



Sustainability Report

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Espersen Sustainability Report 2023

# About this report

This report outlines the sustainability goals and progress made by Espersen across the company's focus areas for the 2023 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. The ESG figures for 2023 include our production sites in Denmark, Poland, Lithuania, and Vietnam, and for relevant metrics our non-production facilities in Denmark, Sweden, France, the United Kingdom, and Germany. Espersen's recently acquired production site in the United Kingdom is not included, as Espersen gained operational control in September 2023. In future reporting, it is planned to incorporate this site. Reporting boundaries are specified alongside reported metrics.

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At Espersen we are taking steps towards compliance for future EU legislation, preparing for the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). As a result, we have restructured the report and new disclosures have been added.<sup>1</sup>

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 indicated within this report.

#### Votes

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

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Please contact <u>espersen@espersen.dk</u> if you have any questions or feedback regarding our sustainability report.

This report is not fully CSRD and ESRS compliant

# From the CEO: Changing the game through collaboration

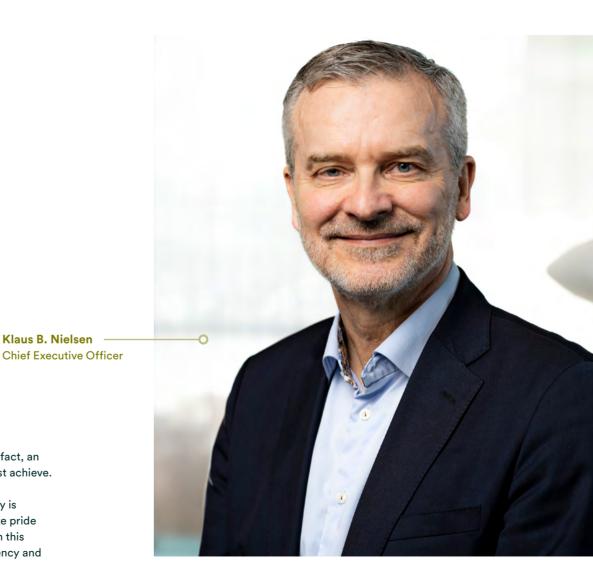
The role of the seafood industry in our world's food systems must continue to grow in importance, taking on an increasing share of the task of providing the world with high-quality nutrition.

While the industry's emissions can be lower than that of many land-based food systems, the seafood value chain still exerts a degree of negative impact on the environment. And inadequate stewardship of marine resources is particularly threatening to the conservation and food supply potential of this valuable resource. Sustainably sourced, produced and delivered seafood

is key to addressing these challenges. It is, in fact, an overarching goal that the industry simply must achieve.

Klaus B. Nielsen

At Espersen, our commitment to sustainability is deeply embedded in our purpose, and we take pride in our track record of positive contributions in this regard. Yet, while we act with a sense of urgency and





#### ↓ Notes

https://sciencebasedtargets.org/ target-dashboard are more than willing to be first movers, we recognize that we cannot tackle these challenges alone. It is imperative that our industry changes with the times, adapting long-standing practices and adopting new ones to ensure a sustainable future. This transformation demands solid collaboration and unwavering commitment across the entire value chain.

#### **Encouraging adoption**

Our sustainability program revolves around both internal initiatives and industry-wide efforts. I am pleased to note that there are already diverse solutions available to enhance productivity and reduce environmental impact, aided by increasing digitalization and new technologies, in particular. And there are more initiatives on the horizon that can help drive the industry toward ambitious emission reductions and more responsible stewardship of our precious natural resources.

However, for these and other innovations to deliver fully on their potential, we must encourage suppliers, customers, researchers, regulators and others to work closely together to accelerate their adoption into seafood operations around the world. And the urgency of this adoption only becomes more evident with each passing year.

#### Strengthening sustainability in our operating model

For Espersen, a highlight of the year was achieving formal approval for our science-based targets<sup>1</sup>, which were submitted in December 2022. In parallel with this commitment, we have conducted a comprehensive review of our sustainability performance and approach, leading to the development of a high-level emissions reduction roadmap. This roadmap will guide us as we strive to achieve our sustainability objectives while aligning our business with the growing expectations of our stakeholders. As a result, we are establishing a more robust operating model that will deeply integrate sustainability into every facet of our operations, fostering increased accountability and coordination across our entire organization.

Our future focus is crystal clear: to drive sustainability throughout the entire value chain and encourage innovation and collaboration to the fullest extent possible, thus ensuring a more sustainable future for our entire industry.

In closing, I extend my heartfelt gratitude to all of our colleagues and partners for their unwavering dedication during these challenging times. As we approach our target year, 2030, there is much work to be done, but with the progress we have made thus far, I am confident in our collective ability to achieve our sustainability goals.

#### Klaus B. Nielsen Chief Executive Officer

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# Sustainability Highlights

#### Continued expansion of on-site solar production in Poland

By the end of 2023, two additional roofmounted photovoltaic installations had been mounted at our Polish sites and will be in use in 2024. This boosts Espersen's total capacity to 250 kW generated by on-site solar in Poland. With our three installations already in operation, our Polish 2023 savings amounted to 115 MWh, roughly financial savings of DKK 255,797.<sup>2</sup>

## Celebrating our 10<sup>th</sup> annual sustainability report

In April 2014, Espersen published its first sustainability report, covering the 2013 reporting year. This year's report marks our 10th publication.



## Espersen's Fish Academy training program launched

In 2023, we released our internal training platform, Fish Academy, whose video courses are based on our core fish species, as well as immediate functions around fish procurement, along with quality and sustainability topics. More courses are planned for 2024.



#### MSC Award: 2023 Best Supplier – frozen category

The main objective of the award is to honor MSC partners with outstanding performance and involvement in developing the MSC program and promoting sustainable fishing.



## Our science-based targets

Espersen's near-term emissions reduction targets have been approved by the Science Based Targets initiative (SBTi).<sup>1</sup>



#### McDonald's Supplier of the Year 2022 Award

In March 2023, Espersen received the "Supplier of the Year 2022" award in connection with the McDonald's Nordic Supplier Summit.

Votes 🗸

Our targets: https://sciencebasedtargets.org/target-dashboard or go to page 34 in the report.

<sup>2</sup> Conversion used: 1 Polish złoty = 1.72 Danish Kroner

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# General

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General

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# **Business** Model

An integrated seafood company committed to winning with our customers.

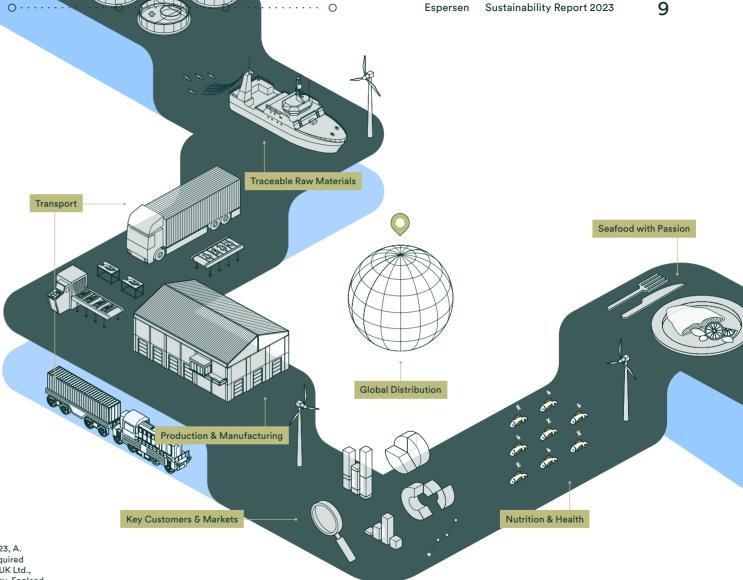
Espersen is a world leader in the processing of frozen fish blocks, frozen fillets, special cuts, and breaded and deluxe puff pastry fish products, with modern production plants in Denmark, Lithuania, Poland, Vietnam and the United Kingdom<sup>1</sup>, with sales offices in the United Kingdom, France, Germany, Sweden and Denmark.

Our company's purpose is "We inspire people to enjoy healthy and delicious seafood - it's climate-friendly and helps feed a growing population".

This common purpose lies at the heart of our business model. It inspires our structure, operations, products, and the contexts in which we contribute to a more sustainable world.

#### ↓ Notes

<sup>1</sup> In September 2023, A. Espersen A/S acquired Iceland Seafood UK Ltd.. located in Grimsby, England.



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#### The value we create

Foods based on white fish species present an important source of high-protein, micronutrient-rich nutrition to nourish and sustain the world's growing population.

We differentiate ourselves by seeking to make our products the most sustainably sourced and produced white fish choices for consumers.

A winning culture, strong values and a constant drive to innovate maximise the value we bring. Our global presence and well-structured operations enable us to efficiently navigate diverse markets. And resourceefficient practices are a cornerstone of our highquality products.

#### The inputs we rely upon

Our primary raw material is white fish, primarily Atlantic cod, Alaska pollock, haddock, yellowfin sole, and flounder, sourced mainly from northern waters around the globe. Production also relies upon landbased raw materials such as palm oil, soy, dairy and eggs, each of which bring their own sustainability challenges. Ensuring these ingredients match the sustainability credentials of our fish is a priority for us.

#### The impacts we make

As a responsible participant in the food processing industry, we recognize that our operations consume substantial water resources and generate waste. However, we remain committed to minimizing these impacts through sustainable practices, striving to strike a harmonious balance between meeting the global demand for nutritious seafood and safeguarding people and the environment.

# **Our 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 values:

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

# The Espersen Story

### 1919

J.P.A. Espersen marries Dagny and starts a fish-trading company

The first codfilleting factory is established on the island of Bornholm

1937

**1945**<sup>1</sup> The war ends and export of chilled and frozen fish to

1971

JPA Foundation is established, taking over the company on 30 December 1971

1973 J.P.A. Espersen dies (followed by

his wife, Dagny

The holding company INSEPA is established Espersen, in 1980)

2004

## 2012

Espersen's sustainability program: Our Sea, Our Fish, Our Food is developed

Espersen publishes its first sustainability report for the 2013 reporting year

2014

50th anniversary of the Foundation

2021



#### Doing well by doing good

European countries

accelerates

Creating a lasting impact on the world does not happen overnight; it requires a steadfast, long-term commitment. This is where our owner, the JPA Foundation, plays a crucial role, enabling Espersen to focus on the big picture instead of prioritizing short-term financial goals. This balancing of business viability with social responsibility is a cornerstone in our pursuit of a sustainability-driven agenda. And it is elegantly expressed in the words "Doing well by doing good" - a central part of the Foundation's identity.

The JPA Foundation came from humble beginnings. In 1894, Jens Peter Arnold Espersen was born into a family of fishermen. Arnold — his preferred name — was bright and enterprising. At 12 he started fishing and by 25, 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 into one of the world's most important white fish processing corporations.

Today, the Foundation supports social and humanitarian projects globally. And in recent years, concerns about the ocean, its resources and climate change have accelerated the Foundation's support for broad scientific research into marine environments and food technology.

#### Votes

We acknowledge that the Island of Bornholm celebrated its final liberation in 1946, when the Soviet fleet left Bornholm.



General

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# Locations

↓ Notes

<sup>1</sup> In September 2023, A. Espersen A/S acquired Iceland Seafood UK Ltd., located in Grimsby

#### Denmark

#### Copenhagen Headquarters

**Roenne** QSR sales, customer service

Hasle Office consumer division, consumer production

Sweden Stockholm Sales office

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Leeds Sales office

Grimsby

France

Sales office

Primary and consumer

production, office <sup>1</sup>

Boulogne-sur-Mer

Germany Kiel Sales office

#### Poland

Koszalin Primary and consumer production, office, laboratory

Lithuania

Klaipeda Primary production, office

Vietnam

Ho Chi Minh City Primary production

# **Materiality Assessment**

Every second year, we update our materiality assessment to ensure we remain focused on the challenges identified within the scientific community, the industry, and key focus areas for our stakeholders. During 2023, in preparation for the EU's Corporate Sustainability Reporting Directive (CSRD), Espersen conducted a double materiality analysis (DMA) methodology. Double materiality assesses our impact materiality and our financial materiality. The result of the assessment drives our sustainability strategy and program.

# **Financial Materiality**

How sustainability topics (e.g., climate change mitigation, working conditions) influence Espersen financially (e.g., increases in revenue and/or costs, etc.)

> Impact Materiality Espersen's impact on people and the environment

#### DMA process

The assessment was undertaken by an independent third party to ensure impartiality. The selection of sustainability topics and sub-topics for the assessment was guided by the framework of the European Sustainability Reporting Standards (ESRS) as at end of July 2023. Subsequently, through desktop research and interviews with stakeholder representatives, views on the sustainability topics for affected stakeholders1 and users of sustainability statements<sup>2</sup> were assessed.

Next, the sustainability topics were evaluated and scored based on impact and financial materiality. After the preliminary results, representatives of Espersen's executive management reviewed and adjusted scorings for final validation. Based on significant impacts, risks and opportunities, eight out of ten topical standards were double material, one as impact, and one as financially material. These are climate change, water resources, biodiversity, circular economy, own workforce, supply chain, consumers, and buisness conduct.

Executive management approved the DMA's topics, and the relevance of these topics to Espersen's business. More details on the various sustainability topics can be found in this report's Environment, Social and Governance sections. This report and our sustainability strategy also include non-material topics from this assessment, as they are important to Espersen's values and our customers.

As we prepare to become fully CSRD-compliant for the 2025 reporting year, and as Espersen has now completed a full double materiality assessment, over the coming years we will reassess current policies. targets, and metrics for material topics identified in this assessment.

#### Votes

- Affected stakeholders includes own work force, supply chain workers, consumers, affected communities and natural environment.
- Users of sustainability statements includes owner, banks, insurers, customers, regulators and suppliers.



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#### Espersen's Double Materiality Matrix

#### **Double Material Topics**

#### **Climate change**

E1-2 Climate change mitigation E1-3 Energy

Water and marine resources E3-1 Water E3-2 Marine resources

#### **Biodiversity and ecosystems**

- E4-1 Direct drivers on biodiversity lossE4-2 Impact on the state of speciesE4-3 Impact on the extent and conditions of ecosystems
- E4-4 Impacts and dependencies on ecosystem services

#### Circular economy

E5-1 Resource inflows E5-2 Resource outflows E5-3 Waste

#### Impact Material Topics

#### **Own workers** S1-2 Health and safety

Supply chain workers S2-2 Equal treatment and opportunities

#### **Own workers** S1-1 Working conditions

S1-4 Talent development

#### Supply chain workers S2-1 Working conditions S2-3 Other work-related rights

Consumers and end-users S4-2 Personal safety of consumers and end-users

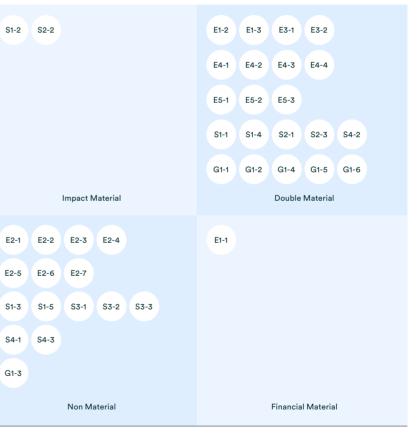
#### Corporate culture

- G1-1 Corporate culture
  G1-2 Protection of whistle blowers
  G1-4 Political engagement
  G1-5 Management of relationships with suppliers
- G1-6 Corruption and bribery

#### Financially Material Topic

**Climate change** E1-1 Climate change adaptation Please reference Accounting Principles pg. 62 for the 15 non-material topic names

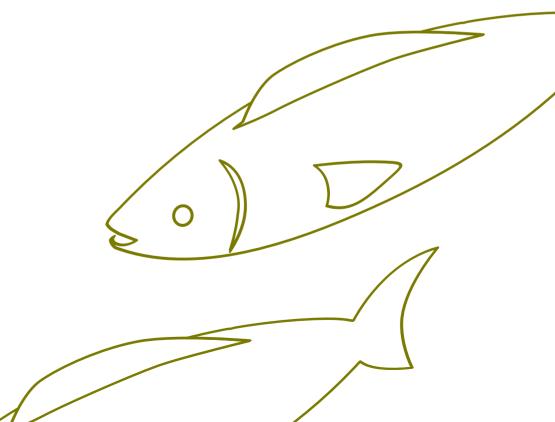




#### **Financial Materiality**

# Sustainability Strategy: Our Sea, Our Fish, Our Food

Espersen's commitment to sustainability has been a proactive choice since our founding in 1937. We believe that to ensure a sustainable future, we must do everything possible to encourage sustainable practices. And as a foundation-owned company, we are uniquely enabled to focus on positive, long-term outcomes for our business and the wider community – documenting our efforts in annual reports since 2014. Implementing sustainable practices demands a collective effort. The words "Our Sea, Our Fish, Our Food" encourage all Espersen employees, suppliers and customers to take personal ownership of the contribution we make together to protect the ocean, ensure the abundancy of raw materials, and provide high-quality, nutritious and delicious food. Ultimately, the result of our combined efforts is more sustainably sourced, processed and packaged products for consumers.



General

General

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#### **Our Sea**

Safeguarding the health of our oceans, and adapting successfully to unavoidable changes, have far-reaching positive effects on our planet and its people.

The oceans cover three-guarters of the Earth's surface, with approximately 3 billion people depending on healthy oceans as their primary source of protein<sup>1</sup>. And more than 200 million people are employed in marine fisheries<sup>2</sup>. Yet climate changes result in warmer oceans, leading to cascading effects such as melting ice, rising sea levels, marine heatwaves, and acidification.

This is why we are thoughtful about how we work with Our Sea initiatives, making responsible choices and investments that enable us to adapt to changes and challenges with minimal impact.

#### **Our Fish**

The stock of white fish in northern waters can provide healthy, enjoyable nourishment today and for generations to come. It is comparatively well managed and white fish can be produced with low emissions per kg compared with other animal protein sources<sup>3</sup>.

We aim to secure the abundance of healthy raw materials for the future by seeking ways to minimize the effects of climate change, unmanaged fishing, and other challenges that are sending ripples throughout the delicate ecosystems beneath the waves. Our Danish origins bring a tradition of collaboration and stewardship, and we work to balance economic, consumer and environmental priorities by developing

new technologies and practices to secure Our Fish together with other industry leaders, regulators and interest organizations.

#### **Our Food**

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.

At Espersen, we are passionate about working with Our Food to provide delicious, safe, sustainably sourced and produced seafood choices for consumers, and we believe that achieving this aim is key to addressing challenges in food security.

We work toward this future by actively and collaboratively supporting the development of a more sustainable food system for seafood, strongly aligned with the principles of the Sustainable Development Goals (SDGs).

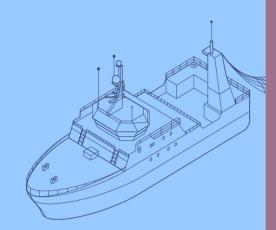
#### **Notes**

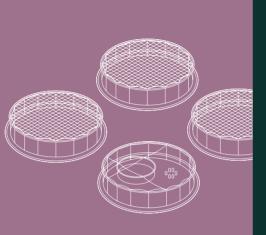
- https://www.worldwildlife.org/ industries/sustainable-seafood
- https://www.msc.org/whatwe-are-doing/oceans-at-risk/ the-impact-on-communities
- http://seafoodco2.dal.ca/

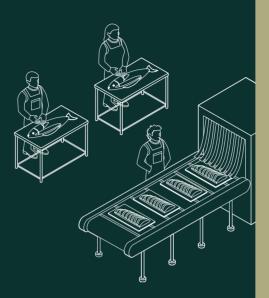
General

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# Goals and S Focu

## Net Positive Fishing

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

## Resource Use

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

## Worker Health & Welfare

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

## Supply Chain Integrity

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

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# Environment

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Espersen Sustainability Report 2023

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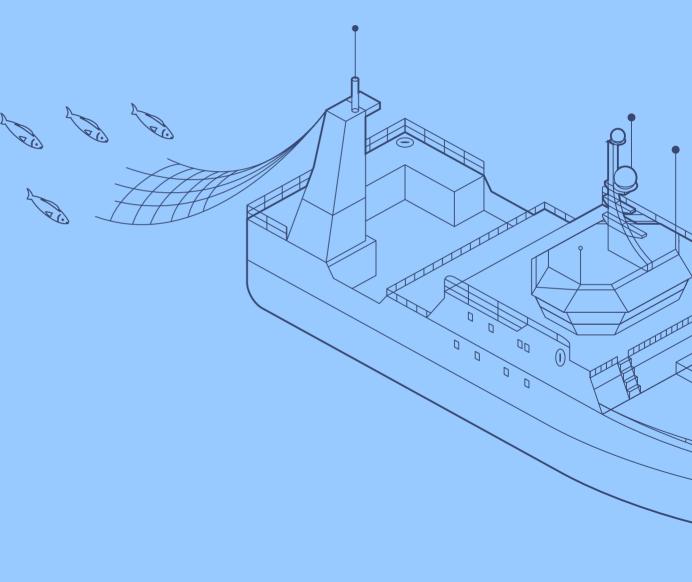
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Conserve and sustainably fish from our marine resources, as a vital source of healthy and affordable food.

## Focus and Goals #1

# Net Positive Fishing



#### Environment

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# **Net Positive** Fishing

#### **Current Objectives**

- · Identify and promote innovative practices and technologies that enable more accurate selectivity, improved fish handling, reduced energy use and lower environmental impact.
- Demonstrate that the marine fishing industry can play a key part in providing healthy nutrition in the coming decades within acceptable environmental and ethical impact limits.

As the fish stocks Espersen relies on are affected by biodiversity loss (i.e. habitat degradation) and climate change (i.e. sea temperature rise), negative consequences must be mitigated. Our Net Positive pillar aims to steer these risks and move towards sustainable sourcing methods. Espersen participates in and supports industry initiatives that promote sustainable development in fisheries and seafood production<sup>1,2</sup>.

#### Votes

- <sup>1</sup> May 2016, a collaborative workshop with a goal to reinvent and innovate commercial deep-sea fishing
- https://espersen.com/sustainability/ reports-awards-(2018)/newsletters

https://www.espersen.com/ sustainability/reports-awards-(2018)/ ocean-award-2017

# 96%

of our seafood is sourced with a third-party certification scheme such as MSC, ASC or GlobalG.A.P. Goal:

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

#### 2023 initiatives

Moving forward, Espersen will focus on supporting the development of new technologies to better understand the effect of fishing patterns using data captured from onboard, 'live' monitoring systems to improve the efficiency of fuel use and procurement of raw material. In the coming years, we will collaborate heavily across the supply chain to obtain more supplier-specific data for our carbon accounting. The fuel consumption of fishing vessels accounts for most of Espersen's emissions (see Climate Impact, pg.34). Collaboration is crucial to achieving our Scope 3 target. A further lever could be sourcing a greater proportion of our fish species with lower emission intensity.

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# Sourcing Origins

#### Farmed

Norway Vietnam Salmon Pangasius Atlantic Cod

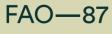
Chile Salmon

Indonesia Tilapia

#### FAO-67

**Northeast Pacific US** (East Bering Sea, Gulf of Alaska, US Federal EEZ waters off Washington, **Oregon and California**)

Alaska Pollock, Pacific Cod, Yellowfin Sole, Rock Sole, Pink Salmon, Keta Salmon, Pacific Whiting (Hake)



67

**Pacific, Southeast** Lobster

#### FAO-21

87

#### **Northwest Atlantic**

Yellowtail Flounder, Atlantic Cod, Greenland Halibut, Prawns

#### 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, Atlantic Herring Sub-area 4 (North Sea) Plaice, Dab, Atlantic Herring Sub-area 5 (Faroe and Iceland) Saithe, Silver Smelt Sub-area 6 (Rockall, Northwest Coast of Scotland and North Ireland) Silver Smelt

Sub-area 7.a (Irish Sea) Atlantic Herring

#### FAO-61

**Northwest Pacific mainly** Russia (West Bering Sea, Sea of Okhotsk, North and South Kurile, West and East Sakalin)

61

Alaska Pollock, Pacific Cod, Pink Salmon, Keta Salmon

# Shipshape: Sailing Toward a Greener Future

Advanced fishing vessels designed with sustainability in mind, and the companies that own and operate them, play a vital role in lifting our industry's sustainability.



Anfinn Olsen, CEO of Framherji





Faroese fishing company Framherji's sense of responsibility to protect the marine environment for future generations is reflected in its environmental goals:

- Participate in the protection of nature and the environment
- Preserve a clean and rich sea
- Prevent and limit pollution of the sea, coastal areas and the air
- Prevent other negative impacts upon nature and the environment

#### Sustainability at sea

The current highlight of the company's sustainability efforts is a brand-new vessel named M/T Akraberg. Commissioned in 2022, the 84m, 4305-tonne, builtfrom-scratch stern trawler's fishing ground is the Barents Sea where shrimp and demersal species such as cod and haddock are caught.

Energy efficiency was one of several sustainability priorities for the company as it discussed the design of the vessel with specialized Norwegian shipyard, VARD. The result is a state-of-the-art, fuel-efficient trawler with high focus on product quality, crew safety and sustainable operations.

Environment

#### Hybrid energy generation

Akraberg minimises its environmental footprint by maintaining high efficiency in multiple modes of operation. For example, where the vessel's predecessor by the same name was equipped with hydraulic winches, electrical winches were chosen for greater energy efficiency. But not just any electrical winches: Akraberg is one of the first stern trawlers to be outfitted with VARD Electro's SeaQ Energy Storage System. This innovative battery system can be recharged through the permanent-magnet regenerative trawl winches.

CEO Anfinn Olsen, who has steadfastly pushed the company's sustainability agenda since taking the reins in 1994, takes up the story. "We wanted to use as little oil as possible, so after much discussion, it was decided the ship would have an onboard battery. Like a hybrid car, the battery makes it possible to use two sources of energy – oil and electricity. As the net wires wind out, creating friction, electricity is generated and stored in the battery. We expect to save around 5-7% in energy consumption while actively fishing, and perhaps 2% of total consumption each year." A power management system ensures seamless integration of the winches with the hybrid diesel-electric propulsion system, further minimizing fuel consumption and greenhouse gas emissions. Moreover, the onboard battery makes it possible for the ship to silently lay in harbour overnight without the engines running, instead connecting to the harbour's power supply.

An innovative heat-recovery system increases overall efficiency even further. And with its ice-strengthened hull and propulsion system the vessel is compliant with the stringent DNV-GL Silent F notation – so it addresses growing levels of noise from human operations at sea, for the benefit of operators and marine wildlife alike.

All these features combine to reduce oil consumption, noise and smoke from the vessel.

### Well-being on the waves

The welfare of the Akraberg's 48 crew members (operating in two shifts of 24) was also high on the priorities list for Framherji. The modern living quarters have been developed with a strong focus on crew welfare with architect-designed public spaces, day and mess rooms, a fitness room and cabins with low noise and an appealing interior.



Environment

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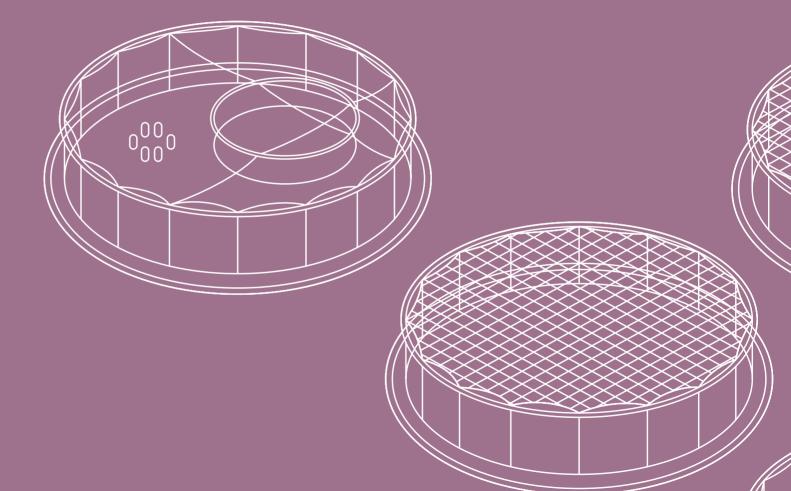
Use resources responsibly with the aim of decouple waste, water and energy use from our production and supply chain footprint.

Environment

To minimize the environmental impact of our packaging without compromising food safety and food waste.

## Focus and Goals #2

# Resource Use



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# Resource Use

#### **Current Objectives**

Responsible consumption of water, energy, and packaging materials at our facilities is imperative. Especially since there are financial risks associated to irresponsible resource use, such as fluctuations in energy and water prices and higher fees for non-recyclable packaging.

- Use 100% renewable energy<sup>1</sup> at our production plants by 2025.
- Promote on-site renewable energy installations at our production facilities, e.g., solar panels.
- Decouple energy and water use from kg of product produced.
- No waste to landfill.
- Build projects and take action for progress towards our science-based targets.<sup>2</sup>

#### Votes

- Renewable energy refers to green electricity, procured by purchasing agreements with green energy certificates and on-site production (i.e. solar).
- <sup>2</sup> Please reference Climate Impact and Mitigation section (pg. 34).
- <sup>3</sup> In 2022, our carcass utilization target had not been achieved. We re-evaluated the methodology of our carcass utilization indicator (CUI). It was found that the methodological assumptions are inappropriate for our current production. It has been decided to withdraw this target for the future. Instead, we will investigate new methods that are more appropriate to our production.

Goal:

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

#### 2023 initiatives<sup>3</sup>

As a production company, resource use and efficiency have been a continuous focus in our operations, and various initiatives have addressed waste, energy, and water. For instance:

- In 2017, we became a member of Champion 12.3, committing to halving our food waste by 2030.
- In 2019, we launched our environmental committee, the Mission Climate Friendly Initiative, whose focus is to communicate, collaborate and share knowledge about site-specific resource use and projects across production sites.
- We joined Zero Waste Bornholm in 2021, a partnership and network paving the way to the world's first industrialized society without waste, based on the principles of a circular economy.

#### 2023 Results

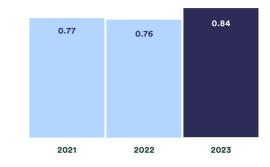
#### Energy

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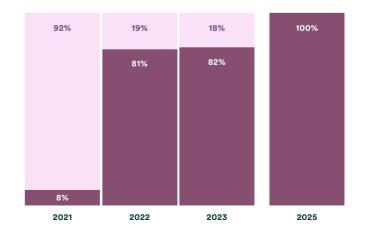
- Total energy use (excluding vehicle fuels) was 54,561,249.17 kWh, a decrease of 6% compared with 2022.
- Total electricity consumption was 36,108,454.718 kWh, a 4% decreased compared with 2022. 82% of electricity consumption was renewable.
- Espersen's percent of renewable electricity through purchased agreements remained the same at 81% (11% in 2021, 81% in 2022 to 81% in 2023).
- Espersen's percent of own solar panel production (Denmark and Poland) used increased by 75% (with 0.47% produced solar energy in 2023, compared with 0.27%).
- Total heating consumption (heating, natural gas, wooden chips) was 18,452,794.45 kWh, a 10% decrease from 2022 (20,423,165.78 kWh).
- Energy usage per kg of produced product increased from 0.76 kwh per kg product in 2022 to 0.84 kwh per kg product in 2023.



Energy Intensity KWh/kg product







12.4

2023

#### 2023 Results

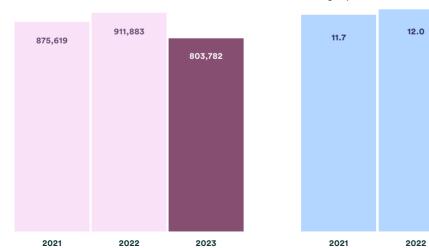
#### Water

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• Total water use decreased by 12% to 803,782 m<sup>3</sup> (911,883 m<sup>3</sup> in 2022). However, with a water intensity of 12.4 litre/kg of product produced in 2023, our intensity increased by 3%.

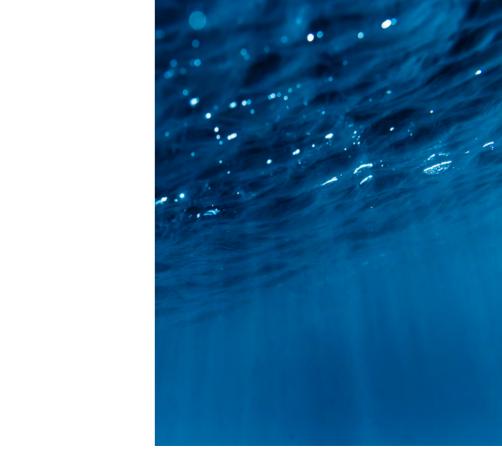
#### **Annual Water Consumption**

m³



#### Water Intensity litre/kg of product

12.0



#### 2023 Results

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#### Waste and Recycling

- Our total waste decreased from 19,134,808 kg in 2022 to 14,918,008 kg in 2023. A 22% decrease compared with 2022.
- As a Champion 12.3 member, we are committed to halving our food waste by 2030. Food. Our total food waste in 2023 was 3,537,672 kg (13% decrease from 4,075,156 kg in 2022,). Around 24% of our total waste is considered food waste (anaerobic digestion, controlled combustion, landfill, sewer wastewater).
- We sent 205,770 kg of waste to landfill. A 36% decrease compared with 2022.
- In 2023, we recycled a total of 2,494,052 kg of material.

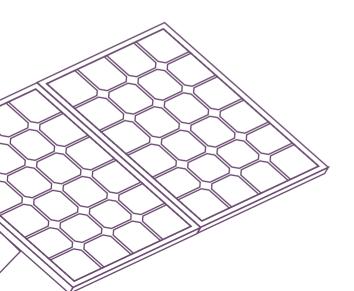
Total Waste <sup>kg</sup> 5,832			Digestion/Biogas	<b>Recycling</b> kg		<ul> <li>Other (wood, metal, etc.)</li> <li>Beck Pack liners (2021: 0)</li> <li>Plastic</li> <li>Paper/cardboard</li> </ul>	
14,939,703	6,076 15,053,576	Controlled Waste Wate	er	947,719	911,162		
		(2021: 217, 2	2022: 221, 2023: 194)			815,059	
		12,114	1				
		11,368,222					
				390,808	48,520 441,577	308,570	
					44,077		
				1,342,491		368,099	
				1,342,491	1,228,914	368,099	
						1,002,324	
650,876	320,420						
2,955,543	2,904,188	205,770 2,580,979					
829,597	850,327	750,729					
2021	2022	2023		2021	2022	2023	

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#### Resource use project updates

#### **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 and cost saving, and ensure that we are able to focus on the areas where we can have the greatest possible impact. Our Mission Climate Friendly Initiative came into force in 2019.



During 2023, 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 plant and sales office in Denmark. In Koszalin, Poland, we have invested in further on-site solar photovoltaic energy installations and continued to improve the site's overall resource use by optimizing our cleaning process, initiating additional sorting and recycling, and by removing disposable packing in canteens. At our primary production site in Klaipeda, Lithuania, we have worked on energy efficiency projects, such as enhancing and replacing equipment within our heating, cooling and refrigeration system, to reduce our energy consumption. In Hasle, Bornholm, Denmark, we have reduced our packaging waste through circular initiatives, and we are working to improve out our waste collection frequency by implementing plastic and cardboard presses.

#### **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 factoryspecific action plans for 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 4,075,156 kg in 2022 to 3,537,672 kg in 2023. We have committed to reporting our food waste and improving transparency about our progress in reaching our goals and delivering our strategy.

A combination of decreased production volume, improved processing methods and a changing product portfolio explains the 13% decrease in food waste.

In 2024, 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.

# 13%

food waste decrease due to lower production volume, improved processing methods and changes in product volume





# Case Studies: Engineering sustainability across our global footprint

## A Greener Approach to Heating and Cooling

With growing global concern for environmental sustainability, reducing our carbon footprint has become a personal mission for many at Espersen. In 2023, employees at our factory in Lithuania embarked on a groundbreaking project aimed at designing more sustainable methods for heating and cooling. This initiative, which required significant technical expertise and innovation, is a testament to the company's spirit of teamwork and commitment to minimizing environmental impact.

#### The challenge

The primary challenge concerned the need for both heating and cooling throughout the year. For eight months, from mid-September to mid-May, the factory area requires heating, while the remaining four months, from mid-May to mid-September, call for cooling. Traditionally, the factory has relied on energy from the municipality's heating networks, which are powered by burning biofuels, resulting in associated emissions. \_

With this in mind, the local technical team at the factory set out to find a more sustainable solution.

#### Innovative approach

To address the challenge, the team undertook the design and installation of a new piping system for heat transfer, as well as modifications to wastewater flows.

During the warmer months, when heating is unnecessary for all five defrosting tanks at the factory, instead of solely relying on the ammonia heat exchanger, the factory now cools some of its refrigeration units using industrial wastewater flowing from the plant. This not only reduces the workload on the cooling compressors but also results in lower pressure within the ammonia system in the plant. Consequently, the ammonia compressors consume less electricity to compress the gas. To achieve this, a specialized device was custombuilt by the technical team.

To provide heat during the colder months, on the other hand, the Klaipeda technical team designed a way to reuse the heat generated by the ammonia cooling units to contribute to heating the production area. This innovative approach led to a reduction in the consumption of the heating energy obtained from the municipality heating networks.

#### An employee-driven initiative

The project, executed from April to December 2023, has yielded impressive results. One remarkable aspect of this sustainability project is that it was executed exclusively by the dedicated employees of the sevenperson energy department in Lithuania. The team devoted its time and expertise to the project, demonstrating both personal and cross-company commitment to sustainability.

#### Many small drops make an ocean

Not every sustainability initiative makes a noticeable impact on the world. But every small step makes its own difference – and that's part of the motivation behind investing in electrically powered, robotic vacuum cleaners and a robotic, electric lawn mower for Espersen's three warehouses at Hasle on the island of Bornholm.

The reduction in carbon emissions may be small: around 60 liters of petrol compared with the former, fossil fuel-powered mower, for example. But the effect is a cleaner workplace and more attractive green areas for employees to enjoy. The new lawn mower can also be programmed to avoid specific areas where biodiversity should be encouraged. Next up will be robotic cleaning equipment for the office areas.



#### Environment

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# Packaging

#### **Current Objectives**

- Ensure purchasing decisions are based on robust sustainability criteria and use renewable packaging materials.
- Roll out recycling block liners for frozen fish raw material to construction material.
- Investigate recycling opportunities for Styrofoam boxes used in chilled products.
- Increase pallet utilization to 90% by 2025.1
- 100% mono material packaging by 2025.<sup>1</sup>
- Implement sustainable Multivac film.
- 100% retail boxes without PE coating by 2025.
- Remove unnecessary packaging and packaging size or/and weight.

#### Results

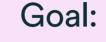
In the past three years, we have made major strides in relation to our Sustainable Packaging Strategy<sup>2</sup>, including introducing 100% FSC-certified carton, using 100% PE (mono material) plastic bags, and banning flourine compounds.

RAHBEK

Indbagt Alaska Sei

#### Votes

- 2023 targets were not achieved; new targets were set.
- <sup>2</sup> The strategy is reviewed and adjusted regularly to ensure it aligns with developments in legislation, industry, and science.



To minimize the environmental impact of our packaging without compromising food safety and food waste.

#### 2023 initiatives

- Changing all aluminum trays to carton trays with PET coating as a first step.
- Rolling out retail boxes with a new, water-based coating for an **estimate a reduction of 10.5 tonnes** PE coating in retail boxes.
- Absolute reduction of ~28% for our pallet stretch foil usage compared with 2022.
- Built a packaging raw material calculator focused on plastic materials usage. The calculator has been successfully implemented for tracking plastic materials and subsequent fees for the UK plastic tax. In the coming years, we will implement calculations for Extended Producer Responsibility (EPR) legislation.

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#### Packaging project updates

## Rolling out our retail boxes without plastic coating

Last year, we announced a collaboration with Schur, one of our packaging suppliers, to replace the thin layer of PE inside packaging with a new, waterbased coating. Now the carton is mono-material, which improves recyclability. The new coating aligns with our packaging strategy, meeting its sustainability, food safety, and quality requirements.

This year, we began rolling out the new carton box with water-based surface coating. By the end of 2024, we expect all of Espersen's brand products will have retail boxes with no PE. In total, we estimate a reduction of 10.5 tonnes of PE for 2023, based on our roll out progress. And by 2025, we expect to have removed around 125 tons of plastic from our retail packaging usage.

## Expanding fish block liner recycling

In 2022, in collaboration with Beck Pack Systems, we closed the loop of our fish block liner. Previously, Beck Pack liners couldn't be recycled and were sent to controlled combustion. Launching the solution in 2022 with our partners in Germany, the wax-coated fish raw material packaging Beck Liner™ can now be recycled as a part of a building material, specifically fermacell-gypsum fiber boards. It is estimated that 5% of the paper mixture that makes up the fiber boards are Beck Pack liners.

During 2023, we sent a total of 308,570 kg of Beck Liner<sup>™</sup> packaging for recycling as building material, compared with 48,520 kg in 2022 (536% increase). In 2023, 100% of the liners at our production facility in Denmark were recycled. We are currently testing a possible expansion of the recycling partnership to our Polish facilities.



## Switching to shrink foil with recycled plastic

In April 2022, the UK introduced a new tax on plastic, kicking off our efforts to find recycled alternatives. One area investigated was the plastic foil wrapped around transport pallets, which holds products stable during transportation. Kristian Thøgersen, Category Manager for Packaging, explains: "After a good dialogue with our suppliers, we found a suitable product and tested it at the Pacific factory. After a few adjustments, it works fine. Thanks to good collaboration between production, QA and supply chain, we found a strong solution and even saved cost compared with the old shrink foil". The new shrink foil is comprised of 30% recycled plastic (PCR) and, so as not to compromise food safety, can only be used for packaging that has no direct contact with the products.

"After a good dialogue with our suppliers, we found a suitable product and tested it at the Pacific factory. After a few adjustments, it works fine. Thanks to good collaboration between production, QA and supply chain, we found a strong solution and even saved cost compared with the old shrink foil".

Kristian Thøgersen, Category Manager for Packaging

# Climate Impact and Mitigation

Climate change is a material risk and a significant environmental issue that has global consequences. Correspondingly, it is expected to have both short and long term impacts on our business operations, affecting our employees, supply chains, and the communities we serve worldwide.



Emissions from food production are a notable contributor to climate change, and food systems play a crucial role in both human health and environmental sustainability. Currently, a substantial portion of the world's population lacks access to a nutritious diet, and we see seafood as a valuable resource in addressing this issue.

As a responsible company, we are committed to reducing our emissions in accordance with current climate science. This commitment reflects our dedication to addressing climate change while promoting sustainable food systems.

#### Our science-based targets are now approved

Espersen committed to the Science Based Targets initiative (SBTi) in December 2021. Hereafter, we mapped 100% of our emissions in accordance with the Greenhouse Gas Protocol, calculating baseline emissions. We set and submitted our near-term targets for validation in December 2022, and in November 2023, these targets were approved by the SBTi . Additionally, during 2023, Espersen established a high-level emissions reduction roadmap. Moving forward, our main aims are to improve the quality of emissions-related data, implement reduction interventions, and engage with our stakeholders around more supplier-specific data.

#### ↓ Notes

<sup>1</sup> Reference page 35 for our targets or visit Target dashboard - Science Based Targets.

#### Espersen's 2023 carbon footprint

#### Scope 1 & 2

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Espersen's major emission sources within scope 1 and 2 primarily stem from electricity consumption from the local grid, then heating and cooling energy, followed by fuel use, company cars (incl. leased vehicles), and fugitive emissions from freezing agents.

#### Scope 3

Our climate impact primarily originates from fish raw material, other ingredients, packaging materials, and purchased services, which together are responsible for around 84% of our total emissions. The majority of scope 3 emissions are associated with the catching and breeding of fish (77%). Depending on the fish species and harvesting method, the calculated emissions include energy for vessels, gear manufacturing, fish feed and emissions from land use change (in the case of aquaculture). In almost all cases, vessel energy use contributes the majority of emissions. In addition, the upstream transportation of fish raw material constitutes a significant part of our total emissions (7%).

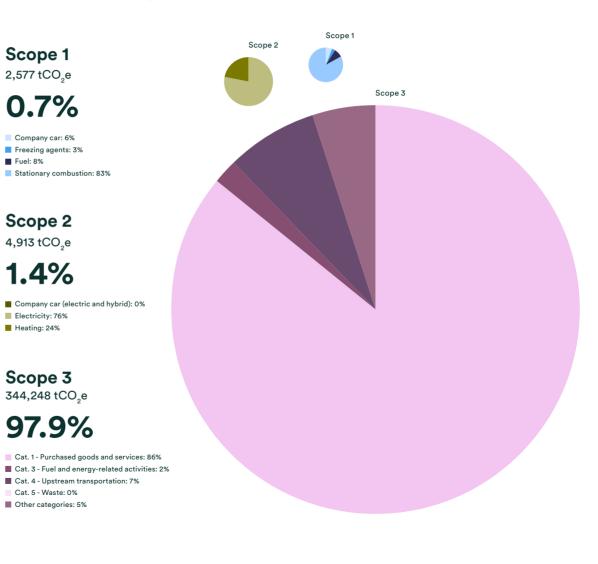
#### ↓ Notes

Scope 3 "Other" includes categories, capital goods, business travel, employee commuting, downstream transport, processing of sold products, end-of-life treatment of sold products.

Scope 2 emissions included here are calculated using the market-based method. For location-based methodology, please refer to Environmental Tables (oa.56).

Greenhouse gas accounting categories, leased assets, use of sold products, investments, and franchise are not relevant to Espersen's business.

For further information on reporting boundaries, parameters and calculation methods for emissions accounting, please refer to the Accounting Principles in the appendices (pg.62). Distribution of Scope 1, 2 and 3



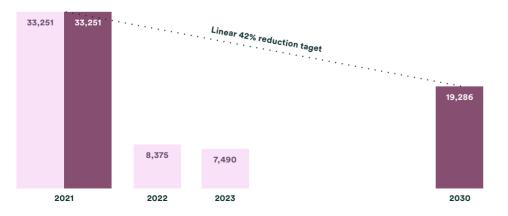
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#### **Our Targets and Progress**

We have reduced our scope 1 and 2 emissions by 77% from our 2021 base year, surpassing our reduction target for the period. This is mainly due to efforts in procuring more renewable electricity for our own facilities. In 2021, only one facility used renewable energy (Lithuanian production), and by the end of 2023, six facilities were using renewable energy (five production sites and one office). Future projects to reduce scope 1 and 2 emissions remain on our agenda (ref. next section, Moving Forward: Espersen's Roadmap).

Espersen commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year.

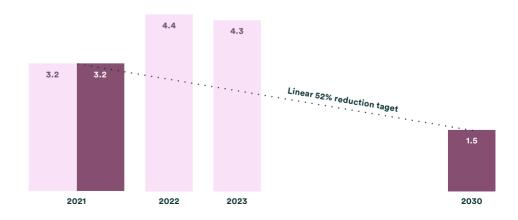
#### Scope 1 and 2 absolute reduction target tonnes CO<sub>2</sub>e



We have increased scope 3 intensity by 34% from our 2021 base year. This increase is primarily due to seven additional species brought into Espersen's procurement control during 2022, as the majority of scope 3 emissions are associated with fish raw material. We are currently exploring projects that require substantial effort, time, and investment to engage our fish suppliers, and exploring collaborative approaches to minimising raw material-related emissions.

Espersen also commits to reduce scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, upstream transportation and distribution, and waste generated in operations 52% per tonne of sold fish product within the same timeframe.

Scope 3 intensity reduction target kg/sold product



## Moving Forward: Espersen's Roadmap

In 2023, Espersen undertook a high-level emissions reduction initiative, which included the identification of key priority areas. Some are "quick wins" in terms of operational efficiency and effort, such as transitioning our facilities to 100% renewable energy and improving our heating and cooling systems. Others are intensive, heavy investment projects that are expected to have a profound impact. These latter projects involve engaging with our fish and transport suppliers, and exploring innovative approaches to optimizing raw material utilization and developing product concepts. The following outlines the timelines and actions necessary to achieve our emissions reduction targets.

Key Priority Areas	Obtain 100% renewable electricity via renewable energy certificates, on-site production or green tariffs:	Implement more energy efficiency measures on site:	Expand collaborations to engage suppliers and other supply chain participants:	Address company vehicle fleet electrification and efficiency (incl. leased vehicles):	Improve supplier data and improve fishing practices for emissions reduction:	Work with transport providers to shift to low-GHG freight solutions:	Increase raw material utilization:	Investigate increased use of plant-based ingredients:
2023 Actions & Development	<ul> <li>Expansion of solar panels at Polish sites</li> <li>Moved to renew- able energy for our production plant in Hasle and sales office in Ronne, Denmark.</li> </ul>	<ul> <li>Project Clean Air at our Lithuanian site (ref. Case Studies section in the report, pg. 30)</li> </ul>	• New transport management system. Onboarding began Q4 2023, and the system is expected to launch in Q2 2024. We plan to leverage the system for more specific transport emissions related data.	<ul> <li>Revised our company car policy in Poland to include a sustaina- bility section outlining a requirement for lower emission cars (efficiency scores: A, A+).</li> <li>Scope 1 company car emissions decreased 36% from the base year.</li> </ul>	Starting in 2024, a supplic encompassing Espersen's goals and emission reduc		<ul> <li>On-going initiatives at site level.</li> </ul>	<ul> <li>On-going projects with Danish universities on hybrid plant-based products.</li> </ul>
		2023 —	- 2025		•	2026	— 2030	

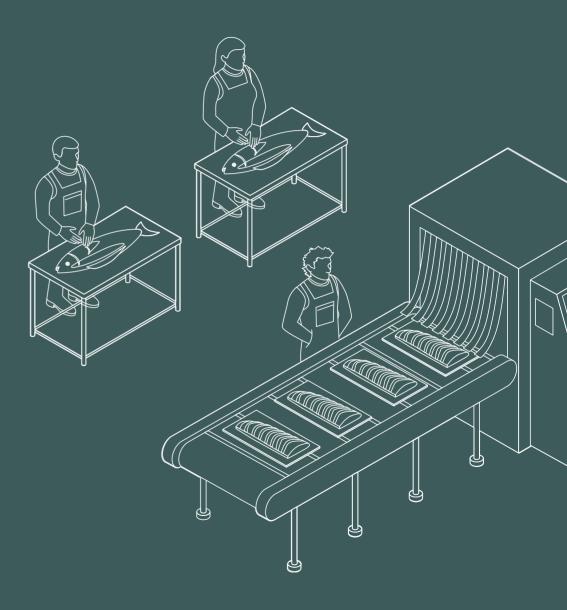
# Social

- 39 Focus and Goals #3: Worker Health and Welfare
- 41 Health & Safety
- 42 Diversity & Inclusion

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

Focus and Goals #3

## Worker Health & Welfare



## Worker Health & Welfare

#### Supporting well-being through engagement

The safety and well-being of our employees is our top workplace objective. And we are committed to providing a working environment where our staff feel engaged and enabled to grow both professionally and personally.

During 2023, we continued to employ over 500 Ukrainian workers in our factories. In light of the devastating conflict between Russia and Ukraine, many of these employees and their families have special needs. To support them and their local community, we offer additional days off if required, organize food and clothing collections, and facilitate connections with local authorities.

Clear and transparent communication is a core value at Espersen. To enhance communication and engagement, we have developed an employee app that provides convenient access to information via mobile devices. Available to all employees in Poland and Lithuania during 2023, the app boasted over 1,000 users. We are now exploring the expansion of this initiative to all Espersen locations. Caring for our employees is deeply ingrained in our corporate culture. The results of this year's employee engagement survey reflect our commitment, with 80% of our employees expressing high satisfaction levels working at Espersen. For the 17% of employees that expressed neutral levels, we have already initiated efforts to enhance their job satisfaction.

## Objectives

- Member of SEDEX. Maintain the ETI Base Code as our main code of labour practice.
- Ensure that both genders are represented with at least 25% by 2025 of appointed board members.
- Ensure that both genders are represented with 40% by 2025 of senior managers reporting directly to directors.
- Develop a strategy to improve a more even gender distribution at all levels of management.
- Analyse significant risks related to health and safety in the workplace and develop an action plan to minimize these risks.

## Goal:

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

## 2023 initiatives

- Continue to achieve 100% SMETA audited sites or equivalent customer specific audit scheme. In 2023, Vietnam and two of our Polish facilities carried out SMETA re-audits.
- Group-wide reporting and response procedure for accidents in the workplace.
- Carried out emergency plan implementation and update at our Danish facilities, both office and production sites.
- Gender-based reporting for all employees and levels of management across the company.

During 2024, we plan to strengthen our feedback culture, ensuring that both employees and their leaders know what the company expects of them in terms of providing open, constructive and honest feedback. Specifically, we will implement a structured training program for leaders, empowering them to subsequently guide and support employees in this area.

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## Health & Safety

We recognize that the nature of our business, particularly in our production facilities where employees work with tools such as knives, encounter wet floors, and operate large machinery, carries inherent health and safety risks. These circumstances fuel our unwavering commitment to health and safety, and dedication to continuous improvement.

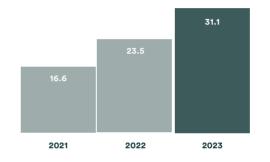
Our health and safety policy serves as a guiding document, articulating our steadfast commitment to fostering a safe and healthy work environment. A comprehensive, organization-wide protocol is in place for reporting and responding to accidents. And each production facility maintains a monthly incident report that meticulously records the number of accidents, near misses, unsafe acts, and observations of unsafe conditions. Such events are of special concern to us, often revealing opportunities for improvement and areas where accident prevention can be enhanced.

### 2023 incidents

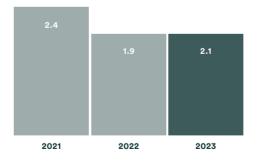
In 2023, 150 accidents occurred within our production facilities (119 accidents in 2022). This corresponds to an Accident Frequency

Rate at 31.1 in 2023, compared to 23.5 in 2022, and Accident Severity Rate at 2.1 in 2023, compared with 1.9 in 2022. In summary, we experienced more accidents, at a higher frequency, and at a higher severity compared with 2022. The 2023 KPI development is primarily due to two of our six production facilities, where more significant changes in these accident indicators were seen. After review, it was noted for one of the facilities, the frequency and severity increases could be due to the organizational changes in the production shifts. At the other facility, accident frequency increased significantly but not severity. At this site we plan to introduce a stronger focus on accidents in our 2024 site KPIs.





## **Accident Severity Rate\***



#### Notes

\* 2021 data is adjusted figures, please reference Accounting Principles pg. 62 for more details.





## Diversity & Inclusion

At Espersen, we embrace diversity and believe that a diverse workforce strengthens innovation and collaboration in our company. Therefore, we are also proud to see more than 35 nationalities represented among our 2,860 employees.

In 2023, due to the rising prevalence of hybrid and flexible work arrangements among our white-collar employees, we placed greater emphasis on inclusion. Our global engagement survey revealed that over 75% of our employees feel a strong connection with their team members, even when they are at different locations. While we're pleased with this result, we are also committed to further improving this aspect in the future. Inclusion is crucial for our employees' wellbeing and our collective identity as ONE Espersen.

### **Group-wide Gender Reporting**

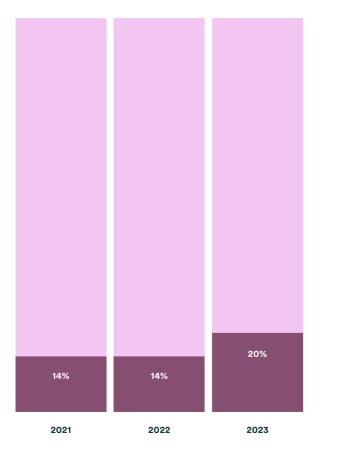
We strive to ensure that our board members and managers have the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. At director, senior manager and manager level, 45% are women (49 women out of 108 posts) and 61% of all employees are women (1,744 women out of 2,860 employees). One of the five appointed board members is a woman (20%). Our ambition is that our board will become more diverse in gender — we will seeking female candidates to help us achieve this goal when recruiting occurs.

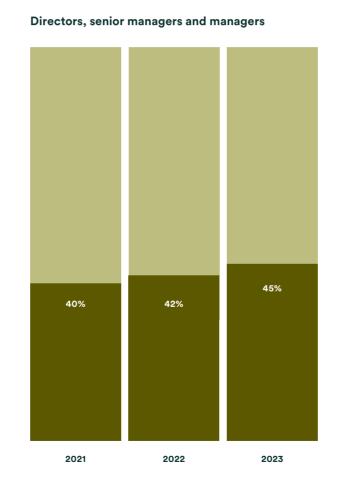
No new board members were elected to the Board of Directors during 2023.

## Gender Distribution

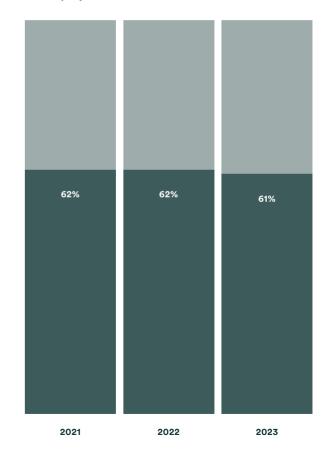
Female percentage (dark shade)

## **Board of Directors**





## All employees



# Governance

## 45 Corporate Governance

- 47 Focus and Goals #4: Supply Chain Integrity
- 51 Supply Chain Due Diligence
- 53 Supply Chain Transparency
- 54 Sourcing Beyond the Sea

## **Corporate Governance**

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 comprises three core areas:

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

## Whistleblower system

Espersen has a public whistleblowing system that employees and other stakeholders can access through our intranet or via our website. The service aims to identify any concerns or illegal activities in the workplace that are contrary to Espersen's policies and values. In 2023, we added Cyber Security as a new reporting category. Anonymity and professionalism are safeguarded by an external party.

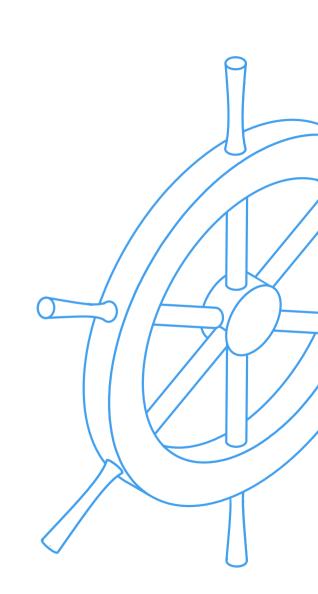
In 2023, 5 cases were raised through our whistleblower system. All cases were related to office and production employees. Not all cases were substantiated with evidence, but all cases were investigated and handled in accordance with our Whistleblower Policy, and we have been in direct contact with the reporting individuals where it was possible. None of the cases had a severe impact on our business operations.

#### Votes

The whistleblower system can be accessed publicly at <u>http://whistleblower.espersen.com/</u>

For more information about our policies, visit our website; https://www.espersen.com/ sustainability/policies

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



## Awareness & Training

## **Responsible business**

On the background of our DMA we found that corruption and bribery are material risks. Being associated with corruption is a reputational risk with the potential to damage customer relationships and loss of revenue. 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. In 2023, Espersen introduced mandatory online training in cybersecurity awareness. Next year, we will on-board a group-wide e-learning portal and introduce mandatory GDPR and Code of Conduct training.

## **Knowledge sharing**

In 2023, we released our internal training platform, Fish Academy. The goal is for employees in all departments to dive deeply into the world of fish. Currently available videos discuss fish species and their procurement, along with quality and sustainability.

## Memberships & Commitments

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

- Global Sustainable Seafood initiative (GSSI)
   Founding Member
- Global Dialogue on Seafood Traceability (GDST)
- Roundtable on Sustainable Palm Oil (RSPO)
- Science Based Targets initiative (SBTi)
- CDP (Score C)
- Supplier Ethical Data Exchange (SEDEX)
- AIPCE (EU Fish Processors and Traders Association) and CEP (European Federation of National Organizations of Importers and Exporters of Fish); Sustainability Working Group
- Espersen's head of sustainability is vice chair of the working group

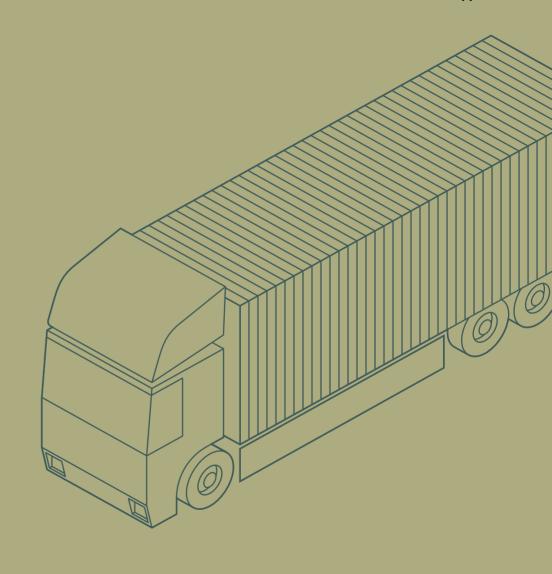


Governance

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

## Focus and Goals #4

# Supply Chain Integrity



#### Governance

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## Supply Chain Integrity

## Objectives

On the background of our DMA we found that supply chain worker welfare and personal safety of consumers are material risks. This informs our current objectives.

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

## Results

Establishing a detailed and comprehensive understanding of every step of our supply chain is an essential first step in meeting our business objectives. Our supplier monitoring process includes various 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. Continuous supplier monitoring plays a key role in reducing supply chain risks, allowing us to prevent labour abuses and work towards fostering effective partnerships.

These processes allow us to identify the suppliers that share our values and to develop long-term, mutually beneficial relationships. Additionally, we implement raw material tracing to ensure transparency. Our electronic traceability system enables us to follow the material's journey from the factory all the way to our customer. Lastly, all of Espersen's production sites are MSC-certified and, where relevant, ASC-certified and/or RSPO-certified. Goal:

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

## 2023 outcomes

- Third-party certification at our own sites:
- 100% BRC-certified sites with minimum grade A in 2023.
- 100% SMETA-audited sites or equivalent customerspecific 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.
- 64% of our suppliers are certified against a GFSIapproved standard.
- In 2023, no severe human right violations were identified in our supply chain (forced labour, human trafficking or child labour).

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**Continuously improving our quality culture** Food Safety and Quality (FS&Q) Culture is integral to our way of working. We engage all employees under the umbrella of our "ONE Espersen Culture" across production sites in Europe and Vietnam. ↓ Notes

<sup>1</sup> <u>https://www.culturexcellence.com/</u> <u>about-1</u>

We continuously strengthen our company-wide FS&Q culture. In 2023, we conducted our second FS&Q culture survey with "Culture Excellence<sup>1</sup>, evaluating our strength in FS&Q systems, empowerment of people and company vision. Feedback from our staff indicated a need to focus more on frequency of training and improved communication, mainly toward our long-term staff. The results will be applied to develop site-specific action plans.

This result shows that the introduction of our centrally managed FS&Q systems database was the right way to go. The system ensures that we follow the same ways of working across all sites in terms of production procedures, processes, standards, systems and planned actions. In 2023, we also introduced our "10 golden rules" around safety and quality conscious behaviour and culture at our production sites. Color-coded icons help us to maintain the focus on what is important in our everyday work. \_\_\_\_

### Working with the supply chain to minimize risk

We source raw fish, packaging and ingredients from all over the world, continuously striving for effective partnerships with our suppliers and to ensure that our supply chains are sustainable. However, creating sustainable supply chains is a major challenge, in part due to the international nature of the seafood industry.

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 it offers an overview of the quantities of raw materials delivered from specific suppliers or production sites over a specified period.

By sourcing from approved suppliers only, we minimize risks associated with food safety, supply chain fraud and working conditions. Over the years, we have built a base of strategic and preferred suppliers. Typically, these companies share our values and deliver highquality 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<sup>2</sup>. We base our supplier oversight system on a risk-based approach, starting with assessing the country risk by using recognized risk classification of countries, and factoring-in product risk and quality factors.

### Social responsibility

Social responsibility and compliance are paramount to Espersen.

Due to the nature of the food industry, Espersen's supply chain for sourcing raw materials has multi-tiered suppliers. This results in potential risks of workers in the value chain being exploited such as working conditions, equal treatment, and other work-related rights.

We are committed to conducting business in a socially responsible manner that encompasses concerns about labour 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. In 2023, we conducted 14 supplier audits, 8 suppliers based in high-risk countries and 6 suppliers based in low-risk countries.

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 in 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.

#### Votes

Suppliers of services and outsourced processes e.g., sub - contractors, logistics, cleaning, laundry, pest control, storage, maintenance, and auxiliary material, not being packaging material, are out of scope of this approval process and are covered by separate procedures.

Process flow

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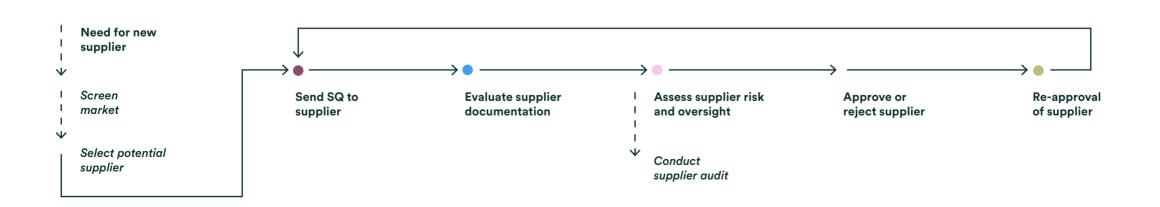
Supply Chain Due Diligence

## Supplier approval process

Prior to possible approval, all potential suppliers must fill in 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 mentioned 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 threshold in order to be approved.

Continues on next page...



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 riskbased approach to determine if additional activities are necessary to finally approve the supplier .

For example, if the production site is 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 or another form of verification, 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 still requires the supplier to go through the approval process. In addition, we will ask for a written statement from the customer, stating that we can use this supplier for their production.



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Governance

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# Supply Chain Transparency

The segregated nature of global seafood supply chains, along with language and naming issues, the sheer quantity of seafood species, and fraud can result in mislabelling, despite efforts to remedy such issues across the industry. Transparency across the chain, and innovative solutions to foster trust are crucial for promoting sustainability and protecting both consumers and the environment.

## Collaborating for change

The global fish processing industry is embracing digitalization and emerging technologies to improve supply chain transparency. One such initiative is the Watson project, a collaborative effort funded by the European Union, whose timeline spans from March 2023 to February 2026. Watson is a methodological framework comprising tools and systems to help prevent fraudulent activity across food supply chains<sup>1</sup>.

For Espersen, participation in Watson is the next phase following our participation in Hermchain, an industry-wide program led by research organization SINTEF to collect fish species, origin, catch quantity and date information to help establish a highly secure, blockchained transparency database. This new phase sees Espersen joining forces with partners in Norway, Denmark, and Poland to contribute to the white fish case study within Watson.

#### Digital footprints take the next step

In March 2023, Watson's kick-off meeting, attended by 70 representatives from 44 project partners, was held in Dublin, setting the scene for an ambitious journey. Here, project leaders introduced their organizations and team members, and outlined the objectives and expected outcomes of the project's initial work packages. Espersen's contributions are focused on two crucial work packages: WP2 (data collection) and WP5 (Pilot case study demonstration). The outcome of these packages, in the form of "digital footprints" is expected to be applicable across all food types, thus contributing to the EU's Farm-to-Fork strategy.

In September of 2023, we gathered with our operative partners, including Hermes, the Norwegian Directorate of Fisheries, and SINTEF Nord, at the project's General meeting in Athens. Here the partners aligned efforts and set a clear course for the upcoming phases.

An additional highlight was the visit of the project lead from SINTEF Nord AS to Espersen's production facilities in Poland.

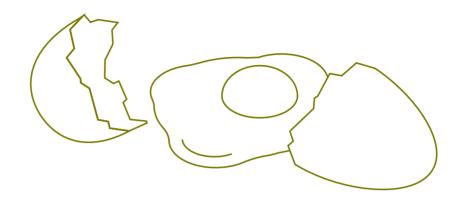
Espersen is gearing up to conduct the pilot study, which is scheduled for 2024/25, at our Barents Sea production facility, where the innovations and best practices developed within the project will be put to the test in a real-world setting.

#### Votes



Commission Regulation (EU) 2019/1715 defines food fraud as "a non-compliance concerning any suspected intentional action by businesses or individuals, for the purpose of deceiving purchasers and gaining undue advantage." \_

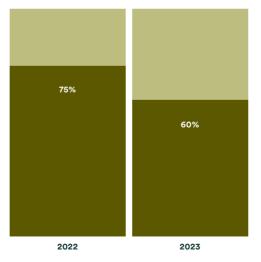
## Sourcing Beyond the Sea



In addition to the delicious fish we source, we 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. For instance, we set animal welfare standards for egg raw material<sup>1</sup> and, in 2021, became Roundtable on Sustainable Palm Oil (RSPO) certified<sup>2</sup>. We will continue to develop our sustainability goals and objectives for ingredients sourcing in 2024.





#### ↓ Notes

- <sup>1</sup> Cage-free eggs for all items that are pure eggs (yolk, white, frozen eggs). Barn eggs as a minimum.
- <sup>2</sup> 100% of palm oil used in 2023 was RSPO-certified.

## 2023 initiatives

- Soy is present in our indirect supply chain as animal feed. In 2023, 60% of the soy used in feed for our procured farmed fish was RTRS (Round Table on Responsible Soy Association) certified. (75% in 2022).
- Phasing out unnecessary additives in our ingredients.
- This is an ongoing initiative. Within the past two years, we phased out locust bean gum, lemon fiber, E410.
- We promoted local sourcing by moving all dairy, honey, asparagus, and zucchini items to local suppliers at our Polish production plant.

# Sustainability

Data

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## Sustainability Data: Environmental – Greenhouse Gas Emissions

	Base Year			Percent change	
	2021	2022	2023	(2022-2023)	Development Commentary
Total scope 1: Direct operational emissions $(tCO_2e)$	702*	2,875*	2,577	-10%	Some facilities moved to natural gas stationary combus- tion in 2022 and current year
Scope 2: Indirect emissions from purchased energy					
Total scope 2 with location-based electricity (tCO <sub>2</sub> e) **	30,718*	26,996*	25,154	-7%	
Total scope 2 with market-based electricity $(tCO_2e)$ **	32,550*	5,500*	4,913	-11%	Moved to renewable energy for our production plant in Hasle and sales office in Ronne, Denmark
Total scope 3: Indirect value chain emissions $(tCO_2e)$	273,950*	373,718*	344,248	-8%	
Category 1: Purchased goods and services (tCO <sub>2</sub> e)	223,972*	318,331*	294,823	-7%	Seven additional species brought into Espersen procure- ment control in 2022 and current year
Category 2: Capital good (tCO <sub>2</sub> e)	3,033	2,208	3,930	78%	Additional capital goods due to the acquisition of our new Grimsby plant
Category 3: Fuel and energy-related activities (tCO <sub>2</sub> e)	7,057*	6,645*	6,106	-8%	
Category 4: Upstream transportation (tCO <sub>2</sub> e)	24,561	31,038	25,109	-19%	
Category 5: Waste generated in operations ( $tCO_2e$ )	1,065*	860*	633	-26%	Municipal waste disposal improvements, Fish liners recycling project, fish waste reduction due to lower production output
Category 6: Business travel (tCO <sub>2</sub> e)	66*	159*	236	48%	Business travel increased post-covid-19 pandemic
Category 7: Employee commuting (tCO <sub>2</sub> e)	2,462	2,462	2,088	-15%	2023 updated commuting survey & estimations
Category 9: Downstream transportation (tCO <sub>2</sub> e)	2,673*	2,592*	2,300	-11%	
Category 10: Processing of sold products (tCO <sub>2</sub> e)	4,981*	4,981*	4,702	-6%	
Category 12: End of life treatment of sold products ( $tCO_2e$ )	4,091*	4,453*	4,329	-3%	
Total emissions (w/ location-based)* (tCO <sub>2</sub> e)	305,369	403,589	371,980	-8%	
Total emissions (w/ market-based)* (tCO <sub>2</sub> e)	307,201	382,092	351,738	-8%	
Emissions intensity (tCO,e/million DKK sales)	115*	120*	104	-13%	

Votes

Table figures are rounded up.

Sustainability: Data source of emissions is powered by Position Green



- \* Restated figure, reference Accounting Principles pg. 62 for more details.
- \*\* Espersen uses a marketbased approach for emission accounting and science-based targets. However, it is best practice to compare scope 2 emissions from both methods.

## Sustainability Data: Environmental – Emission Targets

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		Retrospective		Targ	et		
	Base Year <b>2021</b>	2022	2023	203	0	Actual Reduction	Development Commentary
<b>Scope 1 &amp; 2 absolute reduction target</b> Espersen commits to reduce absolute scope 1 and 2 GHG emis- sions 42% by 2030 from a 2021 base year							
Total scope 1 & 2 (w/ market-based)	33,251	8,375	7,490	19,286	-42%	-77	Townstashiound
Units	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e	% change	% change	Target achieved
<b>Scope 3 intensity reduction target</b> Espersen also commits to reduce scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, upstream transportation and distribution, and waste generated in operations 52% per tonne of sold fish product within the same timeframe.							
Category 1:							
Purchased goods and services	223,972	318,331	294,823	-	-	32	
Category 3: Fuel and energy-related activities	7,057	6,645	6,106	-	-	-13	
Category 4: Upstream transportation	24,561	31,038	25,109	-	-	2	
Category 5: Waste generated in operations	1,065	860	633	-	-	-41	Municipal waste disposal improvements, fish liners recycling project, fish waste reduction due to lower production output
Units	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e	-	-	% change	
Total scope 3 intensity							
the four categories above (Cat. 1, 3, 4, 5)	3.2	4.4	4.3	1.5	-52%	34%	
Units	CO <sub>2</sub> e (t)/sold product (t)	% change	% change				

## Sustainability Data: Environmental – Resource Use

	Base Year 2021	2022	2023	Development Commentary
Total energy use (kWh) (excluding vehicle fuels)	58,125,361*	57,918,245	54,561,249	
Electricity consumption (kWh)	37,265,043*	37,495,079	36,108,455	
Renewable electricity (%)	8*	81	82	Moved to renewable energy for our production plant in Hasle and sales office in Ronne, Denmark
Heating (kWh)	20,860,318*	6,460,873*	6,770,757	
Energy use per kg product (kWh/kg product produced)	0.77*	0.76	0.84	
Total operational spend on energy (%)	17*	27	28	
Total water consumption (m <sup>3</sup> )	875,619*	911,883	803,782	
Water intensity per kg product (litre)	11.7*	12	12.4	
Total waste (kg)	19,381,767*	19,134,808*	14,918,008	
Sewer in wastewater (kg)*	217*	221*	194	
Controlled combustion (kg)	829,597*	850,327*	750,729	Fish liner recycling project
Anaerobic digestion/biogas (kg)*	2,955,543*	2,904,188*	2,580,979	Food waste reduction due to lower production output
Landfill (kg)	650,876*	320,420*	205,770	Municipality waste disposal improvements
Animal feed (kg)*	14,939,703*	15,053,576*	11,368,222	Fish waste reduction due to lower production output
Other (kg)	5,832*	6,076*	12,114	
Total recycling (kg)	2,681,018*	2,630,173*	2,494,052	
Paper/cardboard (kg)	1,342,491*	1,228,914*	1,002,324	
Plastic (kg)	390,808*	441,577*	368,099	
Other (wood, metal, etc.) (kg)	947,719*	911,162*	815,059	
Recycled Beck Liner™ (kg)	0*	48,520*	308,570	100% of liners in our Danish production facility were recycled in 2023

#### ↓ Notes

- \* Restated accounting, reference Accounting Principles pg. 62 for more details.
- \*\* Food raw material which does not make it into the final product (i.e. fish skin, bits and pieces of fish meat after fileting, left over breading ingredients, etc.).

## Sustainability Data: Social – Worker Health & Welfare

	Base Year <b>2021</b>	2022	2023	Development Commentary
	2021	2022	2023	
Diversity Metrics				
Gender				
Males in board of directors (%)	86**	86	80	Female percentage increased due to the headcount within the board of directors.
Females in board of directors (%)	14**	14	20	
Males directors (%)	100**	100	100	
Females directors (%)	0**	0	0	
Male senior managers reporting directly to directors (%)	-	-	69	Neuropean time for 0007
Female senior managers reporting directly to directors (%)	-	-	31	New reporting for 2023
Males senior managers (%)	78**	67	62	
Females senior managers (%)	22**	33	38	
Males managers (%)	51**	53	50	
Females managers (%)	49**	47	50	
Males (all employees) (%)	38**	38	39	
Females (all employees) (%)	62**	62	61	
Safety				
Number of accidents	75*	119	150	
Accident frequency rate	16.6*	23.5*	31.1	
Accident severity rate	2.4*	1.9	2.1	

#### Votes

- \* Restated accounting, reference Accounting Principles pg. 62 for more details.
- \*\* Includes Russian facility before 2022 divestment.

## Sustainability Data: Governance

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	Base Year 2021	2022	2023	Development Commentary	
Business Conduct					Votes
Whistle-blower cases	0	4	5		* Re-stated accountin
Supply Chain Integrity					
Sourcing Certifications					
Seafood sourced with third part certification scheme (%)	99	96	96		
Certified palm oil (%)	100	100	100		
Certified indirect soy in fish feed (%)	NA*	75	60	In 2023, one new farmed fish supplier with uncertified soy	
Certified supplier sites (GFSI) (%)	62*	66	64		
Audits					
Number of conducted supplier audits	5	10	14	In 2023, no severe human right violations were identified in our supply chain (forced labour, human trafficking or child labour)	

# Appendices

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#### Appendices

## Accounting Principles

### **Reporting period**

Espersen's sustainability data reporting covers the period from 1 January to 31 December 2023.

## **Reporting boundaries and frameworks**

Our sustainability reporting focus on Espersen's activities in line with our double materiality assessment (pg. 13) which encompasses both the environmental, social and governance impacts, risks and opportunities relating to Espersen business.

As we move forward, it is likely that our data will evolve with the increasing input of more accurate data, new management systems, and disclosures. We strive to be transparent in disclosing methodology and restated figures. Restated figures have been clearly stated throughout the report. Please refer to 'Sustainability Data' to view the adjusted figure and further below for more details on specifics for re-stated figures. The ESG figures for 2023 include our production sites in Denmark, Poland, Lithuania, and Vietnam, and for relevant metrics, our non-production facilities in Denmark, Sweden, France, United Kingdom, and Germany. Espersen's recently acquired production site in Grimsby, the United Kingdom, is not fully included, as Espersen gained operational control in September 2023. We plan to integrate our Grimsby site into our sustainability program starting in 2024.



#### Votes

\* Non-material topics include: E2-1 Pollution of air. E2-2 Pollution of water, E2-3 Pollution of soil, E2-4 Pollution of living organisms and food resources. E2-5 Substances of concern, E2-6 Substances of very high concern, E2-7 Microplastics. S1-3 Equal treatment and opportunities for all own workers, S1-5 Other work-related rights of own workers, S3-1 Communities economic, social and cultural rights, S3-2 Communities civil and political rights, S3-3 Particular rights of indigenous people, S4-1 Information related impacts for consumers and/or end users. S4-3 Social inclusion of consumers and end users, G1-3 Animal welfare.

## **Environmental Data**

#### **Resource use**

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Resource data covers 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). Non-production related offices are included only in energy consumption. Energy usage, water usage, waste and recycling disposal are extracted from internal reporting systems, which were reported manually. For some non-production related offices there are limitations in receiving primary energy consumption data, in these cases the consumption is estimated based on the square meters of Espersen's office space defined in the rental agreement.

#### Emissions

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. 2023 carbon accounting, covers 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). For relevant GHG categories our reporting also includes non-production related offices. Emission Factors (EF) are updated annually, and the below EF sources relate to 2023 accounting. For historical EF sources please refer to previous sustainability reports.



## Emissions accounting summary, methodology, and EF sources

Scope 1: Includes on-site fuel, freezing agents, stationary combustion and company cars (leased vehicles).	Freezing agents	Naturvårdsverket (2022), Opteon (2023), DEFRA (2023)
	Stationary combustion	DEFRA (2023)
	Fuel use	DEFRA (2023)
	Petrol, diesel, hybrid, and electric vehicle use (leased cars)	DEFRA (2023)

Continues on the following pages

## **Environmental Data**

## Emissions accounting summary, methodology, and EF sources

Scope 2: Emissions include electricity, district heating and company	Electricity consumption at production facilities in Denmark, Poland and Lithuania. Along with Danish HQ office.	AIB (2022)
cars (electric and hybrid cars).	Electricity consumption at production facilities in Vietnam.	IEA (2023)
	Estimated electricity consumption at sales offices in Germany, France, Denmark, and UK.	AIB (2022) 2023 Estimation of energy use: Energimyn- digheten, Vägledning för energikartläggning i fastighetsföretag (2020)
	Estimated heating consumption at sales offices in Germany, France, and UK.	DEFRA (2023) 2023 Estimation of energy use: Energimyn- digheten, Energy statis- tics for non-residential premises (2021)
	Estimated heating consumption at Danish sales offices	CTR, HOFOR and VEKS (2022) 2023 Estimation of energy use: Energimyn- digheten, Energy statis- tics for non-residential premises (2021)
	Heating at Danish production facility, and HQ office	CTR, HOFOR and VEKS (2022)
	Heating at Lithuanian production facility	DEFRA (2023)
	Heating in Poland production facilities and office	DEFRA (2023)
	Electric and hybrid cars (leased cars)	DEFRA (2023)

## Emissions accounting summary, methodology, and EF sources

#### 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), ingredi-	Average data methodology	Purchased fish raw material	WFLDB, Agri-footprint, Agribalyse, and RISE 2022, MSC and Hilborn et al. 2023, seafoodco2. dal.ca
ents, packaging materials, and purchased services.		Purchased ingredients	World Food Database v3.5, 2020, Agri-footprint v5.0, 2020, Agribalyse v3.0, 2020
		Purchased packaging	BEIS (2023), SimaPro industry dataset 2.0, Ecoinvent v3.9.1, Higg 2022, Bespoke calculations.
	Spend-based methodology	Purchased services – implemented in 2023	CEDA 6 Global (2023) * implemented category this year. EF source used for 2021, 2022, 2023 calculations.
Category 2: Capital goods Includes categorised spend data for real estate/construction, plant machinery, operating equipment and software.	Spend-based methodology	Real estate/construction, plant machinery, operating equipment and software	Exiobase (2019)

tion/biogas, landfill, animal feed, and other destinations.

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## **Environmental Data**

## Emissions accounting summary, methodology, and EF sources

Category 3: Fuel and energy-related activities Includes fuels utilized for e.g., forklifts or other vehicles for internal transport, heating and electricity based on consumption used in our production plants and offices.	Average data methodology	Fuel and energy-related activities	DEFRA (2023)
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.	Distance-based methodology	Upstream transportation	BEIS, (2023)
Category 5: Waste generated in operations Includes waste volumes from food waste, other production	Average data methodology	Waste generated & recycled materials	DEFRA (2023)
waste and wastewater. Material is sent to recycling, controlled combustion, anaerobic diges-		Wastewater	BEIS, 2023

## Emissions accounting summary, methodology, and EF sources

Category 6: Business travel Includes emissions from air travel, taxi, leased vehicles and other	Distance-based methodology	Flights	DEFRA (2023) Calculation updates and re-stated numbers. EF source used for 2021, 2022, 2023.	
(ferry, train, bus, etc.)	Distance-based methodology	Leased vehicles	DEFRA (2023)	
	Spend-based methodology	Taxi	CEDA 6 Global (2023) Implemented category	
		Other (ferry, train, bus, etc.)	updates. EF source used for all 2021, 2022, 2023 calculation updates.	
	Distance-based methodology	Employee commuting: Office Workers Commuting survey (online survey included office workers in Grimsby, as group IT was integrated into the UK site).	DEFRA (2023), AIB (2020), Severengiz, Semih & Finke, Sebas- tian & Schelte, Nora & Wendt, Norman. (2020)	
		Employee committing: Production workers estimated averages (Grimsby not included).		

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## **Environmental Data**

## Emissions accounting summary, methodology, and EF sources

Category 9:	Distance-based	Downstream transportation	BEIS, 2023 Dobers, Perotti, Fossa, 2022	
Downstream transportation Includes transportation and	methodology	Amount of goods trans- ported in cold stores		
distribution services conducted by third-party logistics providers for road transport and amount of goods transported in cold stores.		Storage emissions from Espersen's own brand products sold to retail.	LCA by Pré on 22 frozen products (2023)	
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.	Average data methodology	Processing of sold products	Espersen's average scope 1 and 2 emission intensity	
Category 12: End of life treatment of sold products	Average data methodology	Packaging	World Bank waste statistics 2019, BEIS 2022, Ecoinvent EFs v3.9	
Includes food waste from cooked food and packaging materials sent for waste processing and disposal.		Food waste	World Bank waste statistics, BEIS, Ecoinvent EFs	

## Worker Health & Welfare

## Gender diversity

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

### Safety

Safety data refers to Espersen production facilities and includes only factory employees. The number of working hours is measured based on daily timecard registered in the payroll system for hourly paid employees, and prescribed working hours for salaried employees.

### Accident

An event at work which results in an injury or ill health to an employee, causing at least one day absence.

## **Accident Frequency Rate**

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

### **Accident Severity Rate**

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

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## Governance

## Supply Chain Integrity

## 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 (D4infonet®-D4). The share of certified suppliers and raw material and ingredients is calculated based on count inventory at end of the reporting period.

## **Conducted supplier audits**

The number of second party audits conducted includes both suppliers in countries categorized as low and high-risk according to countries' risk classifications published by BSCI. The number of second party audits is reported manually into our reporting system based on headcount at the end of the reporting period.

## **Business Conduct**

## Whistleblower system

At the end of the reporting year, the total number of whistleblower cases is calculated based on count inventory at end of the reporting period. In spring 2023, Espersen updated its whistle-blower platform to a new third-party system and the system's processing of reports is as follows: All reports in our whistleblower platform are directed to the third party handling the system, who then contacts our internal administrators. Internal administrators manage the process and will contact a responsible for investigating and addressing the report. All incidents made to the whistleblower system are investigated thoroughly and the anonymity for the reporting person will be kept throughout the whole process. Communication routes are between Espersen and third-party administrator and third-party administrator to the reporting person only.

## **Re-stated Accounting**

All 2021 environmental data has been re-stated, as the 2021 emission targets baseline was adjusted due to the divestment of the Russian production facility in 2022. In addition to this change, several other numbers have been re-stated. Please reference the table below for further information.

Scope 1 & 2: Leased Vehicles	- For 2021 & 2022 added leased vehicle data. Updated EF for 2021 hybrid cars to align better with following years (DEFRA 2021).		
Scope 1 & 2: Fuel Consumption	<ul> <li>Unit error was found for LPG gas.</li> <li>Human error in reporting 2022 values at one production site.</li> <li>Error regarding EFs calculation in our data platform.</li> </ul>		
Scope 1 & 2: Energy consumption	- Sales offices added into 2021 accounting.		
Scope 2: Location-based and market-based	- Implemented location and market-based scope 2 calculations for historical 2021 data.		
Scope 3: Category 1 Purchased goods and services	<ul> <li>Implemented purchased services into the category scope.</li> <li>Re-stated numbers for 2021 and 2022.</li> <li>Purchased fish raw material: EFs for prawns, salmon and mackerel were updated to better align with raw material characteristics.</li> <li>2021 species mackerel was missing, re-stated. Seven additional species were brought into Espersen procurement control in 2022 (flounder, Greenlandic halibut, Atlantic herring, rock sole, yellow tail flounder, lobster and silver smelt), restated numbers.</li> </ul>		
Scope 3: Category 5 Waste generated in operations	<ul> <li>In 2023 we found manual reporting errors for historical figures (2020-2022), amended numbers.</li> <li>Error regarding missing EFs for recycled material in our data platform.</li> </ul>		
Scope 3, Category 6	<ul> <li>Flights data: 2021 &amp; 2022 flight data has been re-calculated and re-stated due to improved flights data.</li> <li>Implemented additional modes of transport into the category accounting (train, other, car rentals, etc.).</li> </ul>		
Scope 3, Category 9	- Implemented additional calculation of emissions from Espersen's brand products sold to retail and storage.		
Safety	- 2021 safety data has been re-stated, due to human error in manua reporting.		
Sustainable sourcing	<ul> <li>- 2021 indirect certified soy restated, due to wrong calculation.</li> <li>- 2021 percent certified supplier sites (GFSI) restated, due to huma error in manual reporting.</li> </ul>		



## **UNSDGs**

Developing inclusive, sustainable, and healthy food systems is essential to reaching the Sustainable Development Goals (SDGs). Six of the United Nations Sustainable Development Goals (UNSDGs) are encompassed within the core focus and goals of Espersen's sustainability strategy.

## Environment

Net Positive Fishing	Resource Use			
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Goal 14 Life below water	Goal 8 Decent work and economic growth	Goal 12 Responsible consumption and production	Goal 13 Climate action	
Conserve and sustainably use the oceans, seas and marine resources.	Promote inclusive and sustainable economic growth, employment and decent work for all.	Ensure sustainable consumption and production patterns.	Take urgent action to combat climate change and its impacts.	
Target 14.2	Target 8.4	Target 12.2	Target 13.2	
Sustainably manage and protect marine and coastal ecosystems.	Decouple economic growth from environmental degradation.	By 2030, achieve the sustainable management and efficient use of natural resources.	integrate climate change measures into national policies, strategies and planning.	
<b>Target 14.4</b> Effectively regulate harvesting and end over- fishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement		<b>Target 12.3</b> By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply.		
science based management plans, in order to restore fish stocks in the shortest time feasible.		<b>Target 12.5</b> By 2030, substantially reduce waste generation		
<b>Target 14.C</b> Enhance the conservation and sustainable use of the oceans and their resources.		through prevention, reduction, recycling and reuse.		

## UNSDGs (continued)

Social		Governance	
Worker Health & Welfare		Supply Chain Integrity	
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Goal 5 Gender equality	Goal 8 Decent work and economic growth	Goal 2 Zero hunger	Goal 8 Decent work and economic growth
Achieve gender equality and empower all women and girls.	Promote inclusive and sustainable economic growth, employment and decent work for all.	Achieve food security and improved nutrition and promote sustainable agriculture.	Promote inclusive and sustainable economic growth, employment and decent work for all.
Target 5.5	Target 8.8	Target 2.4	Target 8.7
Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making.	Protect labour rights and promote safe and secure working environments for all workers.	By 2030, ensure sustainable food production systems.	Take immediate and effective measures to erad- icate forced labour, end modern slavery and human trafficking.



### A. Espersen A/S

Amager Strandvej 403 DK-2770 Kastrup Denmark

Phone: +45 56 90 60 00 CVR-no.: 3838991