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About This Report

This report outlines the sustainability goals and progress made by Espersen across the company's focus areas for the 2022 financial year. It provides an overview of our performance within sustainability and focuses on the topics that we consider most important to our business and to society.

The report constitutes the company's statutory reporting on corporate responsibility cf. §99a and §99b. The ESG figures and tables represent all locations under Espersen's operational control. The figures for 2022 include our sites in Denmark, Poland, Lithuania, and Vietnam.

The reporting scope has been expanded in 2022 to cover all remaining relevant measure points within the Greenhouse Gas Protocol. Reporting boundaries are specified alongside reported metrics. Whilst beneficial in the long term, this broadening in scope means Espersen is not able to provide historical data for metrics reported for the first time in 2022.

We strive to accurately present the data available to us. As our quality of data improves, the way we calculate and report data may need to adapt. Changes in reporting will be clearly communicated within this report.

For previous reports please visit:
www.espersen.com/commitment/sustainability

Please contact espersen@espersen.dk if you have any questions or feedback on our sustainability report.

From the CEO

Reflecting on the past year, it's clear that we will continue living in a world characterized by volatility, uncertainty, complexity and ambiguity. Espersen's ability to adapt and stay agile has been vital for continuing to supply healthy and sustainably sourced seafood during these challenging times. The ongoing conflict between Russia and Ukraine, as well as the aftermath of the pandemic, has caused supply chain disruptions and soaring food and energy prices. These global cost increases have been directly reflected in the price of fish raw materials and our production costs.

Blue Transformation: FAO's work on aquatic food systems (2022) <https://www.fao.org/documents/card/en/c/cc0459en/>

2022 also saw COP27, which whilst making some progress in responding to the damaging effects of climate change, also left many feeling frustrated that more progress was not being made in addressing the root causes of climate change.

Despite the many challenges, the sustainability of aquatic food production has remained an important topic of discussion. With the growing demand, fisheries and aquaculture hold great potential for contributing to food security and nutrition. In 2022 the FAO published its Blue Transformation Roadmap 2022–2030¹ which includes the aim to **“create aquatic food systems that can support the provision of sufficient food for a growing population in an environmentally, socially and economically sustainable manner”**. As a leader in processing fish this is a mission we believe in wholeheartedly and are proud to work towards.

This year we have demonstrated our ability to adapt to new circumstances and continue to focus on sustainability in all that we do. We are now focusing our operations in Europe and Vietnam, and have moved to a new highly efficient headquarters in Copenhagen. We believe that this increased self-reliance will improve resilience to any future disruptions, enabling us to continue providing high-quality, responsibly sourced products to our customers.

Sustainability has always been a key priority for Espersen, and this year we have made significant progress in several areas. Highlights include expansion of solar panel installation in our facilities in Poland, and the development of polyethylene-free retail boxes. We have also committed to set company-wide emission reduction targets in line with climate science with Science Based Targets.

In the upcoming year, sustainability continues to be at the forefront of our priorities. We believe in balancing consumer needs with the protection of our oceans, and we are committed to creating solutions that support both.

We are confident that by staying agile and embracing volatility as the new norm, we will be able to overcome any challenges that come our way and continue to drive positive change in regard to sustainability. Thank you to all our partners and customers for your ongoing support and commitment to sustainability at Espersen.

Klaus Nielsen



Sustainability Highlights



New headquarters in Copenhagen

Merging our Fredericia and Copenhagen offices into a new HQ in Copenhagen will help forge an even stronger company culture and enhance collaboration across Espersen. The HQ is even complete with a New Product Development kitchen.

- The building meets requirements for low energy class in Building Regulations 2018.
- The property is supplied by a new energy plant that uses wastewater in the process to deliver both district heating and cooling. The building roof is also equipped with approx. 300 m² of solar cells.
- The property has received DGNB Silver certification, recognized as the Global Benchmark for Sustainability.



It's been a continuous journey of learning and development for us, and our partnership remains unique.

— CEO Klaus B. Nielsen

Celebrating 50 years as a proud supplier to McDonald's

In 1973, we delivered our first patties for McDonald's Filet-O-Fish®, eventually becoming the sole supplier for Europe in 2006.

Retail boxes without plastic coating

Together with our packaging supplier, we have developed a new carton box with water-based surface coating instead of polyethylene lining for our retail boxes. The change will reduce our plastic usage by 125 tons per year. The carton is also a mono material, which improves recyclability.

Our commitment to Science Based Targets

Espersen has committed to set near-term, company-wide emission reductions in line with climate science with the SBTi. We submitted our targets for validation in December 2022 but SBTi approval is pending.

Expansion of solar panel installation in Poland

Additional installation of photovoltaic panels on the roof of our production plant in Poland.

Closing the loop on Fish Block Liner recycling

In collaboration with Beck Pack Systems, we are exploring solutions to reuse the wax-coating on Beck Liner's™ as a part of a building material board.

Espersen celebrated its 85th anniversary

From humble beginnings as a family-run fishing business on the island of Bornholm, to a global leader in fish processing and innovation, Espersen celebrated its 85th anniversary in 2022.

Esperesen's Business Model

An integrated seafood company committed to winning with our customers

“

Our aim was to take the best from our offices in Fredericia and Copenhagen and transform this into a new office where we also embrace hybrid working. The result is a modern office with a focus on the employees and opening for new ways of working in an environment that also includes the surrounding nature.

— Lena Ørum Lauridsen, Project Leader

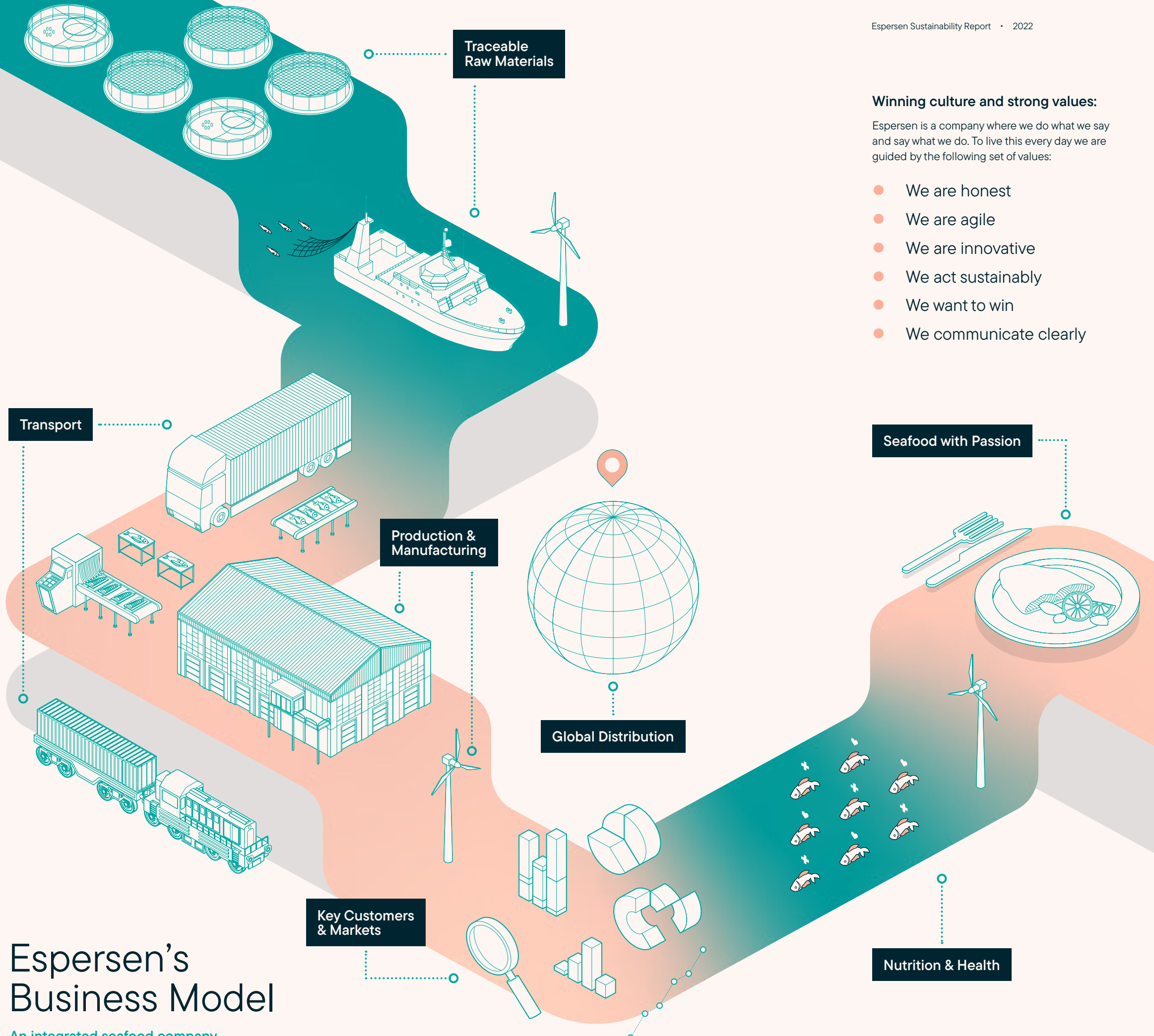


International Headquarters
for A. Esperesen A/S:
Amager Strandvej
403, 2770 Kastrup,
Denmark. Phone:
+45 5690 6000

Cod, haddock, pollock, saithe, flounder and plaice are the white fish species Esperesen predominately relies on for frozen and chilled seafood.

Key Facts:

In **2022** we employed **3253** people located in Denmark, Sweden, Germany, France, Lithuania, Poland, the UK, Russia, Vietnam, China and Malaysia. **62%** of our employees are women and **38%** are men.



Winning culture and strong values:

Espersen is a company where we do what we say and say what we do. To live this every day we are guided by the following set of values:

- We are honest
- We are agile
- We are innovative
- We act sustainably
- We want to win
- We communicate clearly

1 Leading position

We maintain significant positions in the markets where we operate, currently we have production plants and non-production units in Denmark, Sweden, Germany, France, Lithuania, Poland, UK, Vietnam, China¹, Malaysia² and Russia³.

On 1st of October 2022, we successfully merged our two Danish offices in Frederica and Copenhagen. This was an important step in improving our ways of working in Espersen and strengthening our collaboration across functions.

To maintain competitiveness, we are constantly focused on improving our productivity and utilizing our scale to be cost efficient. Espersen is recognized for its superior quality and maintaining and delivering the highest quality is paramount to us. Strong relationships with the fishers catching the raw material we source, primarily cod, haddock, pollock, saithe, flounder and plaice, is key to our success.

2 Sustainable production

Our focus on sustainability gives us a competitive advantage. As our customers increasingly look for sustainability as a differentiator, we ensure that we source and handle our raw materials with care and respect. We are always looking to reduce our impact on the environment, and we aim to make a positive difference to the communities in which we operate. Guided by the skills and passion of people, we continue to help lead the seafood industry on a journey towards sustainability.

3 Innovation

We want to provide our customers with solutions — products and or processes — they are going to need tomorrow, thereby putting them in a better position compared to their competitors. That is why our innovation is informed by our ability to understand our customer's needs.

Espersen's Business Model

An integrated seafood company committed to winning with our customers

1. By the first of March 2023, Espersen had closed its Chinese sales office. The office has been moved to our production plant in Vietnam to be closer to the production and optimize our ways of working.
 2. Espersen closed its Malaysian sales office (31.10.2022).
 3. Espersen sold its Russian operations (1.08.2022). With the transaction, Espersen's operations in Russia have ended.

Esperisen — The Story



1919

JPA Espersen marries Dagny and starts his own fish trading company

1894

Jen Peter Arnold Espersen is born



1937

JPA Espersen establishes the first cod filleting factory on Bornholm



1945

World War 2 ends and export of chilled and frozen fish to a large number of European countries accelerates

1971

The Foundation is established and takes over responsibilities of the company on December 30, 1971

1973

JPA Espersen dies / 1980 Dagny Espersen dies

2004

The holding company INSEPA is established and Beck Pack Systems enters the corporation

2021

50th anniversary of the Foundation

Jens Peter Arnold Espersen was born into a family of fishermen in 1894. Arnold — his preferred name — was bright and enterprising. At 12 he started fishing and by 1919, he had created his first fish trading company and married the love of his life, Dagny. Through dedication and hard work, Arnold grew the company, and in 1937 the family — and company — moved to the island of Bornholm, to be close to the fishing community and the abundance of fish in the Baltic Sea. Since then, Espersen has transformed it into one of the world's most important white fish processing corporations.

Up until 1995, when production was established in Poland, Espersen had only produced in Denmark. Today, Espersen continues to produce in both Denmark and Poland, and have grown their operations in Lithuania, Russia and Vietnam, with sales offices are established in the UK, France, Germany, Sweden, Malaysia and Hong Kong. Administration and management is based in Copenhagen.

Esperisen's global position is thanks to a unique ownership by a family-owned Foundation. This allows the company to think strategically and long-term across their actions, investments and business.

The JPA Foundation

In the early 70s, JPA Espersen and his wife Dagny wanted to secure the future ownership of the company. They had ambitions to secure Espersen as a Danish company, to see it grow and to give back to the communities that enabled their success. They decided to establish the JPA Foundation, which took over the full ownership of the company at the turn of 1972.

The JPA Foundation is a commercial Foundation with corporate interests and responsibilities that ensures a viable and sustainable business. At the same time, the Foundation fulfils its role by providing worthy causes with donations and support. **"Doing well by doing good"** is central part of the Foundations identity.

In the beginning, the Foundation focused on supporting social and humanitarian projects in Denmark. However, as Espersen has expanded into Europe and beyond, the Foundation has also broadened its scope to major projects in Poland and Lithuania, [and increasingly, to the work of international aid organizations.

In recent years, concerns about the ocean, its resources and climate change have accelerated the Foundation's scientific research support, in order to protect the marine environment as well as research within food technology.



Denmark:
Copenhagen
(Management and administration)

Roenne
(QSR sales, customer service)

Hasle
(Office consumer division, consumer production)

Sweden:
Stockholm
(Sales office)

UK:
Leeds
(Sales office)

France:
Boulogne-sur-Mer
(Sales office)

Germany:
Kiel
(Sales office)

Poland:
Koszalin
(Primary and consumer production, office, laboratory)

Lithuania:
Klaipeda
(Primary Production, office)

Russia³:
Novgorod
(Consumer production, office)

China¹ (Special Administrative Region):
Hong Kong
(Sales office)

Vietnam:
Ho Chi Minh City
(Primary production)

Malaysia²:
Kuala Lumpur
(Sales office)

1. By the first of March 2023, Espersen had closed its Chinese sales office. The office has been moved to our production plant in Vietnam to be closer to the production and to further optimize our ways of working.

2. Espersen closed its Malaysian sales office 31.10.2022.

3. Espersen sold its Russian operations 01.08.2022. With the transaction, Espersen's operations in Russia have ended.

Materiality Analysis

Every second year we update our materiality analysis to ensure we remain focused on the challenges identified by the scientific community, as well as the key focus areas for our stakeholders. Espersen conducted a materiality analysis in 2021, and the results of the analysis drives our sustainability strategy and program. The analysis was undertaken by an independent third party to ensure complete confidentiality and impartially.

The selection of subject areas to be included in the materiality analysis was guided by governing frameworks with The United Nations Sustainable Development Goals (SDGs) as targets. Forty nine key internal and external stakeholders responded to an online survey; scoring each issue on the urgency for action needed to address it. We approached stakeholders with backgrounds and expertise in both wild fisheries and aquaculture.

Internal stakeholders

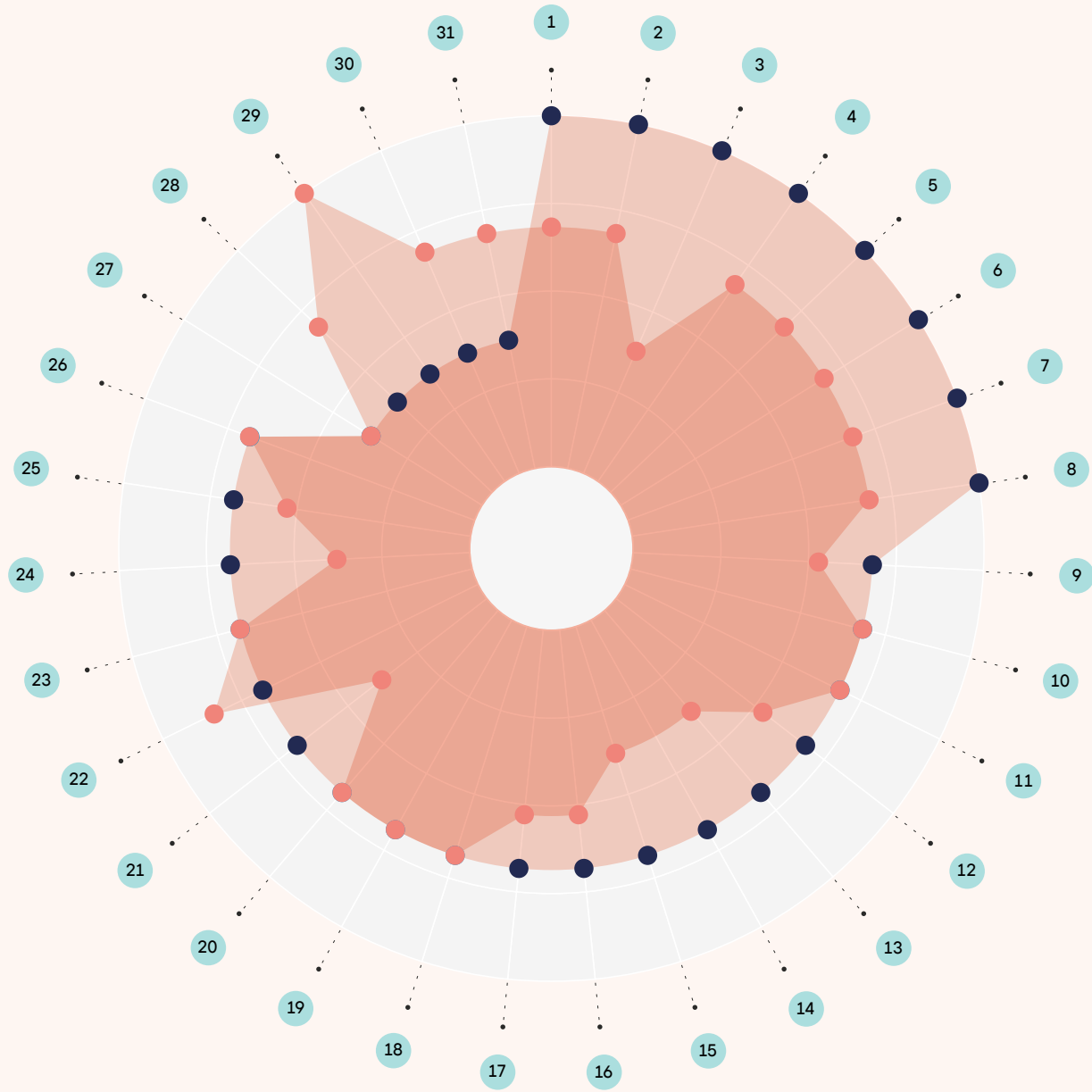
In terms of marine fishing operations, our materiality analysis revealed that internal stakeholders focused on issues related to employee rights and production quality. Within the aquaculture industry, internal stakeholders were more likely than external stakeholders to underline environmental issues, such as water pollution and habitat degradation.

External stakeholders

On the whole, external stakeholders ranked issues as requiring greater urgency than internal stakeholders; focusing on broader environmental concerns such as ocean acidification and sea floor disturbance in marine fishing. External respondents were also more likely to rate employee and human rights in aquaculture as 'essential' or 'high' priority issues to address. When asked about the most important marine fishing concern that needs urgent action to address, both external and internal respondents highlighted the negative impact of poor fishing practices at sea. When asked about the most important aquaculture concern that needs urgent action to address, the external and internal responses varied greatly, with issues ranging from water pollution (internal) to greenhouse gas emissions associated with production (external).

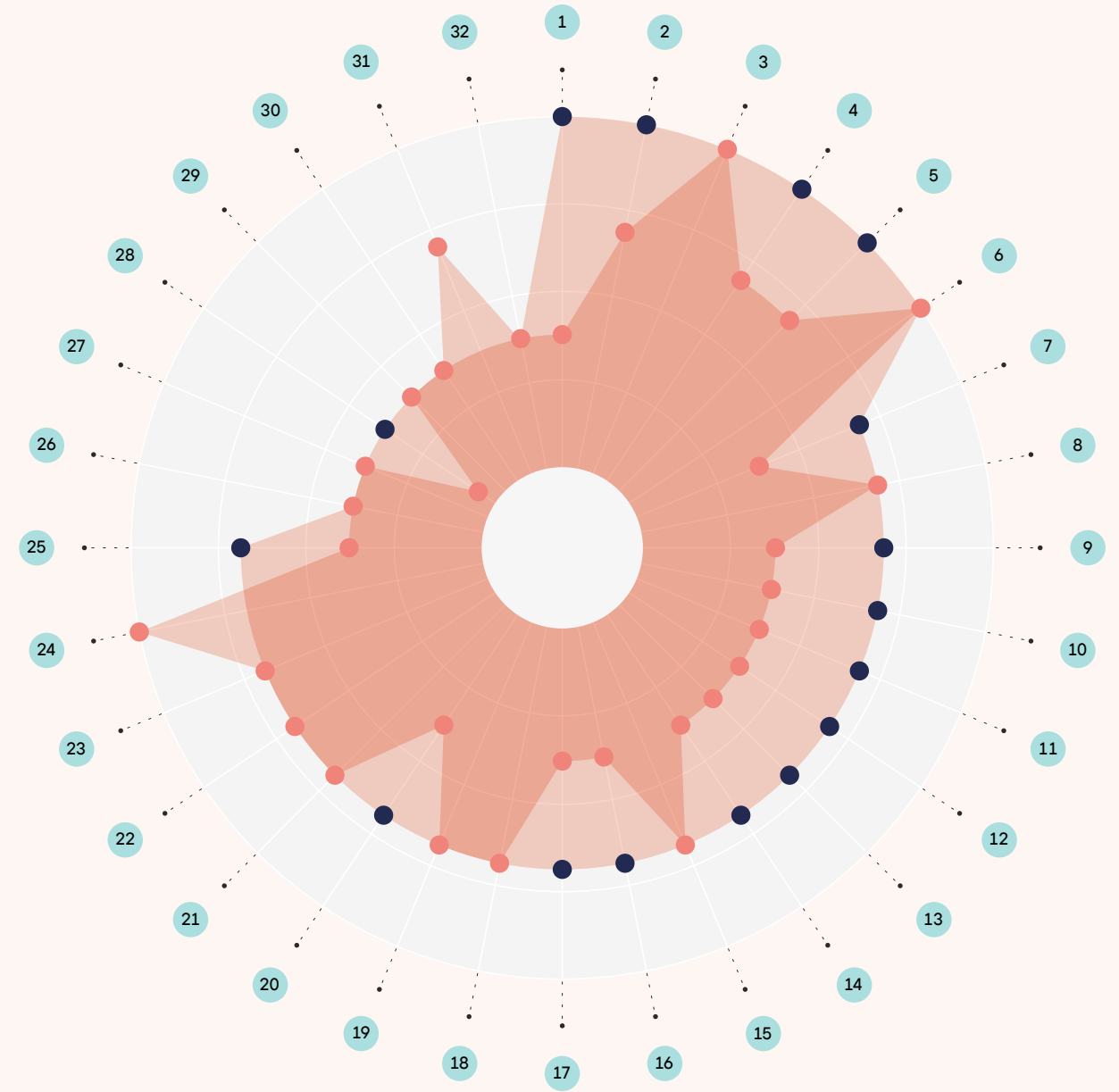


Fig 1. The median response score of both internal (orange) and external (blue) respondents regarding issues in marine fishing.



- | | | | |
|--------------------------------------|--|---|--|
| 1. Corruption | 10. Discards & bycatch | 18. Greenhouse gas emissions associated with product processing | 25. Sustainable sourcing of egg |
| 2. Diversity & equality | 11. Employee health & safety | 19. Human rights | 26. Waste at processing |
| 3. Invasive species | 12. Eutrophication from processing sites | 20. Job security, wages & hours | 27. Access to capital and infrastructure |
| 4. Ocean acidification | 13. Fair compensation for suppliers | 21. Lack of entrants/ generational succession | 28. Food quality & nutritional composition |
| 5. Product utilization | 14. Fish handling & slaughter | 22. Overfishing | 29. Food safety |
| 6. Sea floor disturbance | 15. Fish method of capture | 23. Plastic pollution at sea | 30. Forced labor |
| 7. Sustainable sourcing of dairy | 16. Freshwater use | 24. Shareholder returns | 31. Sustainable sourcing of soy |
| 8. Sustainable sourcing of packaging | 17. Greenhouse gas emissions associated with ocean fishing | | |
| 9. Coastal community livelihoods | | | |

Fig 2. The median response score of both internal (orange) and external (blue) respondents regarding issues in aquaculture.



- | | | | |
|---------------------------------------|--|---|---|
| 1. Disease & mortality | 10. Corruption | 17. Greenhouse gas emissions associated with aquaculture production | 25. Wild escapees |
| 2. Employee health & safety | 11. Diversity & equality | 18. Greenhouse gas emissions associated with product processing | 26. Job security, wages & hours |
| 3. Food safety | 12. Fair compensation for suppliers | 19. Local engagement | 27. Lack of entrants/ generational succession |
| 4. Forced labor | 13. Fish handling & slaughter | 20. Product utilization | 28. Shareholder returns |
| 5. Human rights | 14. Fish welfare in production | 21. Sustainable sourcing of packaging | 29. Sustainable sourcing of dairy |
| 6. Use of medicines & chemicals | 15. Food quality & nutritional composition | 22. Sustainable sourcing of soy | 30. Sustainable sourcing of egg |
| 7. Access to capital & infrastructure | 16. Freshwater use | 23. Waste at processing | 31. Use of GM technology |
| 8. Aquaculture farm waste | | 24. Water pollution | 32. Wildlife interactions |
| 9. Benthic habitat degradation | | | |

Long Term Impact

A long term impact matrices was developed following the Materiality Analysis conducted in 2021. The matrices show the potential long term impact of each aquaculture and marine fishing issue on Espersen’s business, against the ability of Espersen to control and manage each issue. The final results of the most material areas to our business, are shown below. The position shows the degree of stakeholder interest and potential business impact. The outcomes of the materiality analysis will feed back into our significant sustainability risks.



Fig 3. A matrix that shows the potential long term impact of all sustainability issues across marine fishing and aquaculture, against the ability Espersen has to control and manage it. The top 10 issues for each sector, as determined by internal and external stakeholders, are highlighted in bold.

An evaluation of our sustainability risks was undertaken to identify areas which pose a significant risk to our business. The analysis resulted in 8 priority areas shown in the table below; marine biodiversity, climate change, sustainable sourcing, resource use, human rights, personnel, food safety and governance. The results of the analysis have informed Espersen’s future sustainability program.

Significant Risk	Risk Description	Impact	Mitigation and Steering
Marine biodiversity	<p>Ocean biodiversity has decreased because of the destruction of habitats by pollution and eutrophication, destructive fishing practices and climate change.</p> <p>Biodiversity plays a vital role in maintaining the functionality and productivity of marine ecosystems, making habitats more resilient to environmental change and buffers against rising temperatures.</p>	<p>Reduced biodiversity could have diverse implications for fishing productivity, with a particular decline in target species.</p> <p>The livelihoods in coastal communities could be impacted by reduced catch and available species.</p> <p>Reduced marine biodiversity could affect global food security as species become more scarce and less productive.</p>	<p>We work to promote sustainable sourcing and fishing methods.</p> <p>The work is guided by our sustainability program <i>"Our sea, Our fish, Our food"</i>.</p>
Climate change (greenhouse gas emissions)	<p>Climate change is affecting our producers both locally and globally, and has negative consequences such as sea ice loss, rising sea temperature, moving fish stocks and extreme weather conditions such as torrential rain, floods, heat waves and dry wells.</p>	<p>Rising sea temperature could cause certain fish stocks to shift, with ramifications on fishing patterns.</p> <p>Could affect fish sizes.</p> <p>Product shortages could have potential implications for our customers.</p>	<p>Risk mitigation plays a big role when choosing a supplier, and we work to ensure we spread the risks as much as possible. This work is guided by our sourcing plan and our supplier risk assessment.</p>
Sustainable sourcing	<p>The global demand for material goods and food continues to grow. Sourcing sustainably requires strategic planning and innovation to avoid negative impacts on ecosystems and communities.</p>	<p>Poor sourcing decisions could have major impacts on ecosystems and communities.</p> <p>Could lead to overfishing.</p> <p>Damaging sourcing practices could impact the reputation of the wider seafood industry.</p>	<p>Mapping our supply chain and working closely with our suppliers.</p> <p>Monitor scientific reports of each of our resources to help interpret future trends and guide our procurement decisions.</p> <p>This work is guided by our sourcing plan and our supplier risk assessment.</p>

Significant Risk	Risk Description	Impact	Mitigation and Steering
Resource use (Water, energy, heat, raw material)	<p>Over consumption of natural resources results in environmental degradation, depletion of fresh water reserves, fish stocks and natural forests.</p>	<p>Production demand for water could affect the livelihoods of local communities and limit their access to safe drinking water.</p> <p>Over consumption could lead to increased food insecurity and human conflicts.</p> <p>Water scarcity could cause loss of biodiversity.</p>	<p>Promote efficient production methods and water management, for long-term sustainable production.</p> <p>The work is managed through our sustainability program, the Mission Climate Friendly initiative, risk and vulnerability analysis.</p>
Human rights in the supply chain	<p>Risk of human rights violations in global supply chains.</p>	<p>Insufficient oversight or lack of compliance could lead to human rights abuses, labor rights violations and illegal child labor.</p> <p>Weak or no policies could cause poor, unhygienic, or unsafe working conditions.</p> <p>Could compromise our reputation.</p>	<p>We work to ensure that all our suppliers follow our strict code of conduct.</p> <p>This work is guided by our code of conduct, supplier approval process and third and second party supplier audits.</p>
Retain and recruit personnel	<p>Espersen’s future is, to a significant extent, dependent on the ability to retain, recruit and skills development of employees.</p> <p>Lack of a diverse and equal workforce is a strategic business risk, reducing the variety of skills, motivations and experiences within the company.</p>	<p>A loss or lack of skilled staff could lead to decreased productivity, morale and work culture.</p> <p>Could compromise our reputation.</p> <p>An inability to recruit or retain skilful personnel could have an impact on our profits and market position.</p>	<p>We are building a supportive and inclusive workplace.</p> <p>This work is guided by our Personal development plan (PDP), succession planning and talent management program.</p>
Food safety	<p>Deficient food safety during handling, processing and storage of our products can lead to health risks at consumption.</p>	<p>Poor food safety and hygiene could put our consumers health at risk.</p> <p>Could jeopardise our reputation and license to operate.</p> <p>Could have an impact on sales, profits and market position.</p>	<p>We work actively with quality assurance through: HACCP, self-assessment and third-party certification, for our suppliers, production sites and through second party supplier auditing.</p>
Corruption, fraud, threats & sabotage	<p>Risk of corruption and / or bribery, fraud, threats and sabotage or lack of ethics in the supply chain.</p>	<p>Potential exposure to investigations and other penalties.</p> <p>Could compromise our reputation.</p> <p>Could have an impact on sales, profits and market position.</p> <p>Fraud and corruption could impact the reputation of the wider seafood industry.</p>	<p>This work is guided by our code of conduct, anti-corruption policy, whistleblowing system and training for employees.</p>

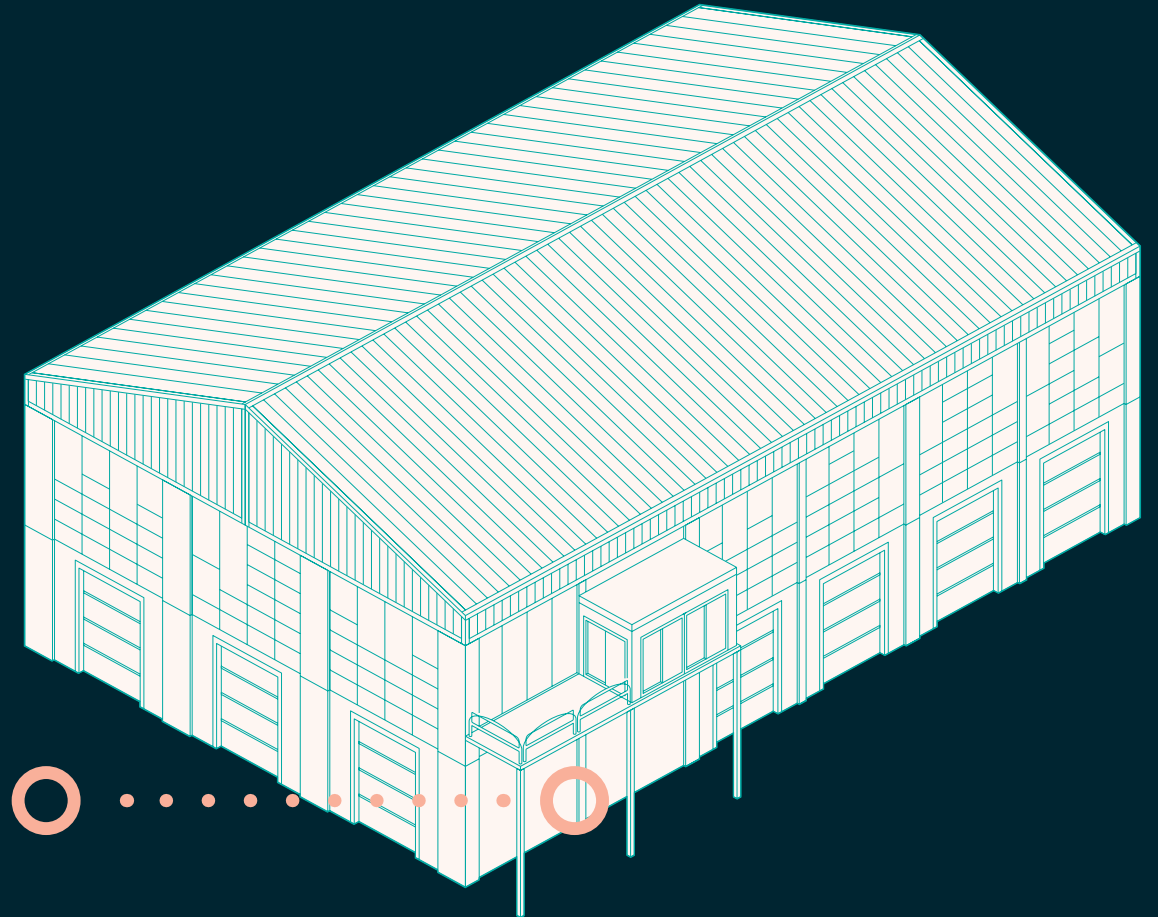
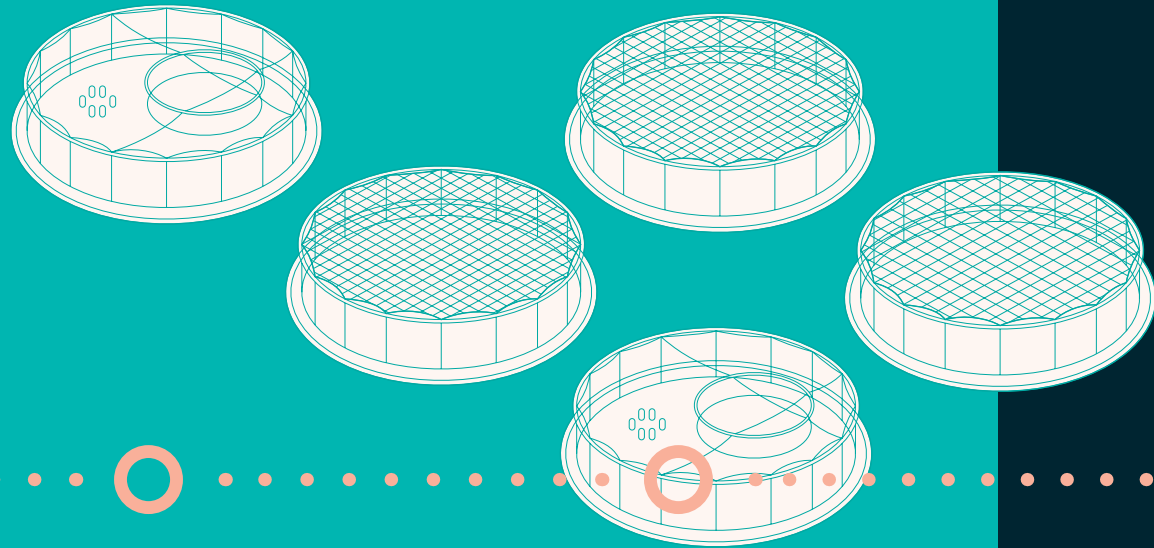
Food systems are integral to the health of our consumers and the sustainability of the planet. Sustainability is about being fit for the future, which means being ready to adapt and striving to achieve more. Developing inclusive, sustainable, and healthy food systems is essential to reaching the Sustainable Development Goals (SDGs).

1. Sustainable Seafood | Industries | WWF ([worldwildlife.org](https://www.worldwildlife.org))
2. Sustainable fishing and communities | Marine Stewardship Council ([msc.org](https://www.msc.org))

For Espersen, this means we continuously review our sustainability program to ensure it effectively tackles the most pressing issues facing our business, and the environment in which we operate. The areas we work in are identified and supported by the priorities of internal and external stakeholders, as well as ongoing evaluation of the latest scientific papers.

Oceans cover three quarters of the Earth's surface, with approximately 3 billion people depending on healthy oceans for their primary source of protein¹ and over 200 million people employed in marine fisheries.² This is why the SDGs are a core element of our sustainability program.





Net Positive Fishing

Conserve and sustainably use the oceans, seas and marine resources as a vital source of healthy and affordable food.

Resource Use

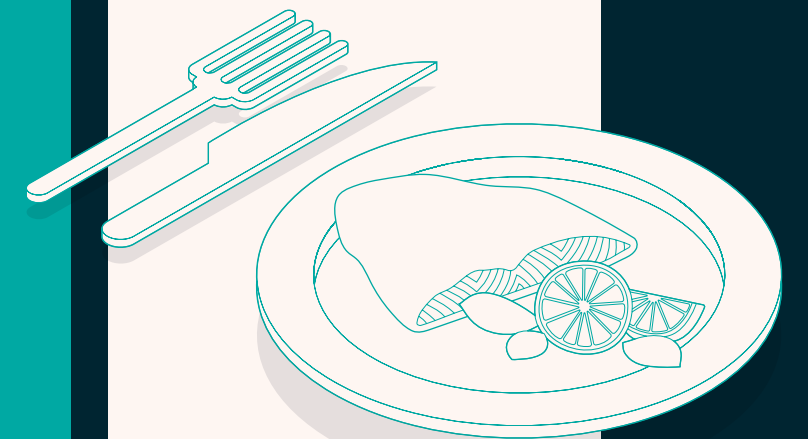
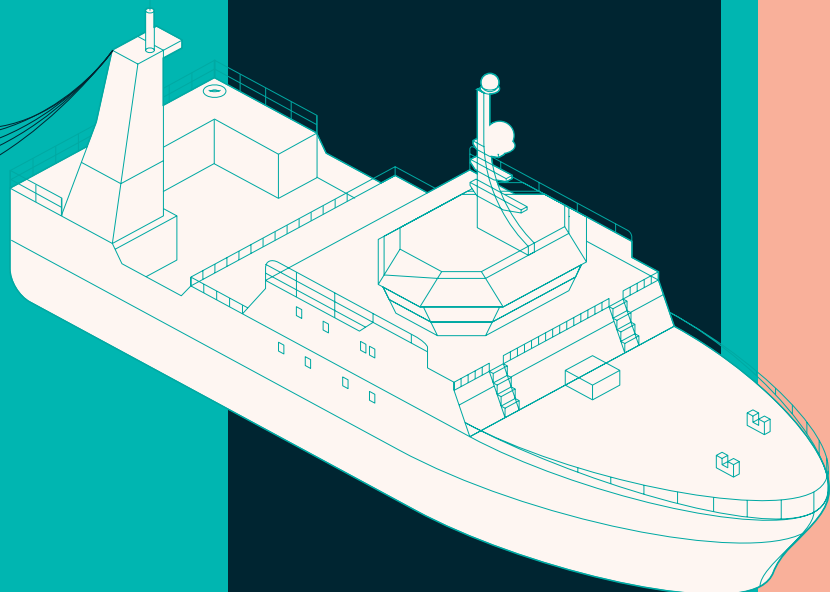
Use resources responsibly with the aim of decoupling waste, water and energy use from our production footprint.




Supply Chain Integrity

Secure a traceable supply of 'delicious seafood with passion' from viable fish stocks and best-practice aquaculture.



Worker Health & Welfare

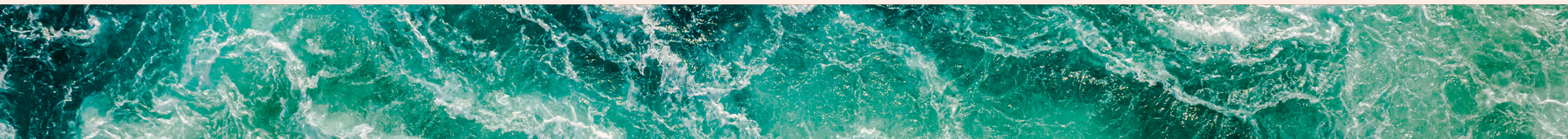
Ensure all of our employees recognize Espersen as a good and safe place to work, wherever we are in the world.





Focus Area	SDG Goal	Espersen Goal	Objective	Reported Results (update)
Net Positive Fishing	 Goal 14: Life below water Conserve and sustainably use the oceans, seas and marine resources. Target 14.2: Sustainably manage and protect marine and coastal ecosystems. Target 14.4: Effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible. Target 14.C: Enhance the conservation and sustainable use of the oceans and their resources.	Conserve and sustainably use the oceans, seas and marine resources as a vital source of healthy and affordable food.	Identify and promote new gear technology with improved fish handling, selectivity and reduced energy use and environmental impact.	We participate and support industry initiatives that promote sustainable development in fisheries and production of seafood. Member of AIPCE-CEP Sustainability Working Group (European Commission). Founding member of GSSI.
			Demonstrate that the marine fishing industry can play a key part in providing a healthy diet in the coming decades within acceptable environmental and ethical impact limits.	We are supporting the development of new technologies to better understand the consequence to fishing patterns and utilizing data to improve efficiency.
Supply Chain Integrity	 Goal 2: Zero hunger End hunger, achieve food security and improved nutrition and promote sustainable agriculture. Target 2.4: By 2030, ensure sustainable food production systems.	Conduct business in a sustainable manner that encompasses concerns about resource use and protecting the oceans. Ensure we safeguard seafood supplies for future generations, including wild and farmed fish raw material, packaging and ingredients.	Ensure purchasing decisions are based on robust sustainability criteria, such as GFSI (Global Food Safety Initiative), GSSI (Global Sustainable Seafood Initiative) and SSCI (Social and Scheme Management Criteria) recognized industry schemes and standards.	96% of all sourced fish is certified against a GSSI recognized scheme such as MSC, ASC or GlobalG.A.P. 66% of our suppliers are certified against a GFSI approved standard.
	 Goal 8: Decent work and economic growth Promote inclusive and sustainable economic growth, employment and decent work for all. Target 8.7: Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking.			Implement monitoring system of all sourced fish (wild and farmed). Ensure purchasing decisions are based on robust social compliance criteria, such as SSCI (Social and Scheme Management Criteria) recognized industry schemes and standards.



Focus Area	SDG Goal	Espersen Goal	Objective	Reported Results (update)
Resource Use	 <p>Goal 13: Climate action Take urgent action to combat climate change and its impacts.</p>	<p>Use resources responsibly with the aim to decouple waste, water and energy use from our production and supply chain footprint.</p>	<p>Use 100% renewable energy at our production plants by 2025. Promote on-site renewable energy installations e.g., solar panels.</p>	<p>In 2022 we moved to renewable energy for our production plants in Poland and at our headquarters in Denmark. In 2022 overall energy use decreased by 3% compared to 2021. Additional installation of 200kW photovoltaic panels on the roof of our production plant in Poland.</p>
	<p>Goal 8: Decent work and economic growth Target 8.4: Decouple economic growth from environmental degradation.</p>		<p>Set science-based targets in accordance with the Business Ambition for 1.5°C.</p>	<p>During 2022 we mapped 100% of our emissions in accordance with the Greenhouse Gas Protocol and submitted our emission reduction targets to the Science Based Target Initiative (SBTi). Approval is pending.</p>
	 <p>Goal 12: Responsible consumption and production Ensure sustainable consumption and production patterns. Target 12.3: By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply. Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p>		<p>Decouple energy and water use from kg of product produced.</p>	<p>Energy usage per kg of produced product remained unchanged at 0.76 kwh per kg product in 2022. Total water use increased by 3% as a result of supply chain challenges.</p>
			<p>No waste to landfill.</p>	<p>Compared to 2021, the volume of waste sent to landfill decreased by 70% to a total of 158 MT.</p>
			<p>90% Carcass Utilization of fresh/frozen fish by 2022. Reduce food waste in our own operations by 50% by 2030.</p>	<p>76% Carcass Utilization of fresh/ frozen fish in 2022 (77% 2021). Target not achieved. In 2022 our food waste accounted for 4,741 tons, a decrease of 10% from 2021. Member of the Champions 12.3 coalition.</p>



Focus Area	SDG Goal	Espersen Goal	Objective	Reported Results (update)
Packaging	<p>Goal 12: Responsible consumption and production</p> <p>Ensure sustainable consumption and production patterns.</p> <p>Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.</p> <p>Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p>	<p>To minimize the environmental impact of our packaging whilst not compromising on food safety and food waste.</p>	<p>Ensure purchasing decisions are based on robust sustainability criteria based on renewable packaging materials.</p>	<p>Removed unnecessary packaging and packaging size or/and weight.</p>
			<p>100% mono material packaging by 2025.</p>	<p>100% FSC certified carton for retail boxes and master cartons.</p>
			<p>100% retail boxes without PE coating 2025.</p>	<p>Introduced retail boxes with a water-based coating for a reduction of 250kg of PE coating. Roll out during 2023.</p>
			<p>Explore recycling opportunities for block liners for frozen fish raw material.</p>	<p>Conducted a feasibility study of the recycling of block liners together with the Danish Technological Institute.</p>
			<p>Investigate recycling opportunities for Styrofoam boxes used in chilled products.</p>	<p>Closed the loop on block liner recycling in collaboration with Beck Pack Systems, which were reused as a part of a building material.</p>
			<p>Increase pallet utilization target 90% by 2023.</p>	<p>Conducted a stretch film optimizer study 2.0 with the aim to downgauge our LDPE material further.</p>
Worker Health & Welfare	<p> Goal 8: Decent work and economic growth</p> <p>Target 8.8: Protect labor rights and promote safe and secure working environments for all workers.</p>	<p>Ensure all our employees recognize Espersen as a good and safe place to work, wherever we are in the world.</p>	<p>Maintain the SEDEX membership to manage and improve working conditions in our global supply chains.</p>	<p>100% of facilities are audited against the ETI Base Code using the SMETA methodology or audited to customer specific higher standards.</p>
			<p>Analyze significant risks related to health and safety in the workplace and develop an action plan to minimize these risks.</p>	<p>119 accidents in 2022 (71 accidents in 2021). We experienced an increase in accidents as a result of more new employees at our production plants post-pandemic.</p>
	<p> Goal 5: Gender equality</p> <p>Achieve gender equality and empower all women and girls.</p> <p>Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making.</p>		<p>Develop a strategy to improve a more even gender distribution at all levels of management.</p>	<p>One of the seven appointed Board members are women (14%).</p> <p>Gender-based reporting for all levels of management across the Group.</p>





Net Positive Fishing

Goal:

Conserve and sustainably fish from our marine resources, as a vital source of healthy and affordable food.

Objectives:

- Identify and promote new innovations and gear technology with improved fish handling, selectivity and reduced energy use and environmental impact.
- Demonstrate that the marine fishing industry can play a key part in providing a healthy diet in the coming decades within acceptable environmental and ethical impact limits.

What we are doing:

- We participate and support industry initiatives that promote sustainable development in fisheries and production of seafood.
- We are supporting the development of new technologies to better understand the consequence to fishing patterns with onboard 'live' monitoring systems and utilizing this data to improve efficiency of fuel use and procurement of raw material.
- We collaborate across the supply chain. The fuel consumption of fishing vessels account for the majority of Espersen's emissions. Collaboration is crucial to achieving our Scope 3 target. A further lever could be that we make adjustments to the fish species we source towards species with a lower emission intensity.



Supply Chain Transparency

The segregated nature of global seafood supply chains can result in mislabelling and species substitution, despite best efforts to cooperate across the industry. In fact, IBM found that 20% of seafood samples worldwide are mislabeled¹. Transparency across the chain is crucial for promoting sustainability and protecting both consumers and the environment.

Furthermore, as consumer awareness of the social and environmental elements of food production grows, the market demand for quality and transparency is greater than ever. Tracking the journey of seafood from catch to plate allows stakeholders to regulate the industry and promote responsible fishing. With this in mind, Espersen joined forces with industry partners, suppliers and research organisation SINTEF for a project called *HermChain*. The project collected fish species, origin, catch quantity, and date information to help establish an innovative supply chain transparency database in the form of a blockchain.

Stepping into the next phase

Three years on, and armed with some preliminary results from *HermChain*, the project partners are embarking on the second phase of the program; WATSON. WATSON is a methodological framework which combines a set of tools and systems to help prevent fraudulent activity across supply chains. Using emerging technologies, such as AI, a novel and non-invasive traceability regime will be developed for food product analysis. From fishers and processors to traders and retailers, the blockchain network will allow for the secure transmission of data

across all the different stages and companies involved. Finally, a unique labelling system will not only offer consumers access to the history of the fish but safeguard its authenticity and safety.

Contributing to the bigger picture

International strategies, such as the European Green Deal, offer a solid foundation for resilient food systems. Although Espersen's involvement with the project focuses on Norwegian white fish, there are potential applications for this technology across all types of food, meaning the WATSON project will contribute significantly to the EU's Farm-To-Fork strategy. As well as reducing fraudulent activity, these new "digital footprints" are likely to reduce imports that do not comply with EU environmental standards and encourages companies outside the WATSON project to start thinking about their own traceability. Ultimately, these technological advances will increase accountability, reduce fraud, and enable consumers to make informed decisions about their food.

¹ <https://www.ibm.com/blockchain/resources/food-trust/seafood/>



Charting a course to sustainable fishing: life onboard a US pollock factory trawler



Scott is the captain of the Alaska Ocean fishing vessel.

“

I want to leave a fishery that's healthy and sustainable.

Developing a strong relationship with the fishers that catch our raw material is key to the success of our company. To shine a light on these outstanding partners, and showcase how they implement sustainable practices, we have interviewed Scott Symonds and Jim Johnson from Glacier Fish.

How long have you been working in the fishing industry?

I've been in the fishing industry for more than 40 years. I started out working as a deckhand before getting my merchant mariners licenses and had the chance to work up through the ranks. By the 1980s, I was working in the pollock industry, and I have been the captain of the Alaska Ocean for the last 25 years. We work hard but get big windows of time off which means spending a lot more quality time with your family. Fishing is an addictive lifestyle.

What does a typical day look like for you?

I usually start by communicating with the night crew, checking my emails, the weather, production and see how we are doing. Having the production overview in my cabin means I can look up and see how much fish we process, what we are producing and gauge how things have gone throughout the night. I usually arrive at the wheelhouse 30 minutes before my shift, have a cup of coffee and take it all in. From then on, my day is mostly navigating, fishing, and communicating with the factory. Their needs can change so we need to be flexible and keep the balance for them. Generally speaking, we are at sea for around 10 days at a time. January is a good time to head out, just as the fisheries are schooling.

Have you felt the effects of a changing climate on your work over the years?

We had a couple of consecutive winters where there was a change. The Bering Sea was covered by ice, and it retreated quickly so we noticed the water temperature rise. I believe there were scientists documenting species moving further north and we were told that long liners needed to fish quite a bit further north than they normally would. Luckily, we don't go up that way. Those following seasons, we noticed the fish were not schooling as densely in the summertime.

This winter is looking colder in Alaska, so we predict a more typical fishing season ahead. Pollock is a stable fishery. It has been consistent year after year, and we have not experienced as much risk as some other fishers.

Why is sustainability important to you and your work?

I think about this quite often. Being on the ocean and fishing to feed the world, so to speak, you have a responsibility to be a good steward to the environment. The oceans are our future, our children's future and grandchildren's future, so you have to think a little further down the road. You have to think about the bigger picture.

I want to leave a fishery that's healthy and sustainable. I believe the pollock fisheries have been the most stable and it generates great jobs. We need to find the balance and take care of our oceans.

What steps do you take to improve the sustainability of your operation?

It's an ongoing process and we are meeting with a couple of industry groups this next week whilst all the captains are in town, which helps with progress. We meet with scientists, talk about the weather patterns, the fish stocks, what we are doing to avoid bycatch and any new species of concern. All us captains know each other, and we communicate regularly about what we are witnessing at sea and make sure to self-police.

We also work with net manufacturers and camera systems that allow us to detect certain species. Industry sponsors help fund and develop projects that move the fisheries forward and allow us to do the right thing and keep our operations sustainable.



Charting a course to sustainable fishing: Navigating sustainability challenges company-wide

Why is acting sustainably important for Glacier Fish?

Glacier Fish was built upon ensuring a sustainable future. We were founded by fishermen who made their livelihoods at sea, who valued harvesting in a sustainable manner and that has served the company well for over forty years. Additionally, Norton Sound Economic Development Corporation (NSEDC), the largest equity partner in Glacier, represents fifteen coastal communities in Western Alaska which depend on the health and sustainability of the fisheries to support their residents long term vitality, their local fisheries and the culture of the region. Together, we look at the Bering Sea with a long lens and rely on fish being here for generations to come.

What is Glacier Fish's proudest sustainability achievement?

The third-party designations we carry, such as the Marine Stewardship Council and Responsible Fishery Management standards, are not in themselves the goal, but they demonstrate to the public the hard work and rigor that we apply to conducting our fisheries sustainably. Our pollock and Pacific whiting fleet is certified under the Fairness, Integrity, Safety and Health (FISH) Standard for Crew, a new third-party labor practices certification program. We are constantly striving for sustainability environmentally and in our labor and business practices.

Across our pollock industry sector, we have established incentive plan agreements which outline the measures fishers proactively take together to achieve sustainable objectives. These agreements enable our teams to both fish in an efficient manner but also adapt to real time conditions thereby reducing incidental catch of non-target species where and when they are present. Additionally, the cooperatives have worked collaboratively with scientists on both fisheries research and gear modifications to inform and refine our practices and incentive plan agreements. This collaboration among our sectors, the scientific community and policy makers is something I am very proud of. There are many challenges ahead but this approach allows us to adapt quickly.

What challenges do you see ahead and what is your company doing to navigate these challenges?

As you can imagine, many of our challenges concern the changing climate. Firstly, there are non-target species that are more susceptible to rising sea temperatures, such as salmon and crab, where we have always prioritized avoidance. As their vulnerability increases and fishery patterns change in response to warming oceans the incentive plan agreements remain a valuable tool that will need to evolve, be responsive to change and reduce bycatch of vulnerable, non-target species.

Secondly, scientists are reporting that the biomass of fish is gradually moving north as fish seek colder waters. As that happens, we will continue to collaborate with our sector and the world class scientists at the Alaska Fishery Science Center to help inform the management needs as these changes in climate and distribution patterns occur. The changes are subtle for now, but like many climate-related challenges, the situation may accelerate so we keep a keen eye on how the fish are behaving, their movement, reproductivity and the overall health of the ecosystem.

What are your hopes for the future of sustainable fishing?

We are very grateful for the system that we have, which allows us to cooperatively harvest the annual allocations of catch based on sound science while always minimizing the impact on non-target species and the ecosystem. We do not take our responsibility for granted and remain committed to maximizing our resources, while always protecting the environment in which we operate. In the end our customers trust that we are responsible stewards of these precious natural resources and therefore, taking care of our customers, our crews, partner communities and the ocean remain as it has always been our top priority. If we continue our commitment to these founding principles, then we can continue as a successful company with productive oceans for the next forty years

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We do not take our responsibility for granted and **remain committed** to maximizing our resources...



Jim Johnson is CEO, President and a partner in Glacier Fish, a company dedicated to producing the highest quality frozen-at-sea groundfish products in the world.

We want to
create new
ways of working
in close
cooperation
with the whole
organisation
and our suppliers.

Our food systems are under great pressure. With the global population expected to reach 8.6 billion by 2030, meeting the protein and nutritional demands of this growth is one of the greatest sustainability challenges of our time. Safeguarding our natural resources, whilst simultaneously providing affordable and high quality food will depend on innovation and new ways of thinking. At Espersen, sustainable innovation has been at the heart of our strategy.

Increased volatility

2022 has demonstrated that volatility and uncertainty in our supply chains is increasingly common. Global events have caused many challenges in supply, making key ingredients both harder to source and more expensive.

Mette Bendix Nielsen, Espersen's Innovation Manager, explains how Espersen are facing these challenges.

Changes that benefit our planet as well as our business

"This year we found that many of our key ingredients have been really hard to get hold of. And so it forced us to think more deeply about how we use our ingredients in the most efficient way. We need to respond to these challenges" Mette says. But these challenges also provide an opportunity to review specifications and operations and make changes that benefit the business as well as the planet. *"We don't want these changes to be a one-off project, they should be part of our day-to-day operations. We want to create new ways of working in close cooperation with the whole organisation and our suppliers."*

"This change in ways of working involves thinking carefully about the impact of each ingredient in our products and asking ourselves some key questions. Questions like: Does the ingredient really create value for the consumer? Are we being as efficient as possible? Can we provide an equally good product in a new way by optimizing our processes, or by using alternative ingredients, without compromising the consumer expectations and avoiding price increases for our customers? Can we make changes to improve the reliability of the supply chain?"

Case Study: Reducing waste in our puff pastry production

Mette cites Espersen's use of puff pastry as a good example of this. *"The specification for our signature product in puff pastry had always included the requirement to produce an oval product. This created lots of waste as we discarded the corners of the pastry when we cut out the ovals. As our ingredient costs increased, we decided to review our products to see if we could be more efficient and create less waste. We worked collaboratively with our technical team to create a new rectangular cutting tool which reduced pastry waste by more than 20%".*

As well as reducing food waste this change will also bring value for Espersen's customers. *"Pastry is an expensive ingredient and being more efficient will allow us able to mitigate future cost increases for customers. The new shape and size also created additional benefits. We had a new product to introduce to our customers which fits the consumer need for reducing portion size, whilst still ensuring that the product is delicious and visually appealing."*

Next steps

Having successfully introduced this new innovation in product shape to one customer, Espersen now intends to offer this new option to other customers too.

Mette explains, *"We also plan to apply this same way of thinking to several other ingredients, for example reviewing our use of mustard and honey. Furthermore, we believe that there may be many opportunities for us to be more efficient in our use of fish by reviewing product specifications. This will involve working closely with our customers to help them understand the benefits of the changes we are making (both in efficiency, and in our impact on the planet). It will also be important to improve the story telling, so consumers understand the reasons for the positive changes we are making, and the impacts those changes are having."*

FAO—67

Northeast Pacific US
(East Bering Sea, Gulf of Alaska)

Alaska Pollock, Pacific Cod, Yellowfin Sole, Rock Sole, Pink Salmon, Keta Salmon



FAO—87
Pacific, Southeast
Lobster

Chile
Farmed Salmon

Norway
Farmed Salmon

Vietnam
Farmed Pangasius

Indonesia
Farmed Tilapia



FAO—61

Northwest Pacific Russia
(West Bering Sea, Sea of Okhotsk)

Alaska Pollock, Pacific Cod, Pink Salmon, Keta Salmon



FAO—27

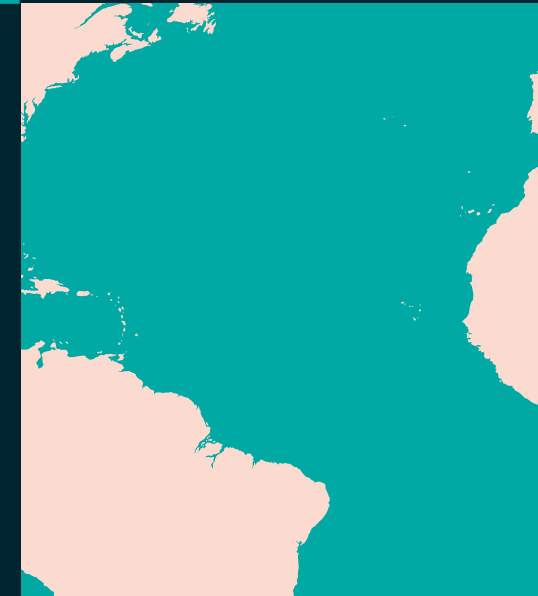
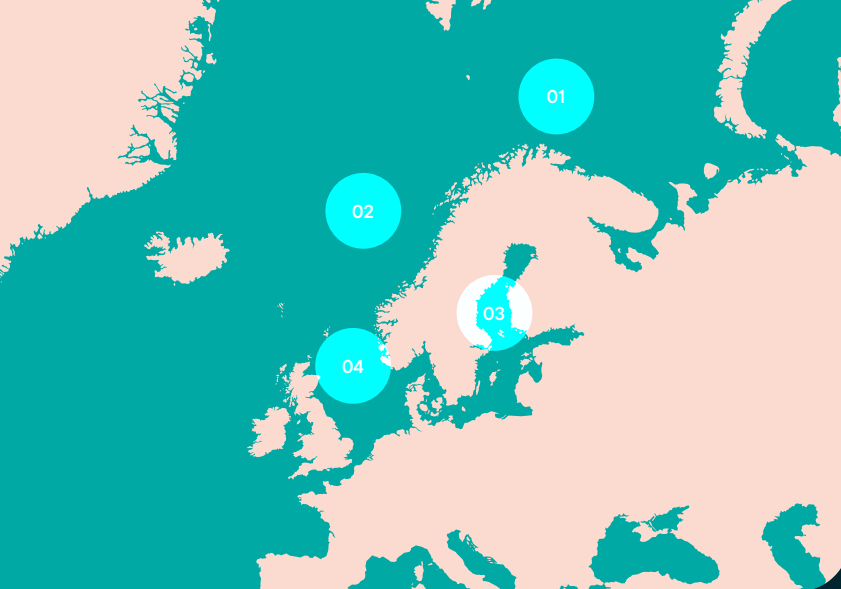
Northeast Atlantic

Sub-area 1 (Barents Sea)
Atlantic Cod, Haddock

Sub-area 2 (Norwegian Sea, Spitzbergen and Bear Island)
Atlantic Cod, Haddock, Saithe

Sub-area 3 (Skagerrak, Kattegat, Sound, Belt Sea and Baltic Sea)
Plaice, Dab, Flounder

Sub-area 4 (North Sea) Plaice, Dab



FAO—21

Northwest Atlantic

Yellowtail Flounder, Atlantic Cod, Greenland Halibut, Prawns

Beyond Fish

In addition to the delicious fish we source, we also use a range of other ingredients in our products. We know that ingredients like palm oil, soy, dairy and eggs bring their own sustainability challenges. Ensuring these ingredients match the sustainability credentials of our fish is a developing priority for us.

What we are doing:

- **100%** sustainable palm oil used in **2022** (RSPO certified).
- Soy is present in our indirect supply chain as animal feed. In **2022, 75%** of the soy used in feed for our farmed fish was RTRS (Round Table on Responsible Soy Association) certified.
- Cage-free eggs for all items which are pure eggs (yolk, white, frozen eggs). Barn eggs as a minimum.
- Implemented restricted countries and areas of supply based on concerns about labor and human rights issues. The list may be altered, depending on events that occur worldwide.
- Phase out of unnecessary additives in our ingredients.
- Promote local sourcing.
- We will continue to develop our sustainability goals and objectives for our ingredients sourcing in **2023**.

Using effective packaging is essential to maintain the quality and food safety of our products, and to minimise food waste of the products we supply. However, we work hard to reduce the impact on the planet of the packaging that we do use.

Goal:

To minimize the environmental impact of our packaging whilst not compromising on food safety and food waste.

Objectives:

- Ensure purchasing decisions are based on robust sustainability criteria and use renewable packaging materials.
- Explore recycling opportunities for block liners for frozen fish raw material.
- Investigate recycling opportunities for Styrofoam boxes used in chilled products.
- Increase pallet utilization to **90%** by **2023**.
- **100%** mono material packaging by **2025**.
- Implement sustainable Multivac film.
- **100%** retail boxes without PE coating **2025**.

What we are doing:

- **100%** FSC certified carton for retail boxes and master cartons.
- Conducted feasibility study of recycling of block liners together with the Danish Technological Institute.
- Changed all aluminium trays to carton trays with PET coating as a first step.
- Introduced a new, more sustainable, plastic bag which is **100%** PE (mono material).
- Ban the use of fluorine compounds.
- Introduced retail boxes with a new water-based coating for a reduction of **250kg** PE coating in retail boxes **2022**. Roll out during **2023**.
- **13%** reduction of pallet stretch foil. Conducted stretch film optimizer study **2.0** with the aim to downgauge our LDPE material further but maintain the functionality of the foil.
- Removed unnecessary packaging and packaging size or/and weight.
- Implementation of Extended Producer Responsibility (EPR). Development of a packaging raw material calculator with a focus on the usage of plastic materials.

Retail boxes without plastic coating

Ever since the early **1950s**, we have collaborated with our packaging supplier Schur on the development and production of our retail boxes.

In **2022**, we have worked on removing the thin layer of PE inside the packaging. The PE layer is used to create a hygienic barrier and to prevent stains. The result is a new water-based coating without plastic that still has the same barrier properties. The new coating meets our sustainability requirements without compromise on food safety or box quality.

As a mono material, the carton is much easier to recycle. By **2025** we will have removed the use of approximately **125** tons of plastic from our use of retail packaging.



Supply Chain Integrity & Due Diligence



Goal:

Conduct business in a sustainable manner that encompasses concerns about resource use and protecting the oceans. Ensure we safeguard seafood supplies for future generations, including wild and farmed fish raw material, packaging and ingredients.

Objectives:

- Ensure purchasing decisions are based on robust sustainability criteria, such as GFSI (Global Food Safety Initiative), GSSI (Global Sustainable Seafood Initiative) and SSCI (Social and Scheme Management Criteria) recognized industry schemes and standards.
- Ensure **100%** traceability of fish raw material back to the source (fishery, catch area, species, vessel).

- **66%** of our land-based suppliers are certified against a GFSI approved standard.

- **64%** of our suppliers are certified against a GFSI approved standard, excluding vessels and factory trawlers objectives.

- We conduct re-assessment of approved suppliers at least every three years.

- We believe that having a detailed and comprehensive understanding of every step of our supply chain is an essential first step in meeting our business objectives.

What we are doing:

- Electronic traceability system in place from factory gate to end customer.
- **Third-party certification on our own sites:**
 - **100%** BRC-certified sites with minimum grade A in **2022**.
 - **100%** SMETA audited sites or equivalent customer-specific audit scheme.
- **Ongoing supplier approval process;**
 - **96%** of all sourced fish is certified against a GSSI recognized scheme such as MSC, ASC and GlobalG.A.P.

- To minimize risks in our supply chain, continuous monitoring of our suppliers enables us to prevent labor abuse and helps us strive towards effective partnership. This allows us to identify the suppliers that share our values and develop long-term, mutually beneficial relationships.

Our supplier monitoring process includes different forms of evaluation, such as self-assessments, site visits, and a risk-rating tool to focus our resources on areas of our supply chain with the highest potential risk.

In 2022, no human right violations in our supply chain were found.

Continuously improving our quality culture

Food Safety and Quality (FS&Q) Culture is integral to our company values. We engage all employees under the umbrella of our “One Espersen Culture” across our production sites in Europe and Vietnam.

In 2022, we finished the introduction of a centrally managed FS&Q Systems database for our production sites in Europe. This ensures that we follow the same way of working in our production procedures, processes, standards, systems and planned actions across all sites. By establishing our individual site plans we took into consideration the outcome of our 2020 external evaluation by the company “Culture Excellence” and prioritised the areas for improvement — depending on each site’s results.

Establishing a company-wide FS&Q Culture is a journey, and in 2022 our main focus was encouraging, engaging and training our people. “Quality is everyone’s responsibility” is the key message enabling us to continuously improve and strengthen our FS&Q Culture.

Working with our suppliers to minimize risks in our supply chain

We continuously strive for effective partnerships with our suppliers and ensuring that our supply chains are sustainable. Creating sustainable supply chains is a major challenge as the seafood industry is international. We source raw fish, packaging and ingredients from all over the world.

Fish can be processed at sea, far away from the nearest harbour, or farmed and processed at local plants around the world before they arrive at an Espersen production site. Therefore, there are typically several suppliers involved in the chain before the raw materials reach one of our sites. In multi-tier supply chains, visibility and transparency is essential. From ensuring good working conditions to legal fishing practices, traceability is an invaluable tool.

For several years, our electronic traceability system has been an integral part of our ERP system. Not only does this make it easier to identify the raw materials used in specific batches, but offers an overview of the quantities of raw materials delivered from specific suppliers or production sites over a specified period. All of Espersen’s production sites are MSC and, where relevant, ASC certified.

Risks associated with food safety, product fraud and working conditions are minimized. This means we source from approved suppliers only. An approved supplier must agree with our requirements in quality, social compliance and environmental sustainability. This procedure is carried out for all of our suppliers and contract manufacturers.

Over the years, we have built a base of strategic and preferred suppliers. Typically, these companies share our values and deliver high-quality products on schedule. We have a close relationship with each of our suppliers. We record their performance and make follow-up visits. This is based on the principle of improving together and being able to fulfil growing demands on food production.

New suppliers must go through an approval process prior to the first delivery of goods or services. We base our supplier oversight system on a risk-based approach, starting with assessing the country risk by using the Amfori BSCI risk classification of countries, and factoring-in product risk and quality factors.

Supplier approval process

Prior to possible approval, all potential suppliers must complete a questionnaire for the specific production sites that will supply Espersen. The questionnaire relates to product quality, social compliance and environmental factors. In addition, we ask potential suppliers whether they are third party certified in all, or some, of the areas mentioned above.

For suppliers with recognized third-party certified schemes as reported in the questionnaire, we request a copy of the certificate and their latest audit report. The report is thoroughly assessed prior to approval, and a rating is made based on number of observations and their criticality, which may conclude that the supplier ① is approved, ② cannot be approved or ③ we want to perform additional verification of the supplier.

If a supplier does not have relevant third-party certified schemes, we base the approval on the answers in the questionnaire supported by requested documentation. This is divided into two sections. Sixty percent of the score examines food safety and quality. The remaining 40% analyses Social Compliance and Environment. In both sections, the questions are weighted depending on the severity we attribute to the specific area. Key issues carry a greater weight, meaning one singular issue can determine whether the supplier

will be approved or not. In addition, the overall score for both areas must be above a certain minimum in order to be approved.

For the Quality questionnaire, the score must be above or equal to 45 points out of 60 points to be in scope for approval. A score between 30 points and 45 points will require additional information. The score for the Ethical questionnaire has to be equal or above 30 points to be in scope for approval, a score between 20 points and 30 points will require additional information.

The questionnaire alone does not determine whether the supplier is approved, but is an indication of whether we want to proceed with the approval process. Based on the response to the questionnaire, we use a risk-based approach to determine if additional activities are necessary to finally approve the supplier.

For example, if the production site is located in a low risk country and fulfils our expectations as described above, it is approved. Even so, we monitor the site closely for at least the first year. Any deviation from the standard will be considered and may lead to evaluation of whether a second party audit is necessary.

In all cases, deliveries from suppliers are checked as part of our intake control. We record this data and use it as part of the ongoing monitoring of our suppliers. Annually, the performance of all strategic, preferred, and new suppliers is evaluated. Across our daily operations, supplier claims are handled immediately and necessary action taken.

If any of our approved suppliers do not supply products to Espersen for more than two years, they are discontinued. They will need to go through the approval process again if we want to revive our relationship with the supplier. All approved suppliers are evaluated every three years, at which time we decide whether to re-approve or discontinue the supplier and review our oversight of the suppliers regarding monitoring and audit frequency.

If we are asked by a customer to source from one of their suppliers, Espersen will ask for a written statement from the customer, stating that we can use this supplier for their production.

To support our supplier management process, supplier documentation including questionnaires, certificates, audit reports and signed specifications are archived in the IT system (D4infonet® — D4).

We strongly believe that collaboration with other ethically — and sustainably — driven organizations is key to transparency and greater outcomes for everyone.

Social Responsibility

Social responsibility and compliance is paramount to Espersen.

“We say what we do and we do what we say” is one of our key values.

We are committed to conducting business in a socially responsible manner that encompasses concerns about labor and human rights issues. This commitment is part of the company’s history and culture, which permeates our entire management team and is applicable to all of our employees. It is also expected of our suppliers and sub-suppliers.

As a member of SEDEX, all our owned sites are SMETA audited or conduct an equivalent customer-specific audit. We require our suppliers based in high-risk countries to conduct third party social audits at site (using SSCI Social and Scheme Management Criteria). We also have an internal process for conducting second party audits of our suppliers processing sites. However, in 2022, second party audits remained limited due to travel restrictions.

At Espersen, we are aware of the need to review social compliance on the vessels and factory trawlers that catch our fish. This creates a huge challenge for us, and the broader industry, but is an element we need to be prepared for. We are actively engaged with the ongoing conversation to develop standards for fishing vessels across the industry. In the meantime our “Vessels and Factory Trawlers Questionnaire” covers more in-depth issues regarding social compliance.

Sustainability is incorporated throughout Espersen's operations and forms an important part of our overall corporate governance.

Our Code of Conduct

We are committed to conducting business in an ethical manner, and use our Code Of Conduct to communicate our requirements both within our own business and to our suppliers. Our code outlines our requirements focused on three core areas:

- **Human Rights:** We conduct our operations with honesty, integrity, openness and respect and are committed to upholding the human rights of people as set out in The United Nations Universal Declaration of Human Rights.
- **Health and Safety:** We are committed to providing a safe and healthy working environment for all employees.
- **Business Integrity:** We comply with local laws of the countries where we operate. We have a zero-tolerance approach to bribery and conflict of interests and any forms of corruption, and we provide grievance mechanisms and whistleblower protection.

Whistleblower system

Driving responsible business practices is of great importance to us. In line with the Espersen Code of Conduct, we encourage our employees and partners to report concerns, misconduct or illegal activities within our company as a way to lower the risk of unethical business behaviour.

Espersen has an internal and external whistleblowing system that employees and other stakeholders can reach through our intranet and website. The service aims to identify any concerns or illegal activities in the workplace which is contrary to Espersen's values. Anyone who wishes to use the service can remain completely anonymous as it is administrated by an external party to guarantee anonymity and professionalism.

For more information about our whistleblower system, visit our website; www.espersen.whistleblownetwork.net/

In 2022, 4 cases were raised through our whistleblower system. All cases were related to office and production employees. Not all cases were substantiated with evidence, but all cases were investigated and handled in accordance with our Whistleblower Policy. None of the cases had a severe impact on our business operations.

For more information about our policies, visit our website; www.espersen.com/commitment/policies

- Code of Conduct
- Whistleblower Policy
- Environmental Policy
- Health and Safety Policy
- Diversity Policy

Memberships and commitments

To support our commitment to sustainable seafood production, we pursue memberships with various international initiatives, bodies and partnerships.

- Global Sustainable Seafood Initiative (GSSI)
- Global Dialogue on Seafood Traceability (GDST)
- Roundtable on Sustainable Palm Oil (RSPO)
- Science Based Targets (SBTi)
- CDP (Score C)
- Supplier Ethical Data Exchange (SEDEX)

Goal:

Use resources responsibly with the aim to decouple waste, water and energy use from our production and supply chain footprint.

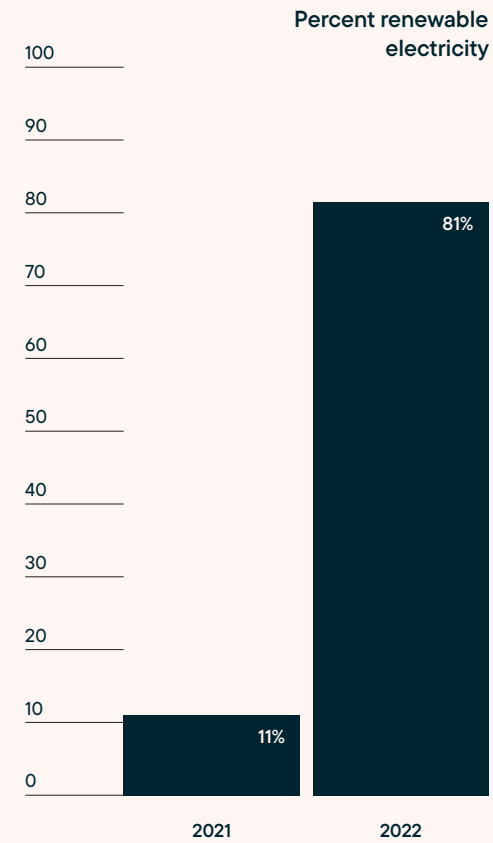
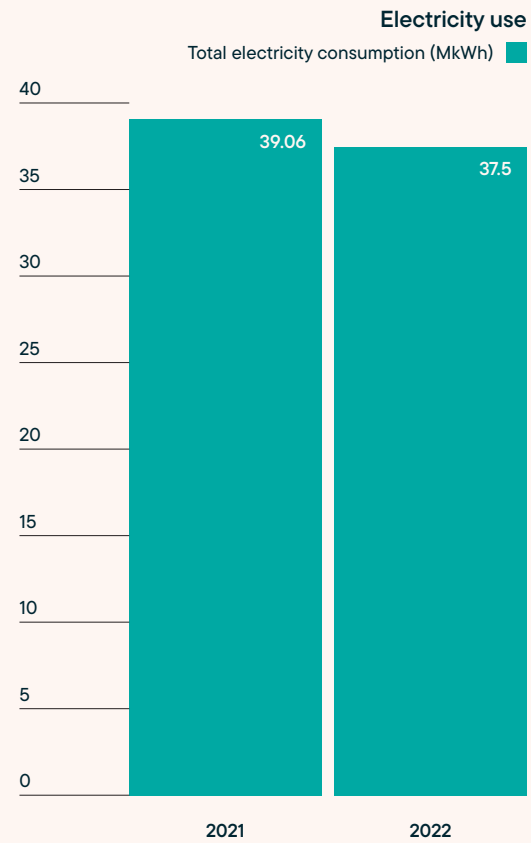
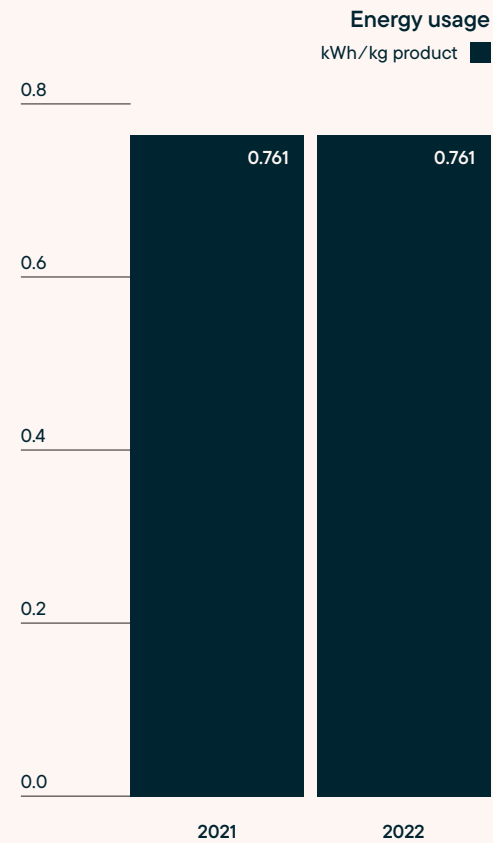
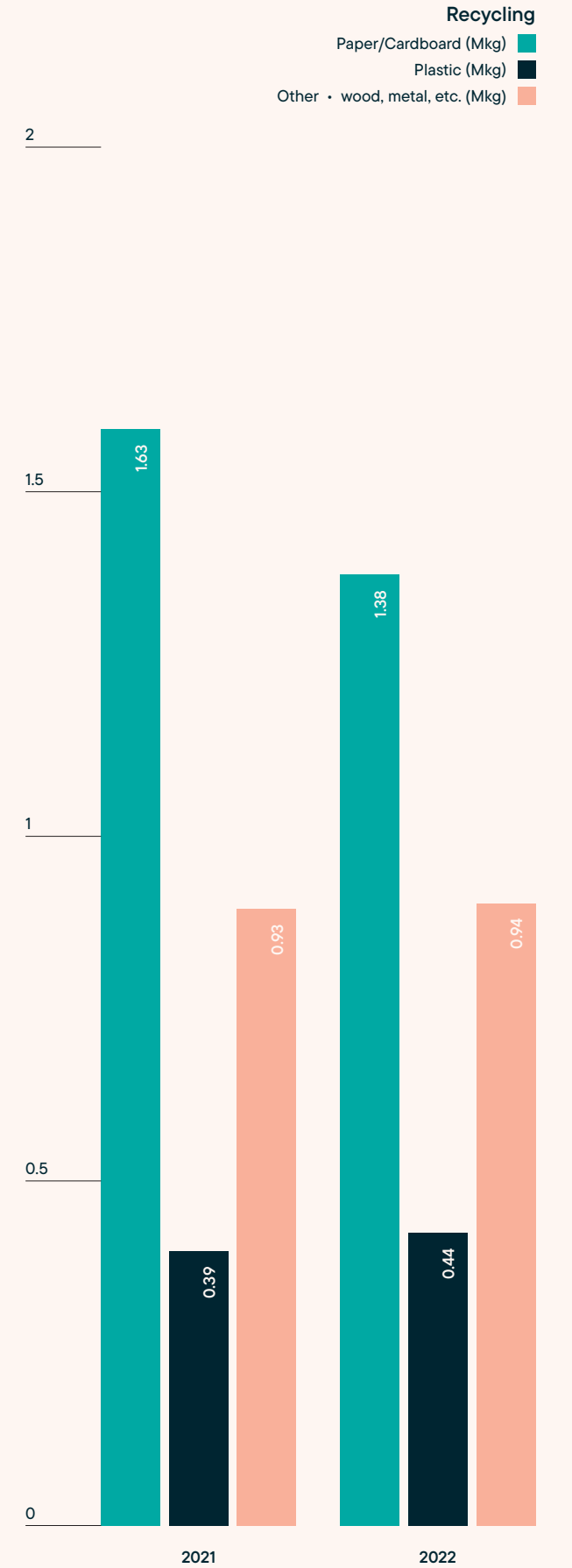
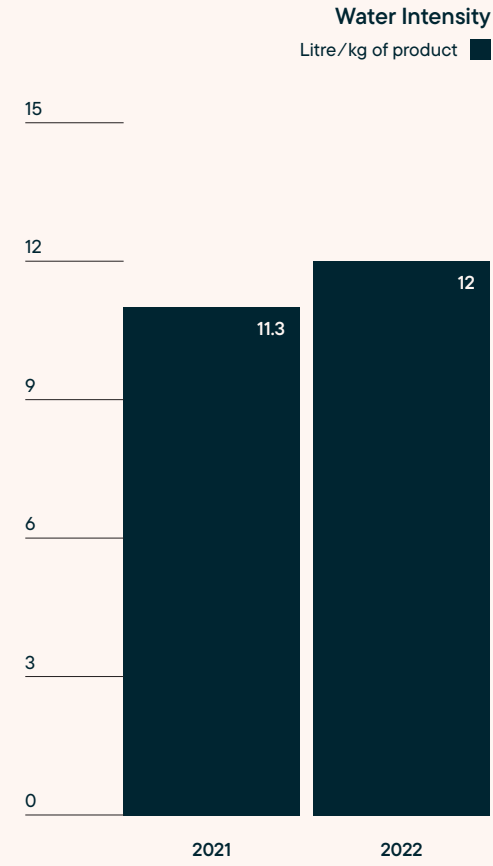
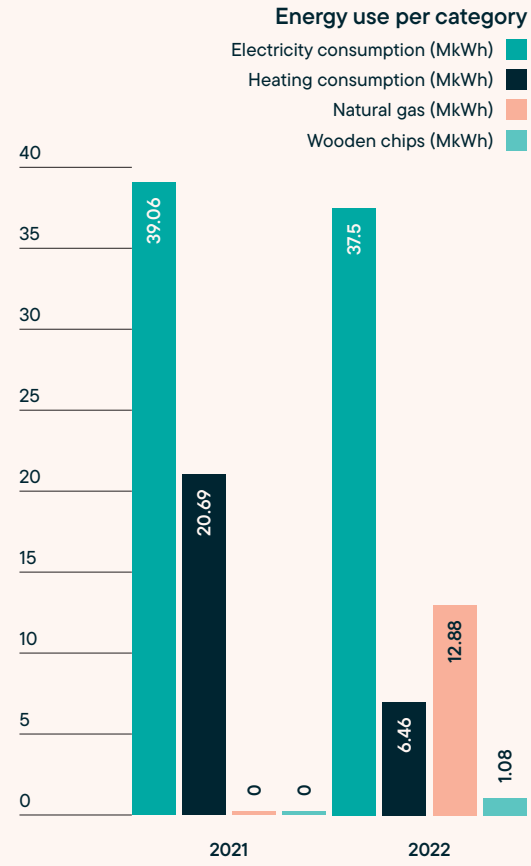
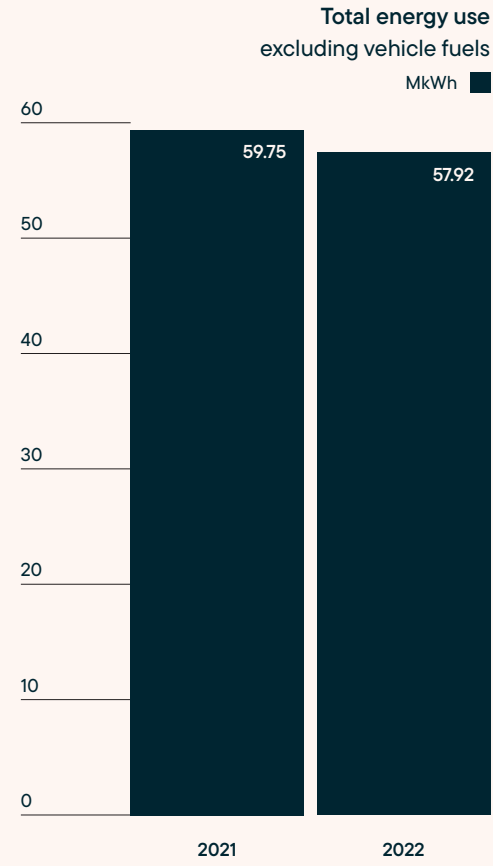
Objectives:

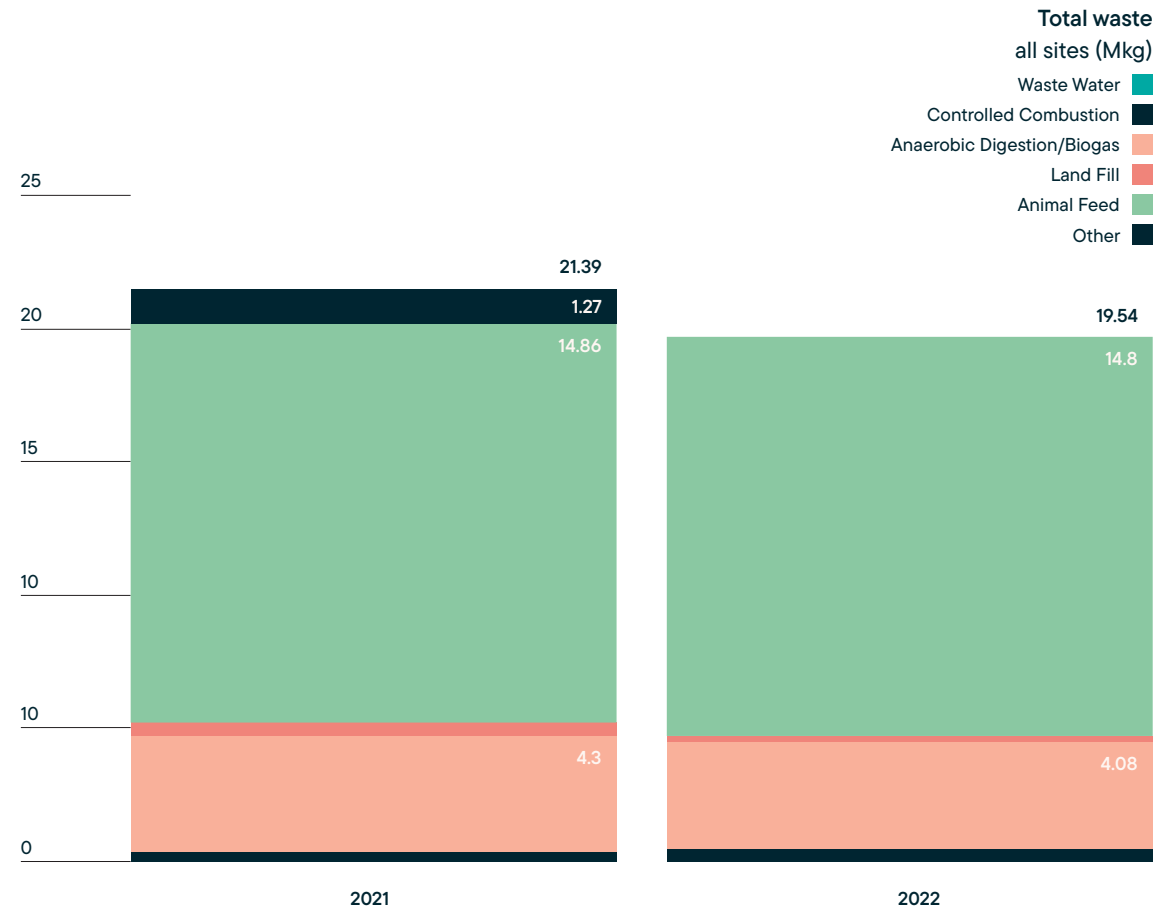
- Set science-based targets in accordance with the Business Ambition for **1.5°C**.
- Use **100%** renewable energy at our production plants by **2025**.
- Promoting on-site renewable energy installations e.g solar panels.
- Decouple energy and water use from kg of product produced.
- No waste to landfill.
- **90%** Carcass Utilization of fresh/frozen fish by **2022**.

What we are doing:

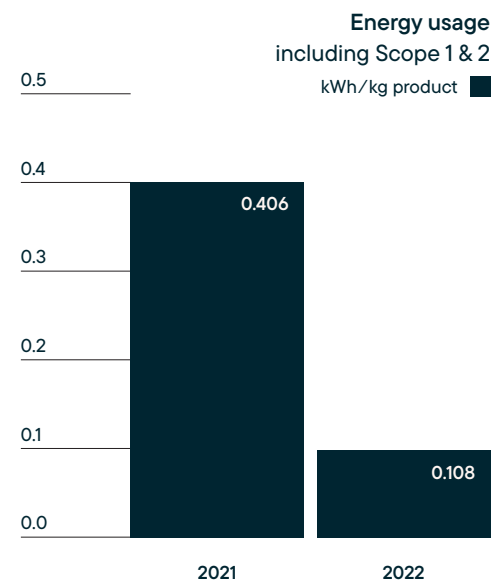
- Committed to science-based emissions reduction targets in **2021**.
 - In **2022** we mapped **100%** of our emissions in accordance with the Greenhouse Gas Protocol, and sent in our emission reduction targets to the Science Based Target Initiative (SBTi). Approval is pending.
- Additional installation of **200kW** photovoltaic panels in Poland.
- Across our whole operation the share of renewable energy increased from **11%** in **2021** to **81%** in **2022**.
- Climate impact reported to CDP. Our current rating is C.
- CO₂ equivalent kg emission per kg of produced product decreased from **0,406** **2021** to **0,108** **2022** (scope 1 & 2) and the total CO₂ equivalents per kg of sold product increased (scope 3).
- As a Champion **12.3** member we are committed to halving our food waste by **2030**. Our food waste decreased from **5,252** tonnes in **2021** to **4,741** tonnes in **2022**.
 - This decrease is the result of improved reprocessing and waste management processes for product, batter and breadcrumb.
- Total energy use decreased by **1,828,861** kWh (**3%**) compared to **2021**.
- Energy usage per kg of produced product remained unchanged at **0.76** kwh per kg product.
- Total water use increased by **3%** to **911,883** m³ with a water intensity of **12** litre/kg of product produced.
 - In **2022**, changes to the product portfolio, temporary factory closures and customer requirements reduced water efficiency.
- We sent **158** MT of waste to landfill out of a total waste volume of **4,741** MT. A significant decrease compared to **2021** (**522** MT).
- Amount of waste saw an overall decrease of **9%** compared to **2021** (**21,392** MT).
- There was a **12%** increase in the amount of plastic sent for recycling compared to **2021** (**391** MT) as the result of local recycling capabilities and changes in production.
- Amount of paper, cardboard, plastic, wood and metal sent to recycling saw an overall decrease of **7%** compared to **2022** (**2950** MT).
- **76%** Carcass Utilization of fresh/frozen fish in **2022**.
 - The target of **90%** Carcass Utilization by **2022** was not met, following an especially challenging year. In **2023**, we will systematically review the methodology of this target to ensure the calculation accurately captures carcass utilization of raw materials.

Production plants included in our 2022 Resource Use data are Hasle, Denmark (consumer production), Koszalin, Poland (1 primary and 2 consumer production plants), Klaipeda, Lithuania, (primary production), Ho Chi Minh City, Vietnam, (primary production).





Series	Waste water	Controlled Combustion	Anaerobic Digestion/Biogas	Land fill	Animal Feed	Other
2021	220	431,730	4,298,002	521,927	14,863,927	1,275,750
2022	221	503,859	4,078,096	158,480	14,804,842	0



Mission Climate Friendly Initiative

The Mission Climate Friendly Initiative is a framework that engages every individual across our operations with Espersen's sustainability goals. We know that improved communication, collaboration and shared knowledge increases the collective alignment with these targets. This shift in mindset will have broader benefits for resource, cost-saving and ensure that we are able to focus on the areas where we can have the greatest impact possible. Our Mission Climate Friendly Initiative came into force in 2019.

During 2022, we have continued to focus on energy efficiency in production and identification of production improvement opportunities. Several green investments were either implemented or approved at our sites as part of our carbon reduction journey. In particular, our move to renewable energy sources for our production plants in Poland and headquarters in Denmark.

In Koszalin, Poland, we have invested in further on-site solar photovoltaic energy installations and will continue to improve the sites overall energy efficiency.

At our primary production site in Klaipeda, Lithuania, we have worked on resource reduction projects, such as automatic refilling of the fish raw material defrosting baths and installation of water taps for handwash at the filleting line, to reduce our water consumption.

In Hasle, Bornholm, Denmark, we have reduced our production food waste through circular initiatives.

Furthermore, we have formed an environmental organisation structure in Poland, to drive our environmental improvement plans. This has helped further synergies between our global teams.

Zero Waste Bornholm

Zero Waste Bornholm is a joint private and public partnership paving the way to becoming the world's first industrialized society without waste based on circular economy principles.

Operating from the island of Bornholm as a platform for innovation, partners gain scalable knowledge through test technologies and competencies before expanding on the growing global market with new waste and resource solutions.



www.fermacell.com

Espersen's partnership with BOFA (Bornholm's Affaldsbehandling) is exploring:

- **Block liners for frozen fish:** The Beck Liner™ originates from wood-based fibre; a natural and renewable resource. To achieve its unique properties as a packaging material, a wax barrier is applied which increases the packaging to a high calorific waste resource in the form of environmentally-friendly heat. After use, there are several options for disposal, either in the form of recycling, biodegradation, or incineration. However, a real-life approach depends on the individual countries' waste disposal set-up and requires systems to be developed according to a circular agenda. As a local opportunity, Espersen, BOFA and Beck Pack are investigating the recycling options for the liner. In 2022, we conducted a feasibility study on the recycling of block liners together with the Danish Technological Institute. Unfortunately, we were not successful in separating the materials in a way that made them recyclable. Instead we found an alternative solution collaborating with Beck Pack Systems. Read more in the interview "Closing the loop on Fish Block Liner recycling".
- **Recycle and reuse big bags:** The project re-examines recycling and reuse opportunities for big bags, in order to assess alternatives to existing collection, transfer and downstream logistics practices.
- **First-mover on commercial waste on Bornholm:** A roll-out of new household waste sorting and collection schemes on Bornholm has been implemented in accordance with new provisions in the Danish Act on Waste (which came into force in December 2022).

Closing the loop on Fish Block Liner recycling

Beck Pack Systems supply key packaging materials to Espersen. Here, Lars Krusell, Quality & Sustainability Specialist at Beck Pack explains how we are working together to recycle used packaging.

Please could you give an overview of the project?

At Beck Pack we manufacture the Beck Liner™, a product used as packaging in the production of frozen food blocks. The product allows customers to be highly efficient in their energy use for refrigeration and also helps to reduce food waste. The key to creating these benefits is the wax barrier in the liner, however wax also poses a challenge when it comes to recycling the packaging. We started this project with Espersen to find a way to successfully recycle the liners at scale.

Why did Espersen and Beck Pack Systems decide to run this project?

Espersen and Beck Pack Systems are both part of the holding company Insepa A/S, and Espersen's primary factories use the Beck Liner™; it made sense to work together. The challenge lies in the fact that the Beck Liner™ is composed of several materials making it difficult to handle for recyclers. In the paper industry it is widely known that wax in recycling material can cause major challenges.

Why is the project important to you?

At Beck Pack Systems we wish to lead the way in our industry by focusing on UN Sustainable Development Goal 12: To ensure sustainable consumption and production patterns. To achieve this goal, one area, amongst others, that we have focussed on is to ensure that our liner is recyclable, biodegradable, and compostable according to European standards. Whilst certifications and approvals are one thing, reality is another.

What impact has the project had?

Cardboard is our most important material and so our initial target was to find a way to recycle the liner into new paper products. Working closely with Espersen, we evaluated many different options to achieve this target, but eventually concluded that the capability to do this at scale did not exist.

The solution was found in the construction industry. Working with German manufacturer Fermacell, a successful test showed that the liners could be used to create a fibre gypsum board which is used in the construction industry. The Beck Liner™ constitutes up to 5% of the product composition, and as an added benefit, the fibre gypsum board can also be recycled after use.

Espersen's factory in Bornholm can therefore continuously send their used Beck Liners™ for recycling in Germany. Last year this was expanded to one of Espersen's customers who also now sends their used liners for recycling at the same place.

How have you achieved this success?

Generally, the increased awareness of green issues has certainly been a significant factor in helping to create new routes for recycling and reusing materials. Having said that, for this specific project, it was a case of good old-fashioned market research. By contacting as many players as possible within the industry we ultimately solved this problem.

What will be the next steps for this project?

The next step for Espersen will be to explore the possibility of sending liners from their other factories to be recycled. At Beck we are also working to find similar solutions in other countries and regions. At the time of writing, we are in the early stages of a running a similar project in Spain, whilst also exploring other possible recyclers in Germany too.

Expansion of solar panel installation in Poland

Espersen Poland have installed additional 200 kW photovoltaic panels on the roof of our production plants. The solar panel project is part of Espersen's climate strategy to significantly reduce greenhouse gas emissions, which includes renewable energy from the grid, energy efficient solutions and resource use.

Reducing Food Waste

In 2017 we made a commitment to reduce food waste in our own operations by 50% by 2030.

As a member of the Champions 12.3 coalition, Espersen has committed to lead by example; reducing food waste by quantifying and monitoring our food loss and waste and pursuing strategies to reduce it.

Recording the type and amount of waste is critical to our success. This data allows us to make company-wide and factory-specific action plans on how to reduce waste across our sites. Successful implementation relies on employee awareness and engagement, seeing the value of our raw materials — from the fish we source, to spices, breadcrumbs and other ingredients. Therefore, action plans and results are shared across sites.

Our food waste decreased from 5,252 tonnes in 2021 to 4,741 tonnes in 2022.

However, this figure is still significantly higher than 2020 (2,486 tonnes). We have committed to reporting our food waste and improving the transparency about our progress in reaching our goals and delivering our strategy.

A combination of complex external factors relating to inflation, a changing product portfolio (e.g., the availability of fish raw materials and ingredients) and changes to our processing methods (e.g., changes in customers specifications) explains why we have not been able to make significant progress towards this target.

In 2023, we will continue to develop solutions that increase the use of raw materials for human consumption. We believe that there are many opportunities that allow for greater efficiency across our use of fish raw material and ingredients. In addition, we will continue to review the management of food not used for human consumption; starting with the sites with the greatest potential to reduce their waste.

Climate Change is the biggest environmental issue of our time. The consequences of Climate Change will be felt across the planet, and beyond the wider implications, we know that these changes will have repercussions for our business in the short term too. We anticipate that Climate Change will have wide ranging impacts across our own operations — affecting our employees, our supply chains, and the communities around the world in which we operate.

Emissions from food production are a major contributor to Climate Change, but food systems are integral to the health of people and the sustainability of the planet. In 2020, nearly one third of the world's population did not eat a nutritious diet and we believe seafood is key to addressing this crisis!

That is why we are committed to reducing our emissions in line with current climate science.

Our commitment to Science Based Targets

Espersen committed to the Science Based Targets initiative in December 2021. We submitted our near-term targets for validation in December 2022 but SBTi approval is pending. As a next step in our climate strategy, Espersen is establishing a reduction roadmap in 2023.

Improved methodology

We are working systematically to measure our overall carbon footprint. In 2022, we conducted a hot spot analysis of our entire supply chain emissions. We have expanded our scope of reporting and data quality to cover all categories within the Greenhouse Gas Protocol.

Note that some 2021 figures have been restated due to improvements in data quality and methodology. Please refer to 'Sustainability data' for more detail on these changes.

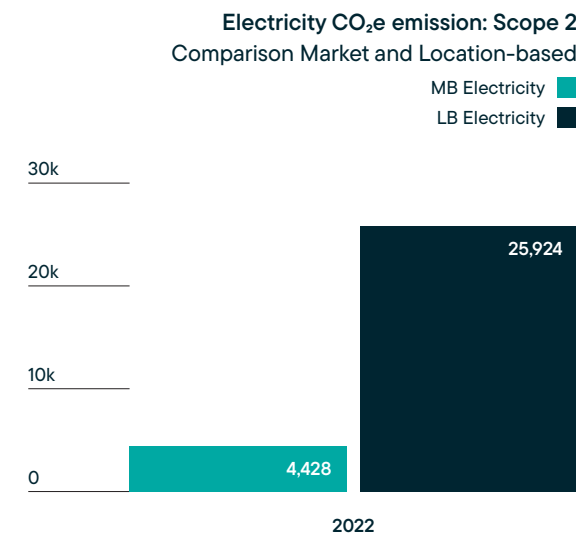
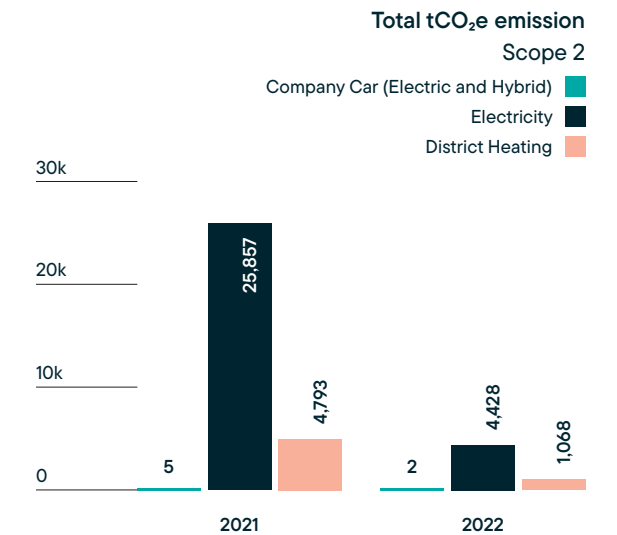
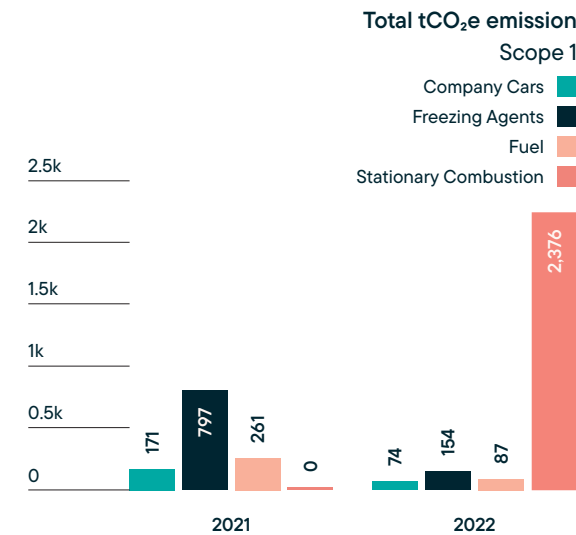
Our carbon reduction journey will continue in 2023 as we formulate an emission reduction plan to map our main decarbonization levers. Our scope 3 calculations and carbon footprint are likely to evolve with the increasing input of more accurate data.

Parameters and calculation methods

Our greenhouse gas emissions calculations have been performed according to the Greenhouse Gas Protocol developed by the World Business Council For Sustainable Development and World Resources Institute (WBCSD / WRI). The Greenhouse Gas Protocol is an internationally accepted standard which is currently considered to be best practice for corporate reporting and organizational greenhouse gas emissions. See the reported data across all GHG categories applicable to Espersen in "Sustainability Data" and "Accounting Practices".

Reporting boundaries

In 2022, our carbon footprinting scope covered all owned production plants including Hasle, Denmark (consumer production), Koszalin, Poland (one primary and two consumer production plants), Klaipeda, Lithuania, (primary production) and Ho Chi Minh City, Vietnam, (primary production). The reporting includes the offices under operational control.



1. www.fao.org/state-of-food-security-nutrition/



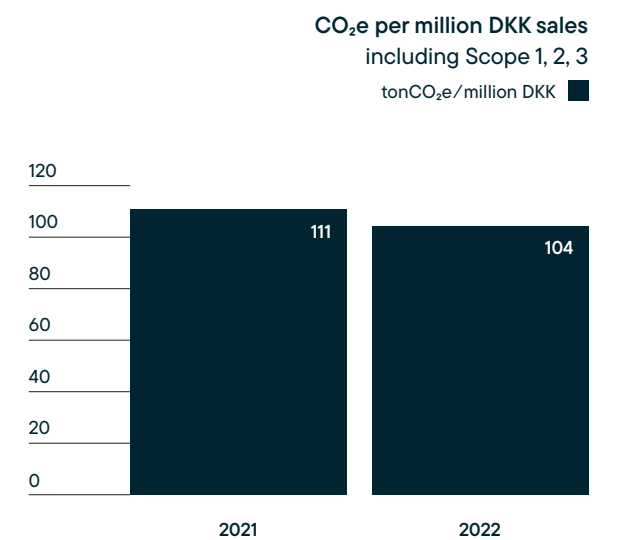
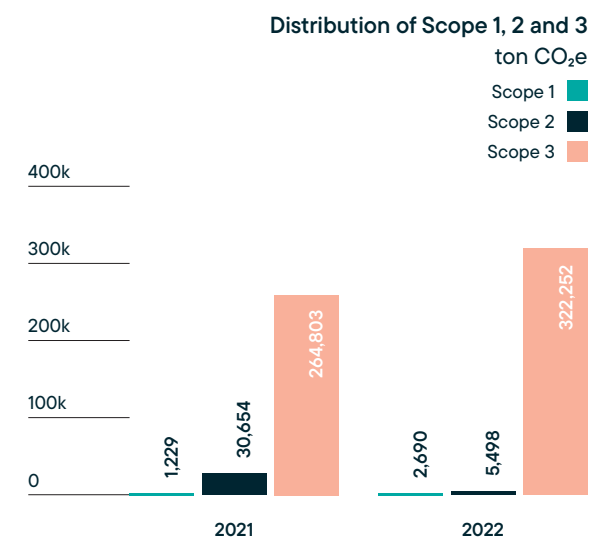
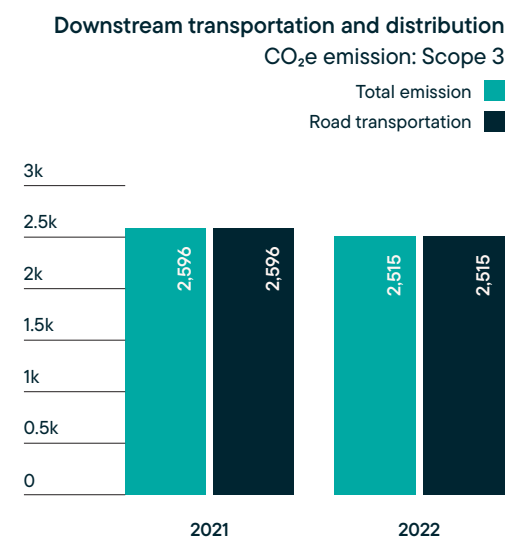
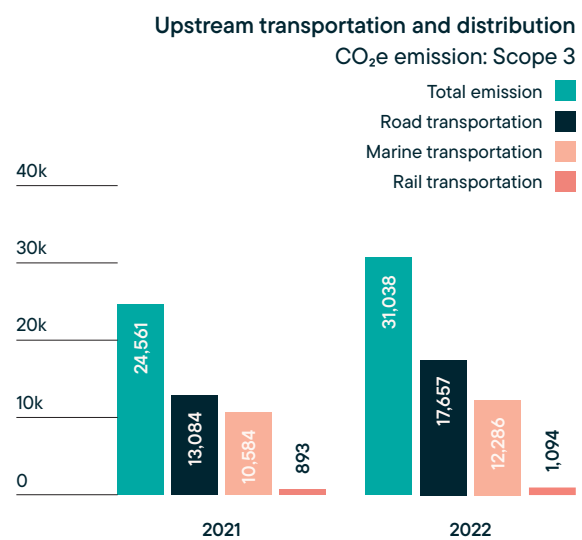
Our carbon footprint

Espersen's major emission sources within scope 1 and 2 come from electricity consumption from the local grid, heating and cooling energy, followed by fugitive emissions from freezing agents.

Espersen's climate impact primarily stems from fish raw material, other ingredients and packaging material which are responsible for almost three-quarters of our total emissions. The majority of scope 3 emissions are associated with the catch and breeding of fish. Depending on the fish species and harvesting method, the calculated emissions include, energy for vessels, gear manufacturing, animal feed and emissions from land use change (in the case of aquaculture). Vessels energy use contributes the most in almost all cases. In addition, the upstream

transportation of fish raw material constitutes a significant part of our total emissions. 2022 saw a significant increase in stationary combustion as the result of improved data collection and reporting.

Although fishing vessel's fuel consumption accounts for the majority of our emissions, we have relatively little control over this emission source. Collaboration with the industry and our supply chain will be crucial to achieve our scope 3 targets. A further lever could involve adjusting the fish species we source in favour of species with a lower emission intensity.



We welcomed over **500 Ukrainian workers** to our sites in Poland and other locations. We worked closely with local agencies to **provide jobs for Ukrainian refugees**.

We take our duty of care for our employees' safety very seriously, and our number one objective is to care for all our people.

This year saw the devastating conflict between Russia and Ukraine. As a company, we had to consider how we can support both our Ukrainian employees and those with a personal connection to Ukraine.

Our priority was offering mental health support to our employees; donating summer camps to Ukrainian employees' children with a refugee status, organizing food and clothing collections, and offering additional days off for those affected by the invasion of Ukraine.

We welcomed over 500 Ukrainian workers to our sites in Poland and other locations. We worked closely with local agencies to provide jobs for Ukrainian refugees.

We have used our Employee App to promote a culture of safety and environmental awareness among our employees.

As a result, Espersen received the award "Business Social Responsibility Award for 2022" granted by the Chamber of Commerce in Poland.

Goal:

Ensure all our employees recognize Espersen as a good and safe place to work, wherever we are in the world.

Objectives:

- Member of SEDEX. Maintain the ETI Base Code as our main code of labor practice.
- Ensure at least **25%** of appointed board members are women by **2025**.
- Develop a strategy to improve a more even gender distribution at all levels of management.
- Analyze significant risks related to health and safety in the workplace and develop an action plan to minimize these risks.

What we are doing:

- Continue to achieve **100%** SMETA audited sites or equivalent customer specific audit scheme.
- Group-wide reporting and response procedure for accidents in the workplace. **119** accidents in **2022** (**71** accidents in **2021**). This corresponds to an Accident Frequency Rate at **24.1** in **2022**, compared to **15.5** in **2021** and Accident Severity Rate at **1.9** in **2022**, compared to **2.3** in **2021**. In summary, we experienced an increase in accidents as a result of more new employees at our production plants post pandemic.
- Gender-based reporting for all employees and levels of management across the company.
- In **2022**, we increased the scope of roles for women, to positions as forklift drivers and machine operators.
- One of the seven appointed board members are women (**14%**).
- At Director, Senior Manager and Manager level **42%** are women (**42** women out of **100** posts) and **62%** of all employees are women (**2004** women out of **3253** employees).

2022

Women
Men

Board of Directors

14%

86%

Directors,
Senior Managers,
Managers

42%

58%

All Employees

62%

38%

Group-wide Gender Reporting

We strive to ensure that the profiles of our board members and managers have the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. Our ambition is for our board to become more diverse — we are actively seeking female candidates to help us achieve this goal.

In 2022 no new board members were elected for the Board of Directors.

Diversity & Inclusion

At Espersen, we embrace diversity and are proud to see 28 nationalities represented among our 3253 employees. We want our employees to reflect the society we are part of, and ultimately, enable us to produce the seafood products our customers love.

We aim to be a company in which everyone has the same opportunities and feels free to be them self. We know that effective collaboration thrives in diverse groups. Though we already offer an inclusive workplace we hope to continue welcoming employees from a range of backgrounds and experiences.

2021

Women
Men

14%

86%

Board of Directors

42%

58%

Directors,
Senior Managers,
Managers

62%

38%

All Employees

2020

Women
Men

Board of Directors

14%

86%

Directors,
Senior Managers,
Managers

43%

57%

All Employees

60%

40%

Greenhouse gas emissions	Units	2021	2022	Development
Scope 1	tCO ₂ e	1,229	2,690	Improved emission factors 1 site wooden chips 2022.
Scope 2 (total)	tCO ₂ e	30,654*	5,498	Moved to renewable energy for our production plants in Poland and at our headquarters in Denmark.
Scope 2 (location based)	tCO ₂ e		25,924	
Scope 2 (market based)	tCO ₂ e		4,428	
Scope 3 (total)	tCO ₂ e	264,803*	322,252	
Category 1: Purchased goods and services	tCO ₂ e	222,555*	268,707	
Category 2: Capital good	tCO ₂ e	3,033*	2,208	
Category 3: Fuel and energy-related activities	tCO ₂ e	97*	6,606	Improved emission factors for 2022.
Category 4: Upstream transportation	tCO ₂ e	24,561*	31,037	
Category 5: Waste generated in operations	tCO ₂ e	1,729*	701	
Category 6: Business travel	tCO ₂ e	67*	188	
Category 7: Employee commuting	tCO ₂ e	2,462*	2,462	
Category 9: Downstream transportation	tCO ₂ e	2,596*	2,515	
Category 10: Processing of sold products	tCO ₂ e	4,122*	3,973	
Category 12: End of life treatment of sold products	tCO ₂ e	3,582*	3,855	
Total emissions	tCO ₂ e	296,686	330,440	
Emissions intensity	TonCO ₂ e/ million DKK	111	104	

Environment	Units	2021	2022	Development
Total energy use	kWh	59,747,106*	57,918,245	
Electricity consumption	kWh	39,057,648*	37,495,079	Added all sales offices 2022.
Renewable energy	%	11*	81	
Energy use per kg product	kWh	0.76*	0.76	
Total operational spend on energy	%	10.64	26.53	Increased energy costs.
District heating	kWh	20,689,458	20,423,166	
Total water consumption	m ³	886,057	911,883	
Water intensity per kg product	litre	11.3	12.0	
Carcass utilization indicator (CUI)	%	77	76	
Total waste	kg	21,391,556	19,545,498	
Sewer in wastewater	kg	220	221	
Controlled combustion	kg	431,730	503,859	
Anaerobic digestion/biogas	kg	4,298,002	4,078,096	
Landfill	kg	521,927	158,480	
Animal feed	kg	14,863,927	14,804,842	
Other (sold further)	kg	1,275,750	0	
Total recycling	kg	2,950,401	2,756,949	
Paper/cardboard	kg	1,628,698	1,379,739	
Plastic	kg	390,890	439,246	
Other (wood, metal)	kg	930,813	937,964	



All emissions are accounted in accordance with the Greenhouse Gas Protocol Corporate Standard. Sustainability data source of emissions is powered by Position Green.

*Restated accounting

Worker Health & Welfare

	Units	2021	2022	Development
Gender diversity				
Males in Board of Directors	%	86	86	
Females in Board of Directors	%	14	14	
Males Directors	%	100	100	
Females Directors	%	0	0	
Males Senior Managers	%	78	67	
Females Senior Managers	%	22	33	
Males Managers	%	51	53	
Females Managers	%	49	47	
Males (all employees)	%	38	38	
Females (all employees)	%	62	62	
Safety				
Accidents	Number	71	119	We experienced an increase in accidents as a result of more new employees on site at our production plants post-pandemic.
Accident Frequency Rate	Number	15.2	24.1	
Accident Severity Rate	Number	2.3	1.9	

Sustainable sourcing

	Units	2021	2022	Development
Seafood sourced with third part certification scheme	%	99	96	
Certified Palm Oil	%	100	100	
Certified indirect soy in fish feed	%	67	75	
Certified supplier sites (GFSI)	%	60	66	
Conducted supplier audits	Number	5*	10	In 2022, no human right violations in our supply chain were found.

Governance

	Units	2021	2022	Development
Whistle-blower system cases	Number	0	4	All cases were related to office and production employees. Not all cases were substantiated with evidence, but all cases were investigated and handled in accordance with our Whistleblower Policy. None of the cases had a severe impact on our business operations

*Affected by Covid-19.

Reporting period

Espersen's sustainability data reporting covers the period from 1 January to 31 December 2022.

Reporting boundaries and frameworks

Our sustainability reporting focuses on Espersen's activities in line with our double materiality analysis which encompasses both the environmental, social and governance impact of, and on, our business.

All our emissions have been performed in accordance with the methodology set out in the Greenhouse Gas Protocol Corporate Standard.

Scope 1

Emissions include on-site fuel, freezing agents, stationary combustion and company cars.

Freezing agents

Source of emission factor: Naturvårdsverket (2019)

Fuel consumption

Source of emission factor (petrol, diesel, LPG gas): DEFRA (2021)

Stationary combustion

Source of emission factor: DEFRA (2021)

Company cars

- Source of emission factor scope 1 (petrol, diesel): Sveriges klimatrapportering 2021
- Source of emission factor scope 3 (petrol, diesel): DEFRA (2022)

Scope 2

Emissions include electricity, district heating and company cars (electric and hybrid cars).

Electricity Consumption

- Sweden, Denmark, Germany, France, Poland, Lithuania:
- Source of emission factor scope 2 (location and market-based emissions): AIB (2021)
- Source of emission factor scope 3: AIB (2021)
- Vietnam
- Source of emission factor scope 2 (location and market-based emissions): IEA 2021 (CO2KWH ELE)
- Source of emission factor scope 3: IEA 2021 (CO2KWH ELE)

District Heating

- Denmark
- Source of emission factor scope 2: Energistyrelsen (2020)
- Source of emission factor scope 3: WTT Heat and steam, DEFRA (2021)
- Poland
- Source of emission factor: DEFRA (2021),

Company cars

Source of emission factor scope 1,2,3 (electric and hybrid cars): DEFRA (2022)

Scope 3

Indirect emissions in our value chain. This includes, but is not restricted to, emissions from the extraction and production of purchased materials and services, vehicles not owned or controlled by Espersen, outsourced activities, business travel, employee commuting, waste disposal and end of life treatment of sold products.

Category 1: Purchased goods and services

- Includes fish raw materials (the catch and breeding of fish up to the landing port), ingredients and packaging materials.
- Source of emission factor (fish raw material): seafoodco2.dal.ca/
- Source of emission factor (ingredients): World Food Database v3.5, 2020, Agri-footprint v5.0, 2020, Agribalyse v3.0, 2020
- Source of emission factor (packaging): World Food Database v3.5, 2020, Agri-footprint v5.0, 2020, Agribalyse v3.0, 2020.

Category 2: Capital goods

- Includes categorised spend data for construction, plant machinery, operating equipment and software.
- Source of emission factors: CEDA v5.05.

Category 3: Fuel and energy-related activities

- Includes fuels utilized for e.g., other vehicles for internal transport (e.g., forklifts), heating and electricity based on consumption used in our production plants and offices.
- Source of emission factors: DEFRA (2021)

Category 4: Upstream transportation

- Includes inbound and outbound logistics, and transportation and distribution services conducted by third-party logistics providers for road, marine and rail transport.
- Source of emission factor: BEIS, (2021)

Category 5: Waste generated in operations

- Includes waste volumes from food waste, food material sent to other destinations, controlled combustion, anaerobic digestion/biogas, landfill and animal feed.
- Source of emission factor: DEFRA (2021)

Category 6: Business travel

- Includes emissions from air travel, taxi, car rental and leased vehicles.
- Source of emission factor: Carlsson Kanyama et. al (2019)
- Source of emission factor scope 1: Sveriges klimatrapportering 2021
- Source of emission factor scope 3: DEFRA (2022)

Category 7: Employee commuting

- Includes emissions calculated using the number of employees in each country multiplied by transport specific emission factors.
- Source of emission factor: BEIS (2021), SBB, IEA and Swedish Transport Administration, IEA.

Category 9: Downstream transportation

- Includes transportation and distribution services conducted by third-party logistics providers for road transport and amount of goods transported in cold stores.
- Source of emission factor: BEIS, 2021
- Source of emission factor (Amount of goods transported in cold stores): Dobers, Perotti, and Fossa, 2022

Category 10: Processing of sold products

- Includes the amount of sold fish products, which facilitates the calculation of the emissions associated with the processing of sold products.
- Source of emission factor: Espersen's average scope 1 and 2 emission intensity

Category 12: End of life treatment of sold products

- Includes food waste from cooked food and packaging materials sent for waste processing and disposal.
- Source of emission factor: World Bank waste statistics, BEIS and Ecoinvent EFs.
- Category 8, 11 and 13-15 are not relevant to Espersen A/S.

Gender diversity

The number of employees is calculated as the number of full-time employees registered in Espersen's HR system. Employee indicators and the share of women in the board of directors, directors, senior managers, managers and all employees is calculated based on headcounts at end of the reporting period.

Safety

All safety data refers to factory employees only. The number of working hours is measured using daily timecard entries in the payroll system for hourly paid employees, and prescribed working hours for salaried employees.

Accident Frequency Rate

Number of accidents x 1,000,000/ total person hours of work performed

Accident Severity Rate

Number of days lost by labor disability x 1,000,000/ total person-hours of work performed

Sustainable sourcing

Raw material sourced with a third-party certification scheme is calculated as the number of certificates registered in Espersen's quality management system (D4infont@-D4). The share of certified suppliers and raw material and ingredients is calculated based on headcounts at end of the reporting period.

Whistleblower system

All incidents made to the whistleblower system are investigated thoroughly. At the end of the reporting year, the total number of whistleblower cases is calculated based on headcounts at end of the reporting period.

