected and for reporting any suspicion of unacceptable behaviour within Haarslev. Any concerns about such events or behaviour can be reported anonymously via haarslev.com. We are not aware of any incidents involving corruption, bribery, discrimination or legal breaches having occurred in Haarslev during 2022.

We have a working partnership with PwC to increase the value creation provided by our internal training programme about business ethics.

The training programme includes information about Haarslev's policy for anti-corruption and bribery. This policy requires a zero tolerance for corruption and bribery. Haarslev also has a zero tolerance for inappropriate gifts, entertainment or other business courtesies. Any breach of such Haarslev policies may put the company, its brand, its employees, and its products or services at substantial risk.

Any violation of the Employee Code of Conduct must be reported to the General Manager or Human Resources/ Legal department in Group, which will handle the case properly.

We are in the process of preparing a new e-learning system regarding business ethics as an alternative to the present solution provided by PwC. This will be a key deliverable for 2023.

The reason for this new solution is:

- We can provide e-learning to all relevant employees globally without limited availability.
- We will be able to use results from the e-learning to see where there is a need for training.
- All relevant employees will be obligated to complete the e-learning programme before their first day at Haarslev, with once-a-year follow-ups.

6 ESG Governance

Compliance programme

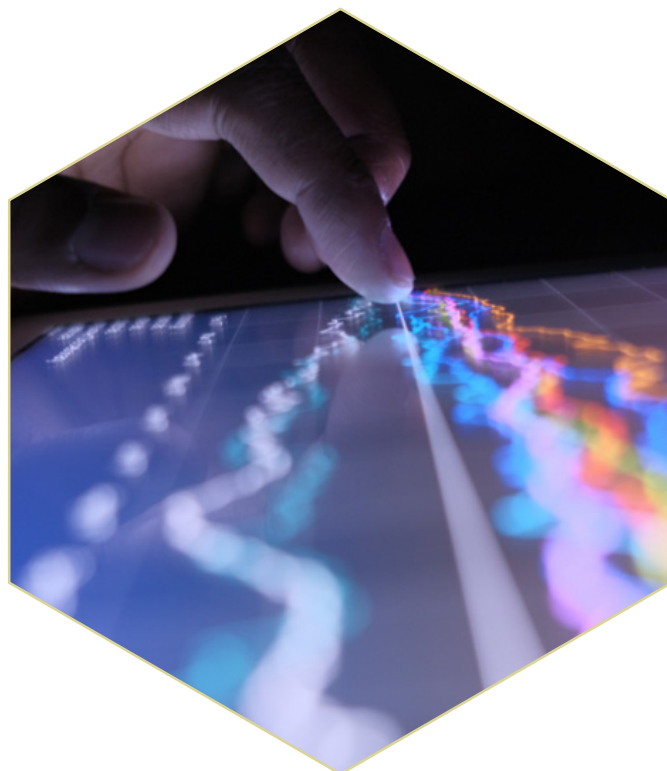
The Haarslev compliance programme consists of local regulations, internal guidelines and Haarslev procedures used to comply with appropriate legislation, rules and regulations. The Group Legal department examines the applicable rules laid out by government bodies, and is responsible for implementing this compliance programme within Haarslev.

DATA AND COMPLIANCE

The 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 the Code of Conduct, including a data protection policy. We believe that these efforts have contributed positively to the work environment at Haarslev during 2022.

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 the § 99d in the Danish Financial Statements Act because we for the time being do not have automatically generated data and algorithms done by a computer. We began such data ethics policy work in 2022, and we will continue this work in 2023. 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. During 2022, we will maintain our focus on GDPR requirements in order to make sure Haarslev continues to handle sensitive data correctly.

The compliance programme will be re-assessed on a regular basis in order to comply with latest developments and initiatives with regard to human rights, and to align all necessary Haarslev legal initiatives within one, unified framework.



6 ESG Governance

Compliance programme

CYBERSECURITY AND THE HAARSLEV BACKBONE

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. 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.

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 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 the course of 2022, we planned a global risk assessment in order to highlight our current status with regard to IT governance and security. We will kick off the actual assessment primo 2023. These measures will also identify concrete 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.

SUPPLY CHAIN

Our analysis of Haarslev Scope 3 emissions shows that around 90% of the company's carbon footprint derives from this particular category of emissions. We have used spend-based analysis to highlight hotspots in this emissions profile, and will use this information to work actively with our suppliers. To strengthen our overall governance framework, we aim for supplier screening being implemented as a working procedure in near the future.

With the appointment of an ESG Manager, we will approach the SBTi initiative during the coming year. This will require in-depth analysis of Scope 3 emissions, and a move from spend-based to activity-based analysis and reporting. We plan to carry out the work in cooperation with qualified Normative as partner.

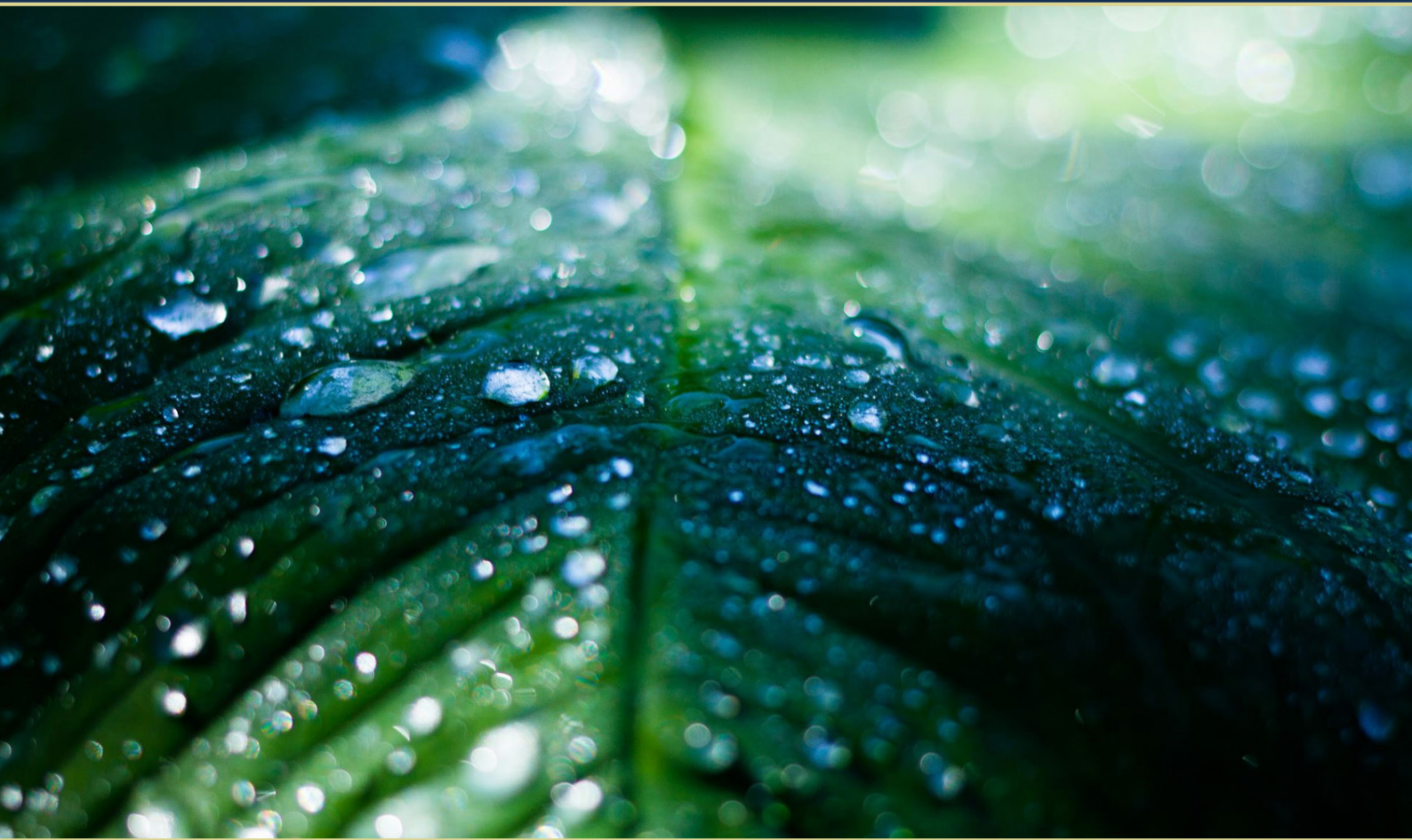
Finally, we will further investigate opportunities for beginning a more stringent ESG screening process of suppliers that we consider crucial to our business, that have a high Scope 3 carbon footprint or that are found to be a high-risk supplier from a governance perspective.





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7

**KPIS AND
SUMMARY**

7 KPIs and Summary

Scope 1

NEW FLEET POLICY To reduce the company's consumption of fossil fuels, we introduced a new car policy about the use of vehicles, insisting on only electric or hybrid cars wherever these are available. Any deviation from this fleet policy must be supported by a proper cause and approval from senior management. This approach has been carried out since 2021 and is continued through 2023.

ELECTRIFICATION We also continue with striving to electrify other areas of the company's activities, and move away from the use of fossil fuels in general. Whenever possible, we are replacing our gas and diesel forklifts and stackers with corresponding electric equipment, on an ongoing basis.

Scope 2

RENEWABLE ENERGY In 2023, we will continue to investigate opportunities for shifting to renewable energy sources. From 1 January 2022, we moved to 100% renewable electricity in Denmark, where we have our head office and main production site.

For our new German office for Haarslev Press Technology, we selected a building fitted with solar panels to increase the share of renewable energy, and we will continue this focus through 2023.

LED LIGHTS In 2021, we initiated a large project of changing more than 1,300 lights to LED bulbs in 22 production halls in Denmark. This is estimated to save approx. 850,000 kWh, while at the same time significantly improving the light available, and hence making working conditions for our employees even better.

MONITORING Our partnership with IQ Energy Nordic focusing on "you can't manage what you can't measure", has been running throughout 2022. One feature of this involved installing more than 90 sensor monitors at Haarslev facilities in Denmark to provide live monitoring of the company's energy consumption. Initial findings show potential annual savings amounting to approx. 800,000 kWh.

We are looking further into these potential savings, as well as continuing to implement other relevant improvements.

Scope 3*

DATA INSIGHTS We now have a 3-year baseline for the company's Scope 3 emissions, which gives us a deeper insight into hotspots and helps us prioritise our efforts. The analysis indicates that raw material, major components and the use of sub-suppliers together account for a large part of our Scope 3 emissions. We will continue to improve our data quality and insights in the coming years, and move the focus from spend-based to activity-based analysis.

SUPPLIER MANAGEMENT In 2022, we initiated a supplier management programme in which we investigate opportunities for engaging with key suppliers. This will involve screening them with regard to ESG criteria as well as taking a collaborative approach to identifying suitable emissions-saving projects. We will make supplier management a key focus in 2023.

* Spend based

7 KPIs and Summary

Governance data and KPIs

		Metric	2021	2022	Measurement	Standard
Environmental	GHG emissions	Scope 1 GHG emissions	2,042	1,793	Tonnes CO ₂ e	GRI 305-1
		Scope 2 GHG emissions	3,710	2,404	Tonnes CO ₂ e	GRI 305-2
		Scope 3 GHG emissions	62,844	59,120	Tonnes CO ₂ e (upstream)	GRI 305-3
		Scope 1 GHG emissions intensity	10.6	8,2	Tonnes in CO ₂ e/EURm Revenue	GRI 305-4 (a-c)
		Scope 2 GHG emissions intensity	19.3	11	Tonnes in CO ₂ e/EURm Revenue	GRI 305-4 (a-c)
		Scope 3 GHG emissions intensity	327.3	271	Tonnes in CO ₂ e/EURm Revenue	GRI 305-4 (a-c)
		Share of renewable electricity	20%	30%	%	GRI 302-3 (a)

		Metric	2021	2022	Measurement	Standard
Social	Employment	Number of FTE (at year end)	909.5	934	Number	
		Employee turnover	8%	14%	%	GRI 401-1 (b)
	Diversity	Total FTE ratio	17%	24%	Female / male ratio	GRI 203-2 (indirect), 102-8 (a) (indirect) and 401-1 (a&b)
		Executive team (global management team)	6%	11%	Female / male ratio	GRI 405-1 (a.i & b) and 102-22
		Board of directors	0%	0%	Female / male ratio	GRI 405-1 (a.i & b) and 102-22
	Employee development and dignity	Engagement survey	84%	NA	% of participation	
		Leadership training	23	12	Total participants	GRI 404-1 (all)
		Female participants in leadership training	30%	17%	Female distribution in %	GRI 404-2
		Non-discrimination policy	Yes	Yes	Policy in place	GRI 406-1
		Incidents of discrimination	0	0	Number	GRI 406-1
	HSE	Global HSE policy	Yes	Yes	Policy in place	GRI 403
		Number of incidents	56	31	Number	
	Human rights	Child and forced labour policy	Yes	Yes	Policy in place (code of conduct)	GRI 408, 403-10 (a.i)
		Human rights policy	Yes	Yes	Policy in place (code of conduct)	
		Number of human rights violations	0	0	Number	

7 KPIs and Summary

Governance data and KPIs

		Metric	2021	2022	Measurement	Standard
Governance	Supplier management	Business ethics policy for suppliers	No	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	% of signed	GRI 308-1 (all), 414-1 (all)
	Compliance	Ethics and anti-corruption policy	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%	% of managers	
		Whistleblowing channel in place	Yes	Yes		GRI 102-17 (all), 207-2 (b)
		Number of whistleblower cases	1	0	Policy in place	
	GDPR	Data privacy policy (GDPR)	Yes	Yes	Number	GRI 418-1 (all)
		Data ethics policy	No	No	Policy in place	
		Substantiated complaints concerning breaches of customer privacy	0	0	Policy in place	GRI 418-1 (all)
	ESG reporting	Sustainability report published	Yes	Yes	Number	
		Management approach to ESG	Yes	Yes	Comment	GRI 103-2 (all)
		Focus on specific Sustainable Development Goals	Yes	Yes	Comment	
		External audit of ESG reporting	No	No	Comment	

7 KPIs and Summary

GHG calculations

To calculate Haarslev's actual greenhouse gas emissions, we teamed up with Normative. The Normative Emissions Accounting Engine follows the Greenhouse Gas Protocol, the widely used international protocol for carbon accounting. This 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 Normative is paired with a corresponding emissions factor, to then calculate Haarslev's total carbon footprint.

(BUSINESS ACTIVITY × EMISSIONS FACTOR) = 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. The 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.

FOR SCOPE 1

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

FOR 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 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.

FOR 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 a supplier, that supplier's economic activity sector and the multi-regional EEIO emissions factor.

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



FOR A BETTER TOMORROW

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GLOBAL EXPERIENCE - LOCAL PRESENCE

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