



Sustainability Report 2017

The Craft of Sustainability



Contents

05	From the CEO
06	Espersen Business Model
08	Materiality Analysis
10	Our Sea, Our Fish, Our Food
14	Net Positive Fishing
16	Supply Chain Integrity
18	Resource Use
22	Worker Health & Welfare
26	Financial Key Indicators



“To help ensure our goal of creating net positive fishing we continue to promote disruptive gear technologies for catching fish that will ensure minimal bycatch and environmental impact. While many of these design ideas are still at the theoretical stage, we continue to push for these radical new fishing methods to be further developed and brought closer to reality.”

From the CEO

A strong sustainability policy has been integral to Espersen's values for over a decade and in the last 12 months we've seen many of our initiatives bear fruit. Environmental management has become an increasingly important part of our core business strategy and our factories — spearheaded by initiatives launched at our factory in Bornholm — are really beginning to cut down on their use of water and electricity. That they've been able to do this while simultaneously increasing production illustrates how a bottom-up management strategy can significantly help to reduce our footprint. Not only has this made us more environmentally sustainable, it has also improved our economic performance and we look forward to continuing this trend in all our processing plants in the coming years.

In pursuing Net Positive Fishing, we became one of the driving forces in ensuring that the pristine Arctic waters that are becoming accessible to fishermen with the retreat of the ice caps are afforded protection from overexploitation. Given our purchasing power from fishermen and strong relationships we've developed with the major European retailers and food service outlets, we've been able to bring together fishermen, retailers, food service outlets and NGOs to ensure that large areas of the seas around Svalbard are closed to fishing until environmental assessments can be carried out. It's a project that rightly won a major international award and we intend to follow it up by initiating similar projects in other areas where our suppliers may one day fish.

To help ensure our goal of creating net positive fishing we continue to promote disruptive gear technologies for catching fish that will ensure minimal bycatch and environmental impact. While many of these design ideas are still at the theoretical stage, we continue to push for these radical new fishing methods to be further developed and brought closer to reality. We are also determined to encourage our retail and food service customers to consider the use of one of the principle dangers to the health of our oceans — plastics. The proliferation of plastic in the oceans marks a major challenge to our fisheries and we plan to take a lead in helping to minimise this environmental burden.

This year's report theme is "the Craftsmanship of Sustainability". The report covers our progress across our programme, but this year we want to highlight some of the people within our company who are integral to turning Espersen's core values into concrete action for sustainability every day. From the development of environmental management at the local factory level to building strong working relationships with fishermen, customers and non-profit partners, we continue to demonstrate leadership in ensuring a sustainable future of our seas. We believe this is core to our competitive advantage as one of the world's largest suppliers of high quality seafood today and in the future.

[Klaus Nielsen](#)

Espersen Business Model

An integrated company committed
to winning with our customers

1. Leading position

We maintain significant positions in the markets where we operate. Currently we have production plants and non-production units in Denmark, France, Lithuania, Poland, Russia, Hong Kong, UK and Vietnam. 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 fishermen catching the raw material we source — primarily cod, haddock, hoki, pollock, and saithe — is key to our success.

2. Sustainable production

Our focus on sustainability gives us a competitive advantage — both because it ensures we source and handle our raw materials with care and respect, and because our customers are increasingly looking for sustainability in supply as a differentiator. We are always looking to reduce our own 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 fishing 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 customers' needs.

Winning culture and strong values:

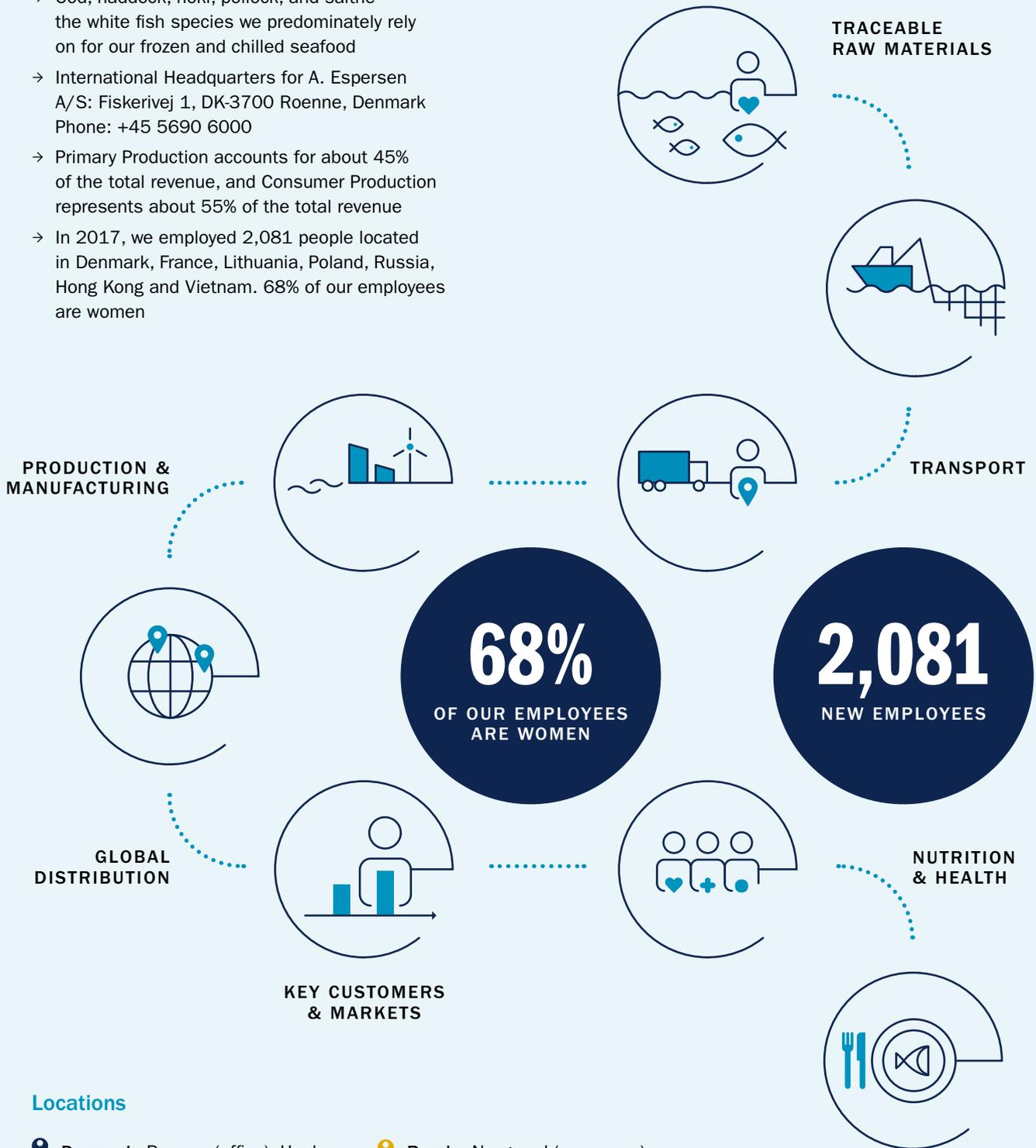
Espersen is a company where we do what we say and say what we do. To live this every day we are guided by the following set of values:

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



Key facts

- Cod, haddock, hoki, pollock, and saithe — the white fish species we predominately rely on for our frozen and chilled seafood
- International Headquarters for A. Espersen A/S: Fiskervej 1, DK-3700 Roenne, Denmark
Phone: +45 5690 6000
- Primary Production accounts for about 45% of the total revenue, and Consumer Production represents about 55% of the total revenue
- In 2017, we employed 2,081 people located in Denmark, France, Lithuania, Poland, Russia, Hong Kong and Vietnam. 68% of our employees are women



Locations

- Denmark:** Roenne (office), Hasle (consumer), Fredericia (consumer), Copenhagen (office)
- Poland:** Koszalin (primary, consumer)
- Lithuania:** Klaipeda (primary)
- Russia:** Novgorod (consumer)
- Vietnam:** Ho Chi Minh City (primary)
- Hong Kong:** (office)
- France:** Boulogne-sur-Mer (office)
- UK:** Grimsby (office)

SEAFOOD WITH PASSION

Materiality Analysis



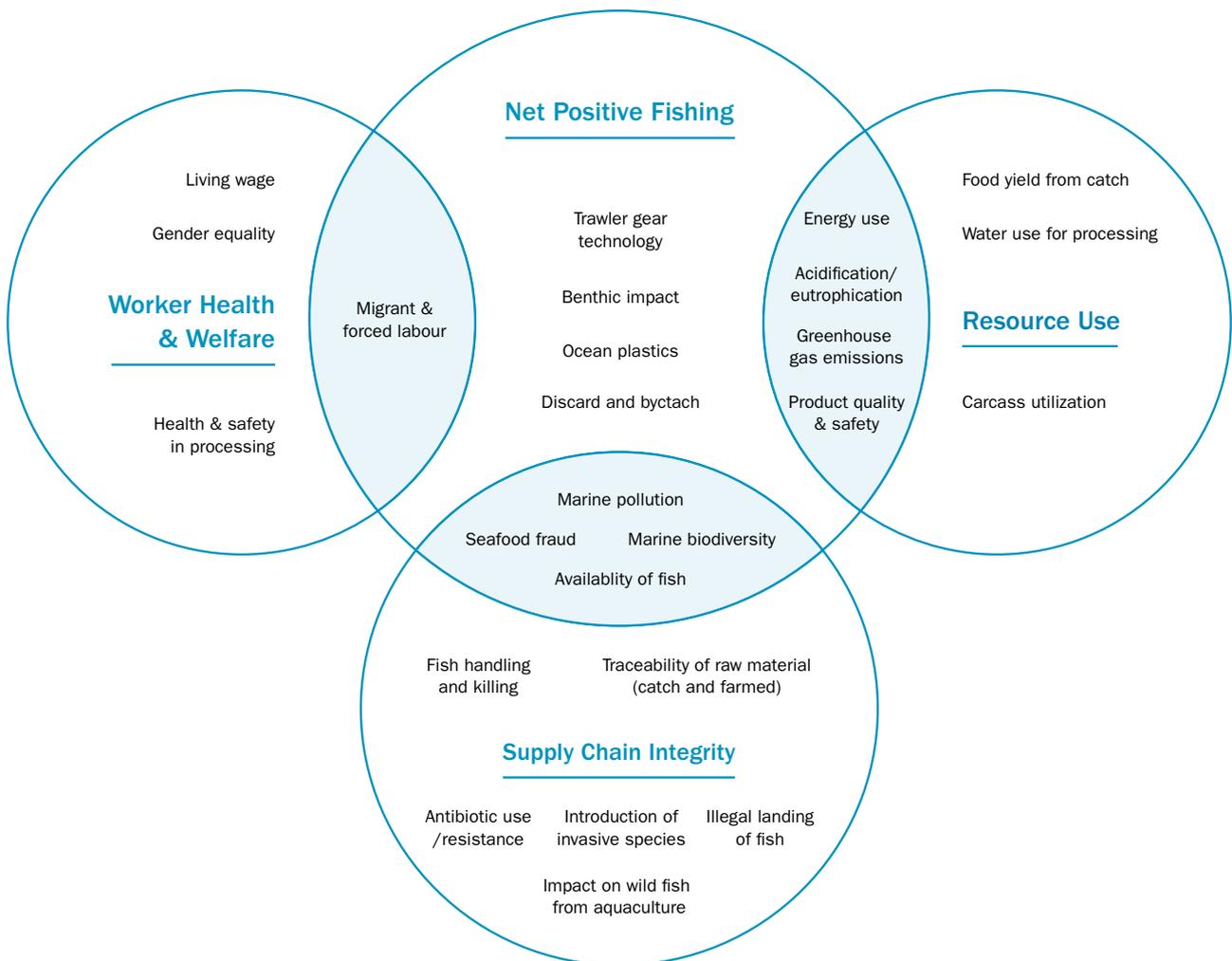
Key Impacts, Risks and Opportunities

As an organization that wishes to genuinely tackle sustainability we focus on what we do on an ongoing and measurable basis — building into our organization a committed and informed direction of travel.

We work in partnership with the advisors, scientists and producers at FAI Farms to ensure our program is validated by cross referencing our objectives and actions against stakeholders' views, industry best practice and relevant published science.

We continuously implement the five following steps in developing our programme and ensuring it stays relevant and tackles our most material challenges:

1. Identify our business ‘footprint’ to establish our reach and potential impact across our entire supply chain.
2. Capture relevant direct and indirect sustainability issues which impact our business, and which we in-turn have an impact on, using the 3E framework of ethics, environment and economics (see diagram below).
3. Conduct internal and external stakeholder research based on the issues from the 3E scoping exercise to capture current views on sustainability challenges, responsibilities and opportunities. Our next extensive stakeholder survey will be conducted in 2018. The purpose of this will be twofold, firstly, to measure our own staff’s involvement and ownership of the programme, and secondly, to ensure that the scope of our sustainability programme still tackles the most material challenges to our business.
4. Review published science relating to the issues identified to highlight key scientific evidence for each issue.
5. Develop bespoke program areas based on the reviews of data, evidence and insight (see diagram below).



Our Sea, Our Fish, Our Food

Food systems are integral to the health of people and the sustainability of the planet. Sustainability is about being fit for the future, which means being ready to adapt your approach and efforts. Developing inclusive, sustainable, efficient, nutritious and healthy food systems is essential for achieving the Sustainable Development Goals (SDGs).

For Espersen it means that we continuously review our program to ensure it tackles the most pressing issues facing our business and the environment in which we operate in the most effective way. The areas we work in are identified and supported by the priorities of internal and external stakeholders as well as ongoing review of published fisheries science.

Currently nearly half of the world's population does not eat a properly nutritious diet. We believe seafood is key to addressing this crisis. Oceans cover three quarters of the Earth's surface. More than 3 billion people depend on healthy oceans for their primary source of protein and over 200 million people are in some way employed in marine fisheries. This is why at Espersen we have made contributing to the SDGs a core element of our sustainability program.



Focus & Goals



Net Positive Fishing

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



Supply Chain Integrity

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



Resource Use

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



Worker Health & Welfare

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



Objectives & Results

100%

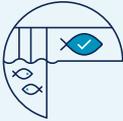
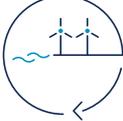
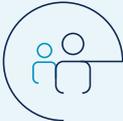
traceability back to source

91.3%

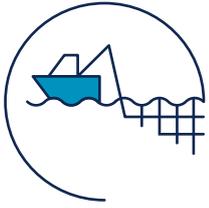
of all sourced fish is 3rd party certified

78.4%

of all sourced fish is used for human consumption

Focus Area	SDG Goal
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, 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.
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. <hr/>  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 labour, end modern slavery and human trafficking.
Resource Use 	 Goal 13: Climate action Take urgent action to combat climate change and its impacts. <hr/>  Goal 8: Decent work and economic growth Target 8.4: Decouple economic growth from environmental degradation. <hr/>  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.
Worker Health & Welfare 	 Goal 8: Decent work and economic growth Target 8.8: Protect labour rights and promote safe and secure working environments for all workers. <hr/>  Goal 5: Gender equality Achieve gender equality and empower all women and girls. Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making.

Espersen Goal	Objective	Reported Results
<p>Conserve and sustainably use the oceans, seas and marine resources as a vital source of healthy and affordable food.</p>	<p>Identify and promote new gear technology with improved fish handling, selectivity and reduced energy use and environmental impact.</p>	<p>Presented disruptive design concepts:</p> <ul style="list-style-type: none"> → SeaWeb Seafood Summit, Seattle, June → New Zealand Seafood Industry Conference, Wellington, August
	<p>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.</p>	<ul style="list-style-type: none"> → January: Responsible Business Ocean Award for industry agreement to protect Arctic fishing grounds → July: Launched satellite monitoring of fishing activities in areas covered by the agreement → December: First report of monitoring, one vessel possibly flaunting agreement
<p>Secure traceable supply of 'delicious seafood with passion' from viable fish stocks and best practice aquaculture.</p>	<p>Ensure purchasing decisions are based on robust sustainability criteria and implement monitoring system of all sourced fish (wild and farmed).</p>	<ul style="list-style-type: none"> → 91.3% of all sourced fish (wild and farmed) are 3rd party certified (MSC certified fisheries, ASC and BAP certified farms) → Supplier Assessment — all audit reports are available in our supplier monitoring system → Compliance with Modern Slavery Act
	<p>Implement electronic traceability systems throughout the supply chain such that all stock can be traced back to source.</p>	<ul style="list-style-type: none"> → 100% traceability back to source (fishery, species, boat) → Electronic traceability system from factory gate to end customer
<p>Use resources responsibly with the aim to decouple waste, water and energy use from our production footprint.</p>	<p>Cap greenhouse gas emissions at 2011 level within the Espersen group.</p>	<ul style="list-style-type: none"> → Achieved: Continued reduction of CO₂ equivalent kg emission per kg of product. This is due to increased production and production efficiency
	<p>Decouple energy use from kg of product produced.</p>	<ul style="list-style-type: none"> → Energy use per kg product continued to fall from the 2015 high point
	<p>Decouple water use from kg of product produced.</p>	<ul style="list-style-type: none"> → Water use per kg of product was reduced for the first time since 2013
	<p>No waste to landfill.</p>	<ul style="list-style-type: none"> → Not achieved. In 2017 Espersen sent almost 400 tons of waste to landfill, an increase of 52 tons from last year → Recycling of paper, cardboard, plastic, wood and metal increased across the Group by almost 790 tons, to a total 1,700 tons in 2017 → Begin to measure the amount of plastic used within our operations and in our supply chain, and develop action plans and partnerships, including with the Global Ghost Gear Initiative (GGGI)
	<p>90% Carcass Utilization of fresh/frozen fish by 2022.</p>	<ul style="list-style-type: none"> → 78.4% of all sourced fish is used for human consumption (up from 74.8% last year) → Joined the "Champions 12.3" Coalition — a group of companies working together to achieve SDG target 12.3 to reduce global food waste and losses → Began reporting on food waste by destination: of 15,000 tons of foodstuff lost 95.9% was sold as byproduct for animal feed, and 4.1% was used for biogas production
<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 Ethical Trading Initiative (ETI) as our baseline standard and to review it regularly for continuous improvement.</p>	<ul style="list-style-type: none"> → 100% of facilities are ETI Base Code certified or audited to customer specific higher standards → Group-wide reporting and response procedure for accidents in the workplace (239 accidents) → Health and Safety at work programme (OHSAS 18.001)
	<p>Ensure at least 25% of appointed Board members are women by 2018.</p>	<ul style="list-style-type: none"> → One of the six appointed board members is a woman → Gender-based reporting for all levels of management across the Group



Net positive Fishing



Alex Olsen
Head of Sustainability

Goal:

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

Objectives:

- Identify and promote new 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:

- Presented disruptive design concepts:
 - SeaWeb Seafood Summit, Seattle, June
 - New Zealand Seafood Industry Conference, Wellington, August
- Launched initiative to protect Arctic fishing grounds:
 - Received the Responsible Business Ocean Award for Industry agreement to protect Arctic fishing grounds
 - Began satellite monitoring of fishing activities in areas covered by the agreement
 - Issued first monitoring report of the agreement

1.

Quality food from sustainable sources

2.

Low-no impact on the benthic and reduce GHG

**3.**

Improve selectivity and prevent by-catch

4.

Benefit the fishermen

It was a great honour to win the 2017 Responsible Business Ocean Awards for our work agreeing a precautionary approach to harvesting food from unexplored waters in the extreme Northeast Atlantic.

The Industry Group Agreement to Cod Fishery is a rare example of what can be achieved when fish processors like Espersen work together with the harvesting sector in Norway and Russia to gain the support and backing from governments, NGOs and major brands.

Thanks to the initiative, pristine areas around the Svalbard archipelago will be protected from trawlers until the status of the ecosystems has been established. The goal is to ensure that long-term decisions based on science — rather than the short-term pursuit of profits — are the basis for dictating which parts of this area can be sustainably exploited for seafood harvesting.

This year's milestone was the July launch of a satellite monitoring programme of all fishing activities in the areas covered by the agreement. The monitoring is carried out by

OceanMind, a group working to increase the sustainability of fishing globally through actionable insights into vessel compliance. During the first six months of monitoring only one vessel has been found to possibly flaunt the agreement out of all the 91 Russian and Norwegian vessels that signed up. Through this project we are demonstrating that such a multi-stakeholder agreement can be backed-up by concrete results and that those found to violate it more than once will be found out and expelled from the group.

This line of work supports Espersen's long-term vision of Net Positive Fishing — a concept we developed in 2016 to direct our efforts towards ensuring a future where sustainably harvested seafood is the norm. This includes demonstrating industry leadership for ocean preservation, showcasing

the benefits of seafood and fundamentally changing the very methods by which our fish are caught. This year we continued to share the concepts developed during our 2016 disruptive gear technology workshop, taking designs involving lasers and drones to industry and sustainability conferences in the US and New Zealand.

We are on a long-term mission to ensure we can continue to provide delicious, healthy and affordable food from our oceans to meet the ever-growing demand. To achieve this, we firmly believe we have to entertain radical new ideas and continue to challenge the status quo. This is why we say sustainability is about future-proofing both our company and our industry.



Supply Chain Integrity



Søren Bo Olsen
Espersen's Sales
Director, McDonald's

Goal:

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

Objectives:

- Ensure purchasing decisions are based on robust sustainability criteria and implement monitoring system of all sourced fish (wild and farmed)
 - Implement electronic traceability systems throughout the supply chain such that all stock can be traced back to source
-

What we are doing:

- Traceability and 3rd Party Certification:
 - 100% of the fish we buy is traceable back to source (fishery, species, boat). Electronic traceability system in place from factory gate to end customer
 - 91.3% of the fish we buy is 3rd party certified (MSC, ASC, BAP)
- Ongoing supplier assessment and Modern Slavery Act compliance

For 45 years Espersen has taken great pride and care in creating one of the world's best-known seafood products — McDonald's Filet-O-Fish. Having the world's biggest restaurant chain as a long-term customer comes with great responsibility and means we must ensure impeccable credentials, both in terms of where we source our fish and how we process it.

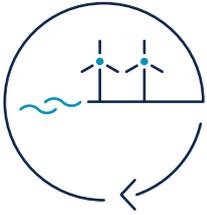
McDonald's faces greater public scrutiny than any other food service outlets in the world. As a result of this constant attention, it's a company that needs to ensure that every link in its supply chain meets an exceptional standard. When we began working with McDonald's in 1973 we supplied them with frozen cod blocks from the Baltic Sea to be processed in the US. Since then our relationship has continued to grow and today we make the famous Filet-O-Fish fillets ourselves — at our factory in Bornholm together with two other factories — for restaurants in 42 countries from a selection of sustainable whitefish fish from around the world.

As well as setting the highest bar for quality, McDonald's expect sustainability. That is why every one of the hundreds of thousands of Filet-O-Fish we produce only contain fish from MSC certified fisheries — whether it's cod or haddock from the Barents Sea, Alaskan pollock from the Bering Straits or hoki from the Southern Ocean.

Our customers expect us to constantly improve our performance — whether through reducing the environmental impacts of our factories, ensuring we're completely transparent or increasing our product portfolio. Moreover, serving a global market means we also have to guarantee our ability to produce and supply our customers, no matter what happens. Not only are we future-proofed by being set up to cope with society's growing demand for seafood products, but we're also crisis-proofed with the ability to move production between any of our factories should a problem occur.

Our customer relationships up and down the supply chain are built on trust. For nearly five decades we have delivered quality products and services to McDonald's. The secret is to put our values into action and be the company that does what we say and say what we do.





Resource Use



Stig Nielsen
Factory Manager, Hasle

Goal:

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

Objectives:

- Cap greenhouse gas emissions at 2011 level within the Espersen group
 - Decouple energy and water use from kg of product produced
 - No waste to landfill
 - Decouple water use from kg of product produced
 - 90% Carcass Utilization of fresh/frozen fish by 2022
-

What we are doing:

- Keeping our CO₂ Equivalent kg emissions per kg of product below our 2011 level
- Reducing energy and water use per kg of product
- Small increase in waste to landfill and almost doubling of waste recycled
- 78.4% of all sourced fish is used for human consumption (up from 74.8% last year)
- Joined **Champions 12.3** to reduce food loss and waste

For our people on the production line at Hasle, kilowatt hours and cubic metres of water seem like abstract concepts compared to the goal of safely producing as many Fillets-O-Fish as possible. However, attitudes are changing since we began translating ‘KwH and m3’ into \$ — a currency everyone understands.

As part of our bottom-up environmental management strategy we began printing out weekly figures monitoring water and electricity use alongside the units of product we turned over. More often than not these tables show financial savings driven by this new emphasis. In the last three years we’ve managed to decrease water use by 22%, electricity use by 20% and, in the process, save 30% in environmental cost in 2017 compared to 2016 just here at our Hasle factory.

At the same time, we’ve managed to simultaneously increase production without investing in any major infrastructural changes. All 33 of us who work at this factory — whether in the technical, production or environmental teams — are able to inform and benefit from the changes we are generating. It’s part of our philosophy to share our knowledge, share information and involve everyone in decision making, no matter what our position. It’s a win-win for everyone and, as a result, everyone shares in the success. Moreover, in the long run these saving will help to secure the future of our jobs here on Bornholm, the island where Espersen was founded and where many of us were born and raised.

Becoming more engaged with environmental management may have involved a shift in

attitudes and may have taken time for some people to adapt to. But now, increasingly, people are coming to me with ideas of how to improve our use of resources: often small things, but these make a difference over time. This is why we now operate in terms of seconds, not minutes, at the plant. Everyone’s involved and everyone’s committed. This attitude doesn’t just apply to the use of resources, but to every part of the running of the plant. By making the most of 33 pairs of eyes and 33 pairs of hands we’ve been able to make hundreds of changes: generating improvements to our speed, safety and efficiency of operation.

Our plants in Lithuania and Poland have now embarked on their own journeys of environmental management. While we don’t expect them to mimic our changes exactly, we hope that the methods used and results achieved in Hasle may inspire them to embrace the process and involve all their people. They will quickly realise that small alterations (like delaying the preheating of a fryer) will make significant impact to both resource use and the financial bottom line.

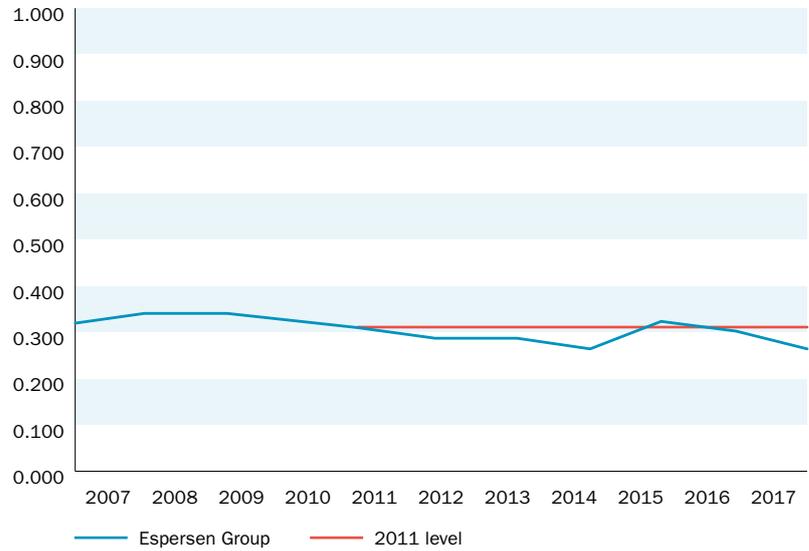
At Hasle we have seen the power of investing in developing a mindset for doing things right and for celebrating the small victories that add up to major successes over time.



Results

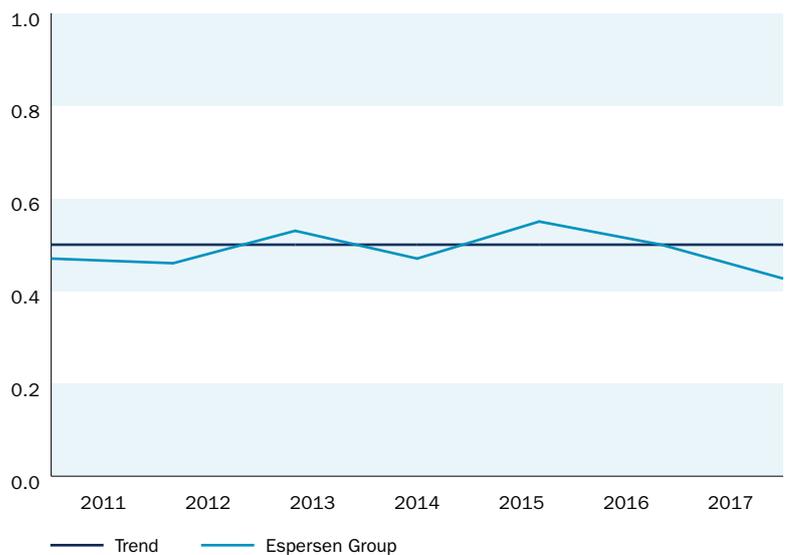
CO₂ equivalent emissions (kg) per kg of Product

Continued reduction of CO₂ equivalent kg emission, per kg of product. This is due to increased production and production efficiency.



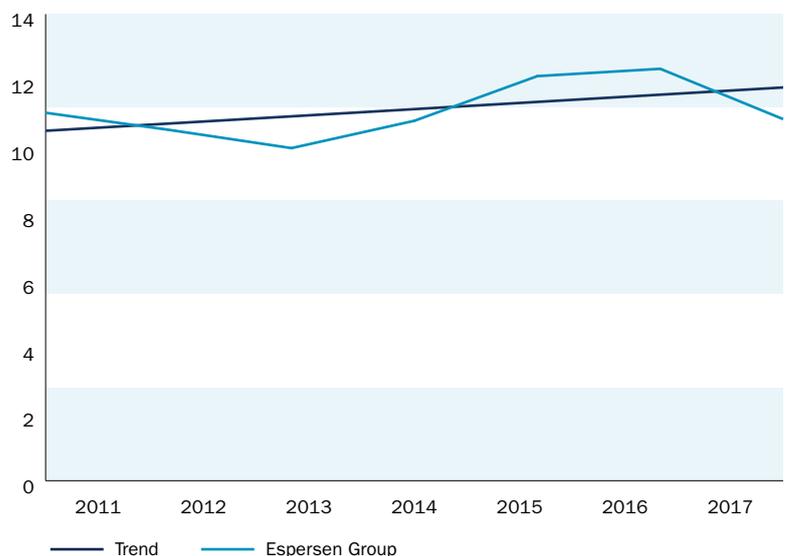
Energy usage (kWh) per kg product

Total energy use across the Espersen Group continues to grow, in part due to the acquisition of another factory in Poland. However, due to improved production efficiencies, energy use kWh/per kg of product continues to fall.



Water usage (m³) per kg product

Total water use across the Espersen Group continues to grow, in part due to the acquisition of another factory in Poland and the resulting increased production. However, due to improved production efficiencies 2017 saw a reduction of water usage per kg product for the first time since 2013.



Waste to landfill and recycling 2017

Not achieved. In 2017 Espersen sent almost 400 tons of waste to Landfill, an increase of 52 tons from last year.

However, recycling of paper, cardboard, plastic, wood and metal increased across the Group by almost 790 tons, to a total of 1,700 tons in 2017.



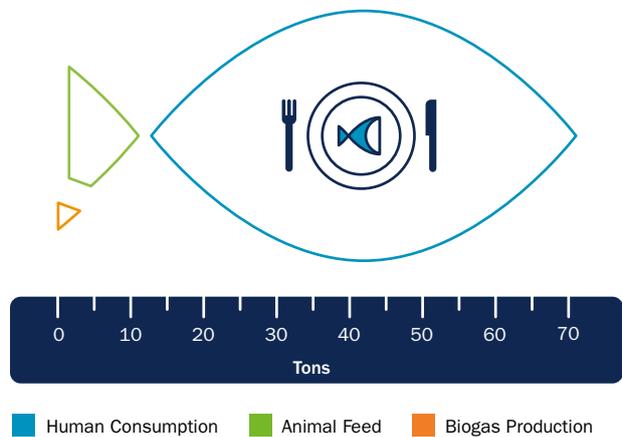
Carcass utilisation and food waste

In 2017 Espersen sourced 70,000 tons of food raw materials (primarily fish). Of this, 78.4% was used directly for human consumption, an increase from 74.8% last year (see graph below).

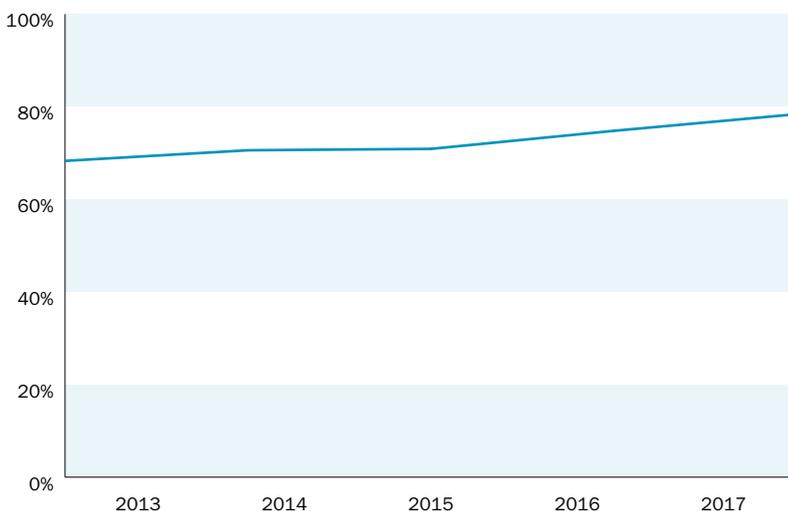
As members of the Champion 12.3 coalition Espersen has committed to lead by example to reduce food waste by quantifying and monitoring our food loss and waste and pursue strategies to reduce it. In 2017

The 21.6% of sourced foodstuff that Espersen did not utilize for human consumption is categorized as food loss for 2017. This constituted just over 15,000 tons. Of this:

- 95.9% was sold as a by-product and utilized for animal feed
- 4.1% was utilized for biogas production



Percentage of raw material used for human consumption





Worker Health & Welfare



Max Sørensen
Chief Operating Officer

Goal:

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

Objectives:

- Maintain the Ethical Trading Initiative (ETI) as our baseline standard and to review it regularly for continuous improvement
 - Ensure at least 25% of appointed Board members are women by 2018
-

What we are doing:

- Continue to achieve ETI Base Code certification or auditing to customer specific higher standards in 100% of our facilities
- First time Group-wide reporting and response procedure for Accidents in the Workplace (239 accidents reported)
- Health and Safety at work programme (OHSAS 18.001)
- One of the six appointed board members is a woman
- Gender-based reporting for all levels of management across the Group

Despite being with Espersen for five years I'm a relative newcomer – I've met a number of colleagues who have been with the company for two or three decades, which demonstrates that we're a solid firm to work for.

While we continue to respect the company's 80-year heritage, in recent years we've brought in people from other industries. I believe we now have a good mix of employees with valuable in-house experience and those who've brought in fresh ideas of how to do get things done.

This new diversity has led to improvements in a number of key performance indicators in recent years — not least regarding the welfare of our employees. I'm proud to say that an increased attention to detail in this area is paying off and our records show that the number of accidents in the workplace has decreased considerably in our existing sites.

Ensuring a safe working environment, and thereby avoiding accidents, is vital to keeping our employees safe and motivated. It is also good for our business as it drives greater productivity. We're right to be proud of what we've achieved in recent years, but we still have room for improvement and I am convinced that we will continue to improve, both this year and in the years to come.



ETI Base Code Certified

In 2016 all of Espersen's facilities were ETI Base Code certified or audited to customer specific social standards for several years which secures a higher level of protection for our workers.



Employment is freely chosen



Freedom of association and the right to collective bargaining are respected



Working conditions are safe and hygienic



Child labour shall not be used



Living wages are paid



Working hours are not excessive



No discrimination is practised



Regular employment is provided



No harsh or inhumane treatment is allowed



The ETI Base Code is an internationally recognised set of labour standards based on ILO conventions. Espersen uses it to drive improvements in working conditions around the world.

ethicaltrade.org

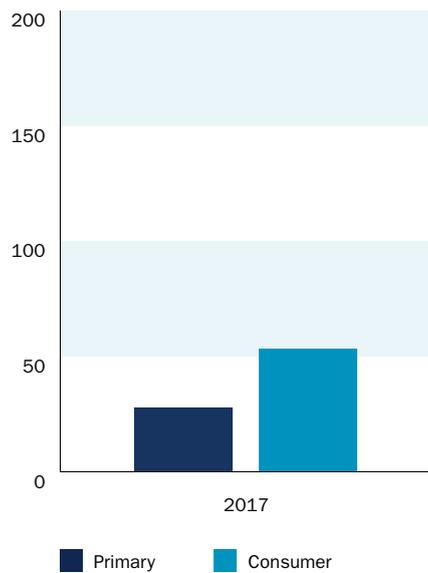
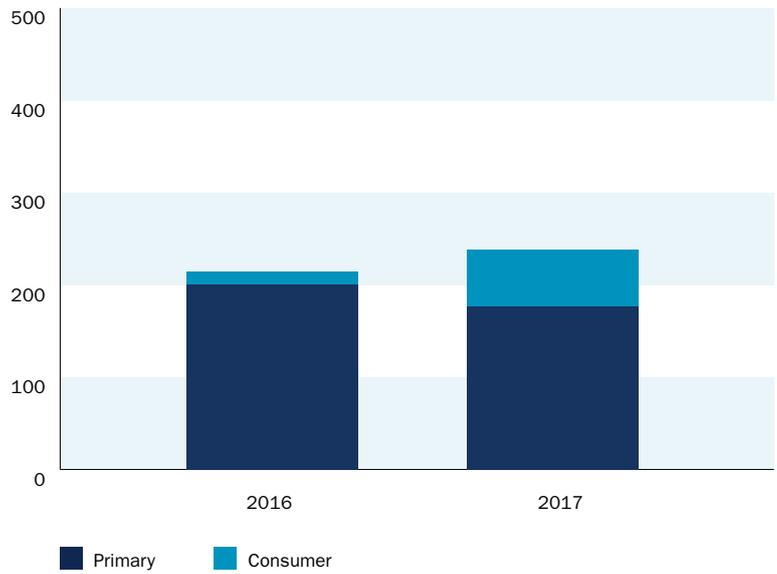
Major accidents reported across the group per division

2017 was the first year we are able to report on major accidents across the Group in a uniform manner. We have also implemented a Group-wide response protocol to accidents reported.

The top graph shows the total number of accidents in 2016 and 2017, separated by the two types of factories Espersen operate — ‘primary’ and ‘consumer’. Primary production is the first stage of processing, usually involving filleting whole fish or frozen blocks. There are more people involved in this part of the production. Consumer refers to the final processing of primary raw materials into final products of end consumers.

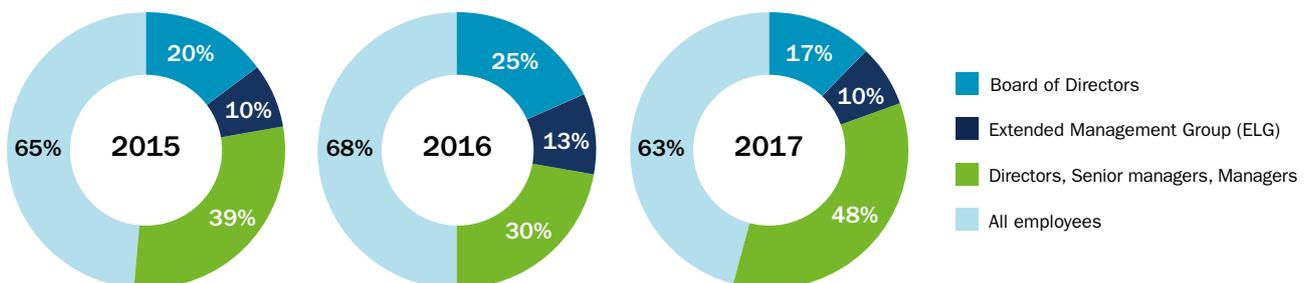
The bottom graph shows major accidents presented as H1 values. H1 is a standardized reporting measure for the number of accidents per 1,000,000 working hours. Presenting accidents in this way allows for better comparison of safety in the workplace (per hour worked) regardless of the size of the factory and number of workers.

The overall H1 value for Espersen in 2017 was 42,8, due to a relatively high number of work related accidents in primary. Moving forward we will focus on reducing these — one work related accident is one too many. Being realistic but still ambitious, we have set a target for H1 below 30 in 2020 at company level.



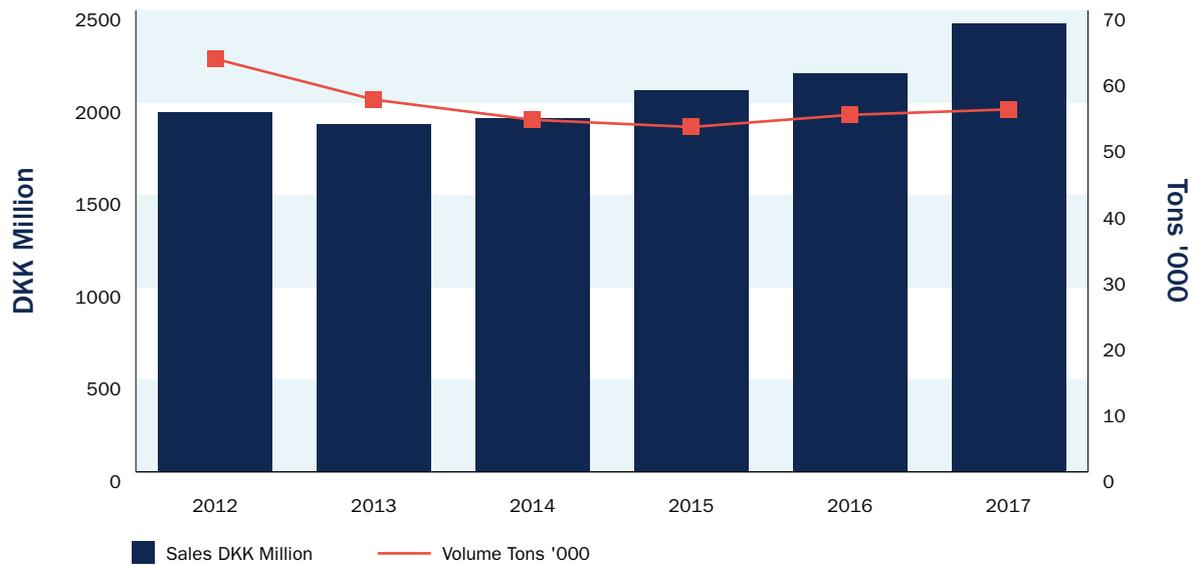
Group-wide gender reporting

2017 saw a welcome increase in the proportion of women in the ‘Directors, Senior Managers and Managers’ category across the group, reaching 48%.

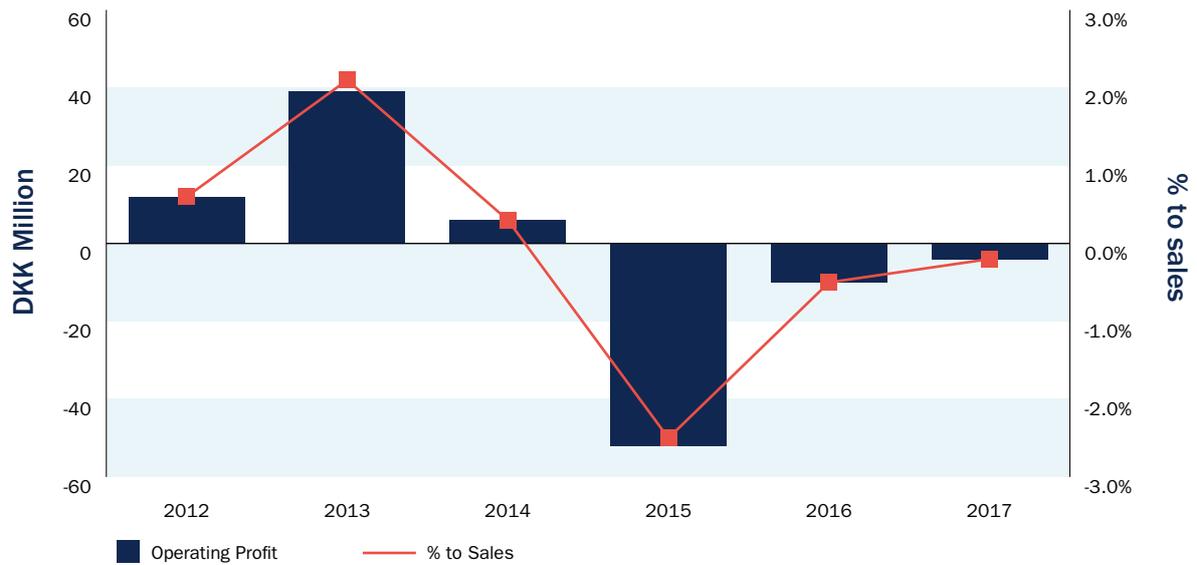


Financial Key Indicators

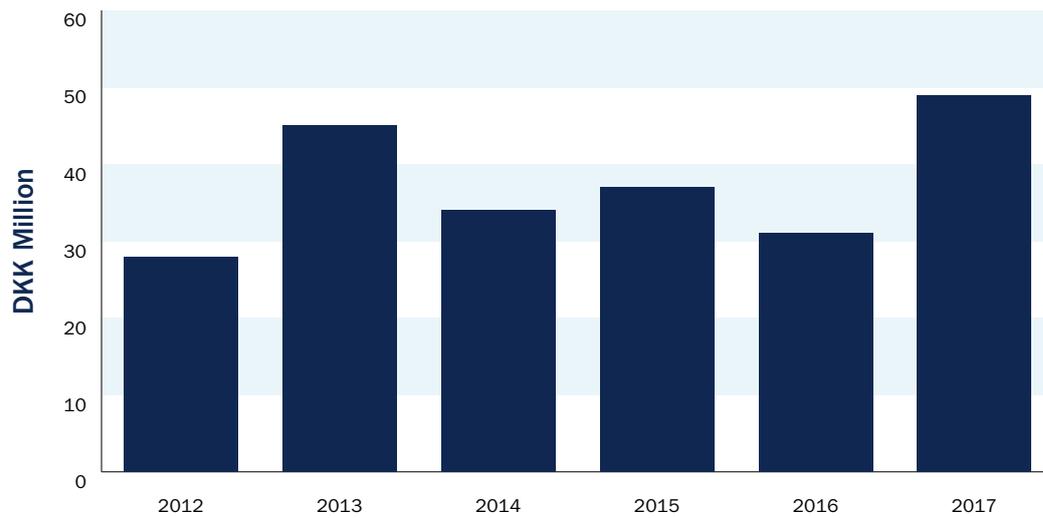
Sales and volume



Operating profit and sales



Investments



Policy reference

The following policies can be found on our website

www.espersen.com/commitment/policies

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

espersen.com

A. Espersen A/S
Fiskerivej 1, Roenne
Denmark

Tel: +45 5690 6000

Email: roenne@espersen.dk

