

**Statutory statement of social responsibility,
cf. ÅRL §99a**

The statement forms an integral part of the management report in Saeby Fish Canners Ltd.'s annual report for 2020, which covers the period January 1.-December 31. 2020.



CSR REPORT
2020

OUR IMPACT



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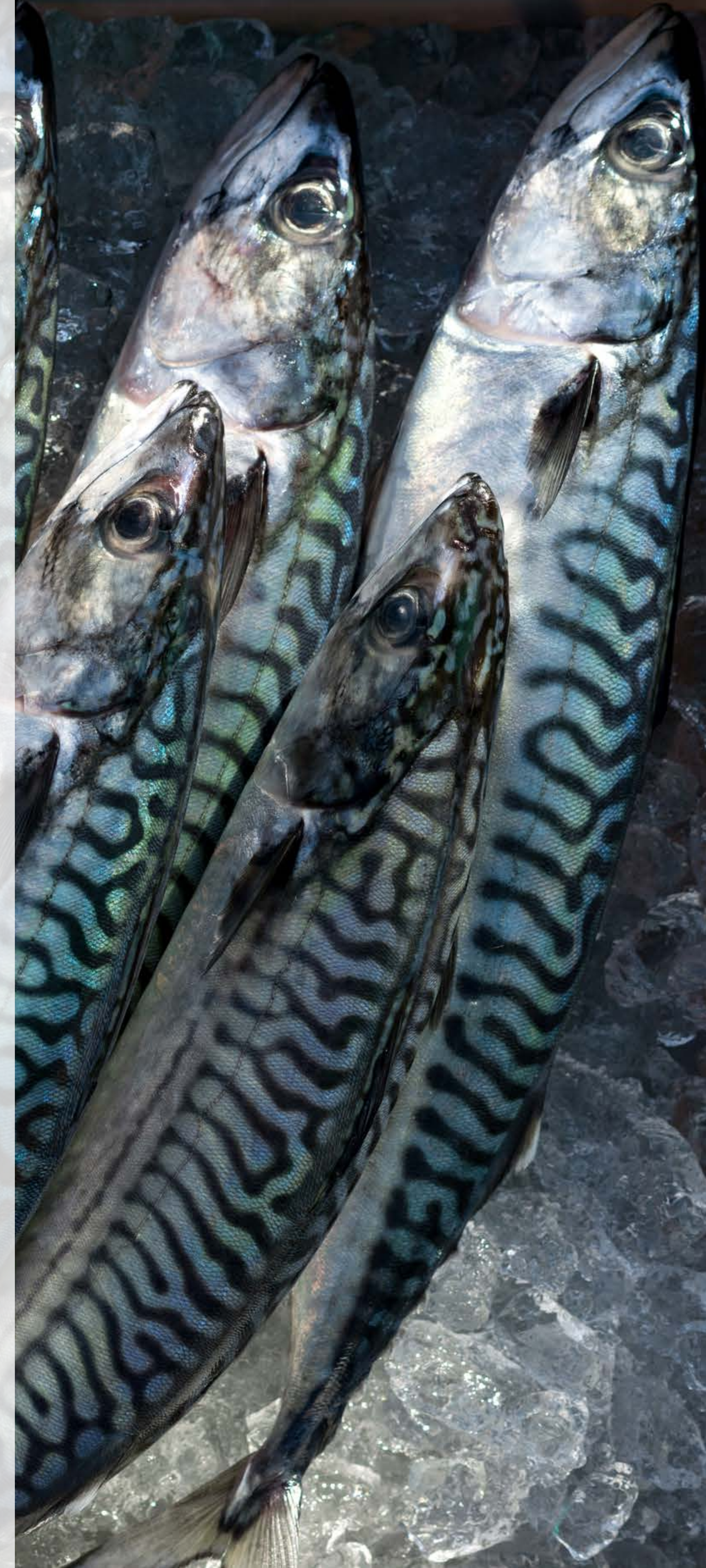
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The focus on reducing our climate- and environmental footprint is a priority.

This year our top priority has been the health and safety of our employees. Despite a global pandemic, Saeby Fish Cannery Ltd. has managed to significantly reduce its foil consumption.



2020 has been an unusual year in every way as the COVID-19 crisis has affected the whole world.

In crisis situations, food shortages can lead to hoarding, as we also noticed. We managed to convert production in record time to ensure that our distribution system could continue to supply retailers unhindered, both nationally and internationally.

This year, our top priority has been the health and safety of our employees, while at the same time we have had to act financially soundly. Despite challenges with COVID-19, we have managed to further maintain our strategy and our ambitions to further develop our own brand.

At Saeby Fish Cannery Ltd., the environment is on the agenda and our focus is on reducing our climate and environmental footprint on our business activities.

Consumer demands and aspirations for sustainability are evolving globally.

Even though the mackerel, in 2019, lost its MSC certification, we still produce according to sustainable principles, which is an important part of our strategy. There is a strong push for alternatives to the MSC certification, where the industry organisation is currently working on developing alternative sustainable certification. However, we continue our development and still think about sustainability, as the mackerel is an important food that contributes good nutritional values and speaks into the new diets and expectations for a good and healthy meal.

For us, good business ethics are a crucial factor. We expect our suppliers to meet the same strict requirements that we set ourselves.

We support UN's Global Compact and have integrated the 10 principles of human rights, labour rights, the environment and anti-corruption into our business activities.

One of the pillars is our Supplier Questionnaire, which we use in collaboration with and in the management of our suppliers. Specifically, when suppliers sign our Supplier Questionnaire, suppliers guarantee, among other things that they comply with the principle of UN's Global Compact.

I am particularly proud of our efforts in 2020 in packaging, where we in cooperation with our customers have been able to significantly reduce our foil consumption and at the same time apply recyclable materials especially for our packaging.

Our focus must be greater in the years to come.

Happy reading!

Claus Boll Christensen
Claus Christensen CEO

OUR BUSINESS

Saeby Fish Cannery Ltd. is a Danish food manufacturer.

We are one of the world's largest suppliers of canned mackerel.

During the raw material season, which is primarily in October and November, we purchase fresh mackerel, which is head- and tail capped, as well as cleaned and frozen.

In the subsequent production, the frozen mackerel is skinned using only boiling water and steam without the use of chemicals.

The mackerel is boiled and filleted by hand and filled into cans.

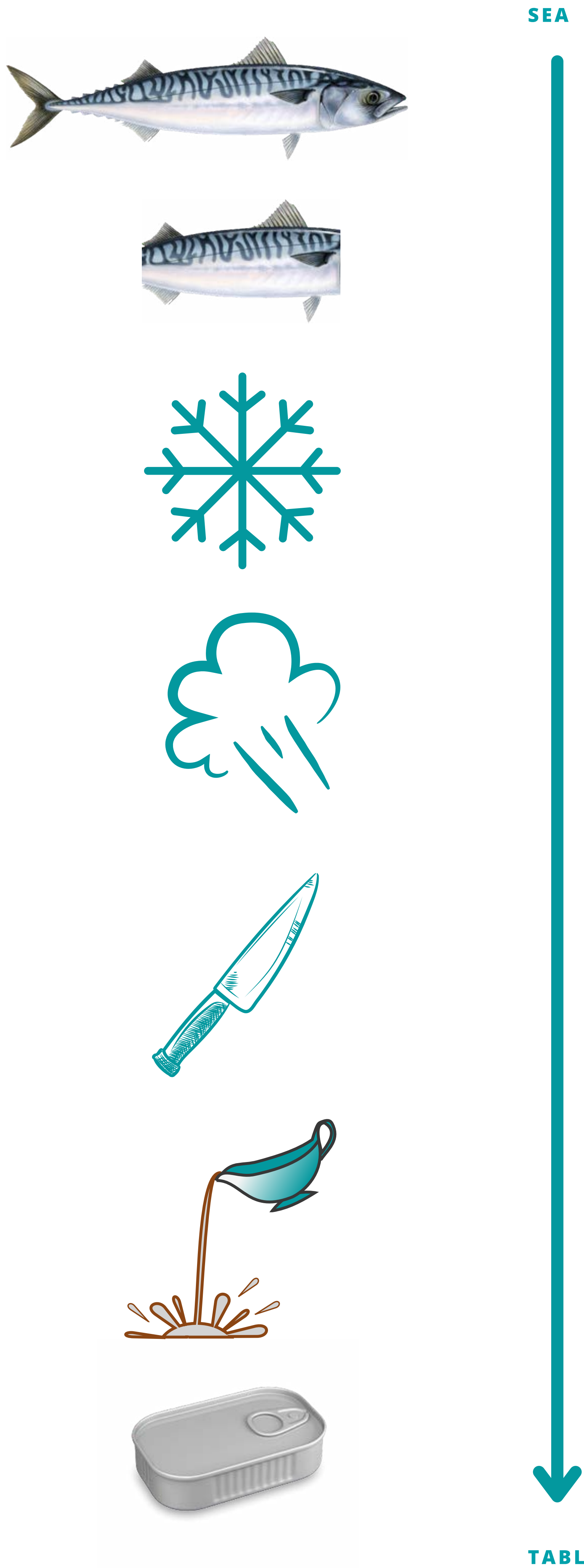
Hereafter the cans are filled with sauce according to recipe. After filling the cans with sauce and sealing the lid, the can is subjected to heat treatment and packed after it has been stored in the incubation storage for a period of time.

After packing, the finished goods are ready to be shipped to the customer or alternatively put into storage.

The products are purchased by supermarket chains in Denmark, most of Europe, Great Britain, the US, and the Asian market.

During the overall production process, no waste occurs, as cut-offs from the fish as well as intestines etc. are used in the production of animal feed, fish oil, and fishmeal.

Thus, no waste is produced in the production process, other than water that is purified at the factory's own treatment plant.





**SCOMBER SCOMBRUS
CAUGHT IN THE NORTH EAST ATLANTIC**



SOCIAL RESPONSIBILITY

At Saeby Fish Cannery Ltd. we have ambitious goals and CSR-efforts that are essential to our company. We want to reduce our climate- and environmental footprint and show social responsibility. Our work with CSR is based on our customers' and employees' demands and our wish to contribute to changing the world in a positive direction. Through our SMETA certification, we support UN's Global Compact (UNGC) and commit to making the 10 principles an implemented part of our business activities.

HUMAN RIGHTS

- 1. Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2. make sure that they are not complicit in human rights abuses.

LABOUR

- 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4. the elimination of all forms of forced and compulsory labour;
- 5. the effective abolition of child labour; and
- 6. the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

- 7. Businesses should support a precautionary approach to environmental challenges;
- 8. undertake initiatives to promote gender environmental responsibility; and
- 9. encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- 10. Businesses should work against corruption in all its forms, including extortion and bribery.



MAIN RISKS

Saeby Fish Cannery Ltd. views the following risks as the most important in relation to our business activities, business relationships and products' negative impact on; human rights, social- and employee relations, environment and climate, and anti-corruption.

- Risk of unnecessary or unintentional consumption of energy and water and thus negative impact on our environment and climate.
- Risk of lack of orderly social conditions and employee conditions of our subcontractors.
- Risk of lack of orderly social and employee conditions for own employees.

A GOOD WORKING LIFE



WORKING ENVIRONMENT

OUR 2020 SUCCESSES

- In 2020, we only had 5 work-related accidents.
- We have focused on giving employees tools and the support to get through a change process.
- Production has remained open through COVID-19.



At Saeby Fish Cannery Ltd. we aim to be a motivating workplace where wellbeing is paramount.

The employees are our greatest asset; therefore, it is natural for us to create working conditions with a focus on the safety, well-being, and development of the employees. We aim to be a workplace with a good collegiate community and a good working environment.

Well-being and working environment are some of our core values. It is the employees' commitment and competencies that make it possible to develop our business. Therefore, our focus remains on the physical and mental well-being of the employees.

Over the last few years, we have been working on our sick leave culture. The journey is long, and work is being done on behavioural and cultural change. It requires time and the involvement of large parts of the organisation. With close cooperation between managers, trust representatives, and the working environment organisation, we have managed to have a better dialogue with our employees.

Unfortunately, the absence for 2020 has not decreased. COVID-19 has a great influence on this, but do we look at absence that is not COVID-19 related, we see a decrease of 1%.

5

work-related accidents in 2020

The goal is to continue to see sick leave decreasing. In order to reduce sick leave related to the physical load at work. A rotation system has been put in place where employees also get a competency boost, so that the body is less burdened and we at the same time get to develop our employees.

Based on 2019, we have reduced the number of work-related accidents by 50% and by 2020 only had 5 work-related accidents with absence. Our highest proportion of accidents at work comes from fall accidents. This is due to our slippery floors in the production area. We therefore have extra focus on both our tiling and the footwear that is used.

In a year marked by change mainly due to COVID-19, we have focused more on giving employees some tools and the support needed to get through a change process than on measuring satisfaction. COVID-19 became this year's most dominant and unpredictable factor.

We have always followed the instructions of the authorities to protect our employees.

We already have a very high hygiene standard at the factory, and employees are already used to using hand sanitizer in their daily routines. As a precautionary measure, we introduced temperature measurement at the beginning of work, and the use of either face masks or visors.

All our employees deserve a great deal of credit for their accountability and flexibility. They have kept our production running while large parts of the world has been shut down.

Our goal remains to have a high level of employee satisfaction. Therefore, during 2021, we will take the temperature of employee satisfaction and put a follow-up effort at the center.

MINIMISE OUR IMPACT



CLIMATE & ENVIRONMENT

OUR 2020 SUCCESSES

- Electricity consumption has been reduced by, among other things, replacing light sources to LED.
- Success in switching from red foil to clear foil of recyclable plastic.
- Continuous focus on working with customers and partners to reduce the use of unnecessary packaging.

At Saeby Fish Canners Ltd., we are committed to running a business in a sustainable way. We strive to run a business in a sustainable way. We strive to reduce our environmental impact by continuously improving our resource efficiency. In every way, we try to do it in a manner that minimises our impact on the environment. Our overall ambitions are a better climate and a circular economy without waste.

WATER

The food industry is one of the most water-consuming industries in Denmark.

The aim is to reduce the amount of water by 5% without compromising food quality and food safety.

Our high water consumption is primarily during the daily cleaning of production as well as in our season for raw material intake.

TREATMENT PLANT

Nothing goes to waste. We use our own treatment plant, where we clean water daily, corresponding to about 1300 households. Every week we produce 150 cubic meters of sludge, which is sold to biogas suppliers.



We clean water daily, corresponding to about 1300 households



ENERGY CONSUMPTION

For several years, we have worked systematically to reduce our energy consumption in our production areas, where we have 60.000 sqm under roof. Efforts have focused on reducing electricity consumption, among other things by substantially replacing light sources to LED.

We have further energy optimized on our steam boilers to get more use out of the smoke. Here we have recently picked up 5% of the energy/heat, which is used for shower water as well as to heat up our administration building, corresponding to 200 sqm.

In 2020, we started a collaboration around green energy, looking at possibilities such as solar cells etc.

2024

The goal is that by 2024, we will increase our share of green energy from 10% to 20%.



PACKAGING

We use large quantities of packaging in our production. Our mackerel cans are made of 100% aluminum and can therefore be recycled. However, this requires all cans to be collected.

Where possible, we base our materials on their recyclability. At the same time, we must ensure that the packaging of our products protects the mackerel and maintains its quality.



Our cans are made of 100% aluminum

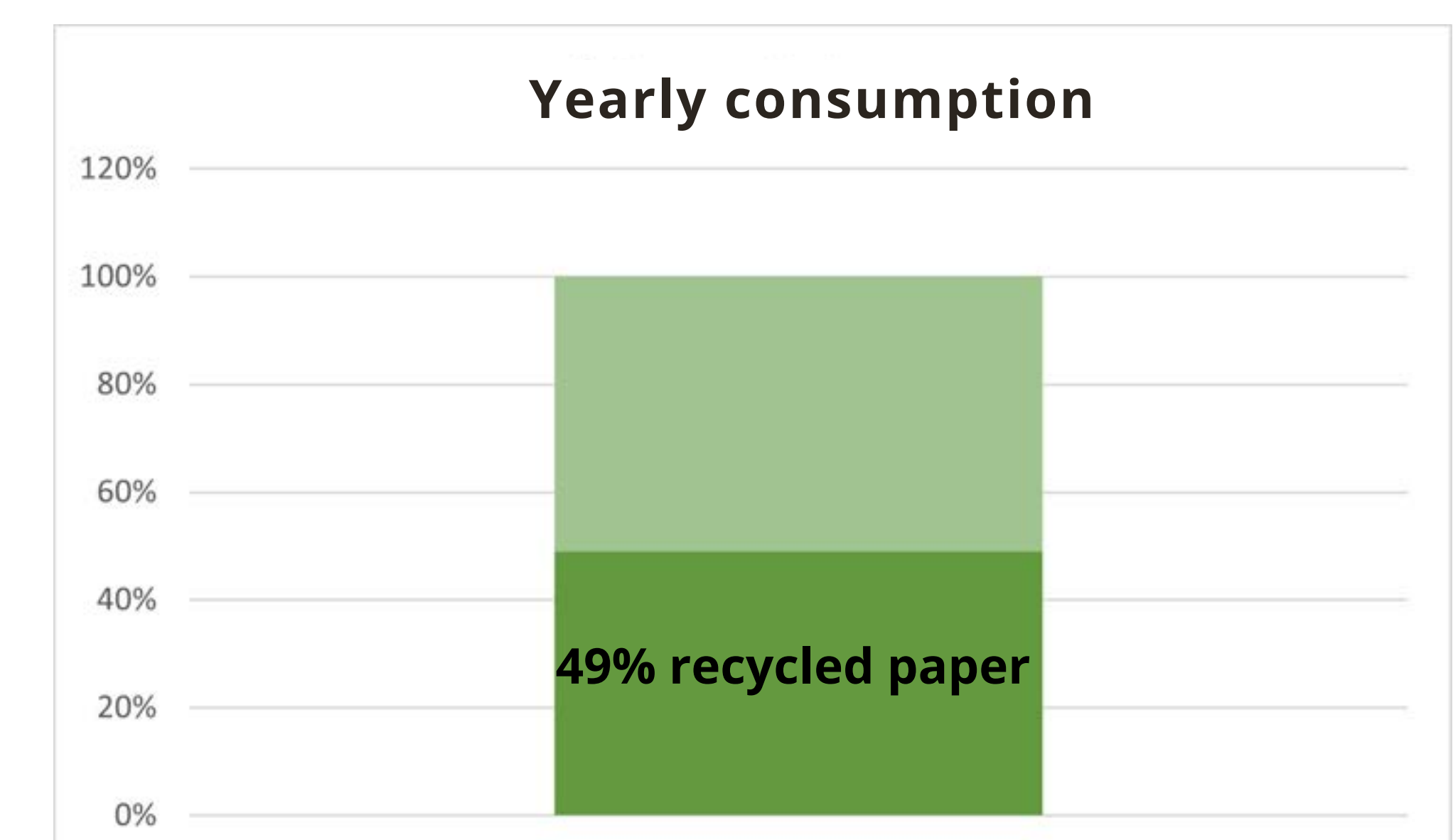
We are continuously working to find alternative packaging solutions that benefit the environment. In cooperation with our customers we are working on projects on recyclable plastics for wrapping packed cans, as well as with labels that do not contain plastic.

In 2020, we have moved 6787 kg from the red foil to a clear foil, which is 100% recyclable, which corresponds to 43% of our consumption.

The goal is that by 2023, we will have reduced our packaging with red foil by 50% in Scandinavia, which must be done through active efforts together with our customers.

We are in constant dialogue with our customers on how we can reduce the use of unnecessary packaging. With a consumption of around 565 tons of cardboard per year, we must ensure that our suppliers of cardboard and paper are FSC-certified, as part of respect for people and nature.

We continuously work on developing business initiatives that make it attractive for our customers to assemble and plan their deliveries, both to optimize our distribution and reduce the environmental impact.

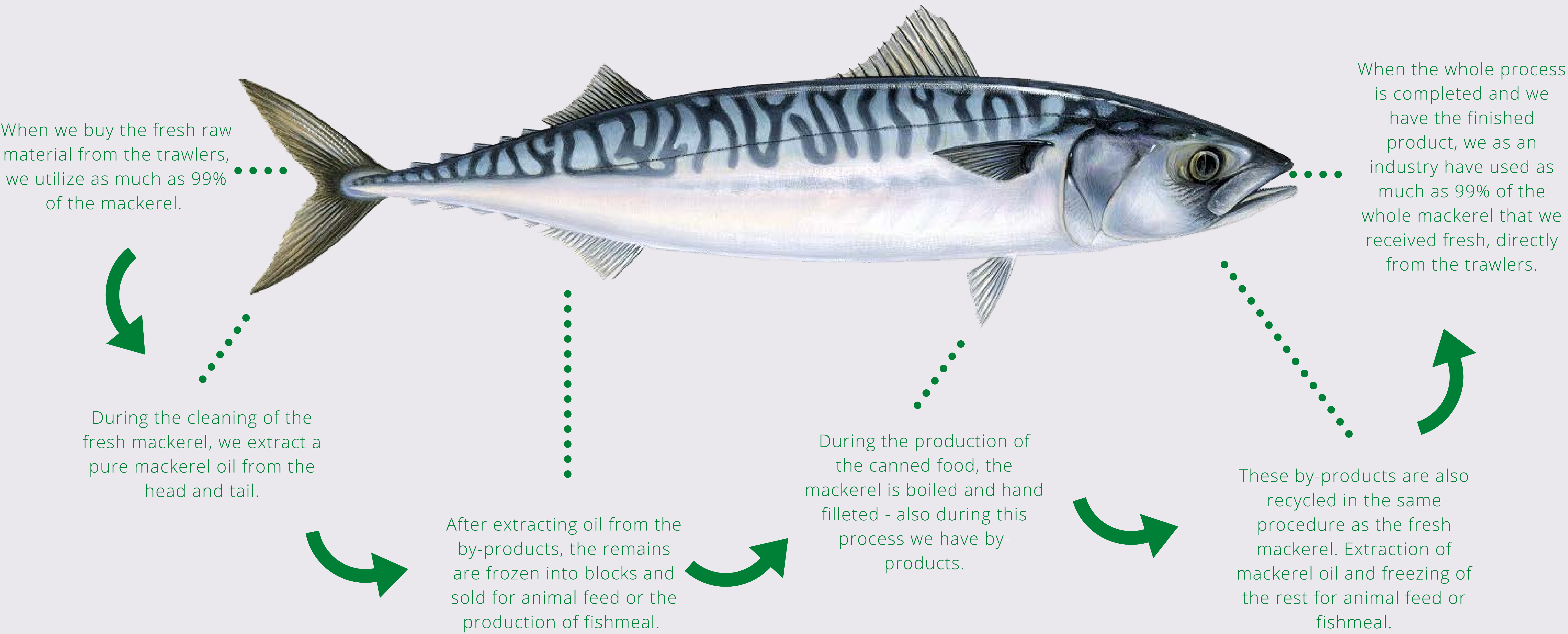


By 2020 49% of our cardboard is made from recycled paper



FOOD WASTE & UTILIZATION OF THE MACKEREL

It is Saeby Fish Cannery Ltd.'s strategy to minimize all waste from raw material to our finished product of canned mackerel.



RESPECT FOR HUMANS



HUMAN RIGHTS

OUR 2020 SUCCESSES

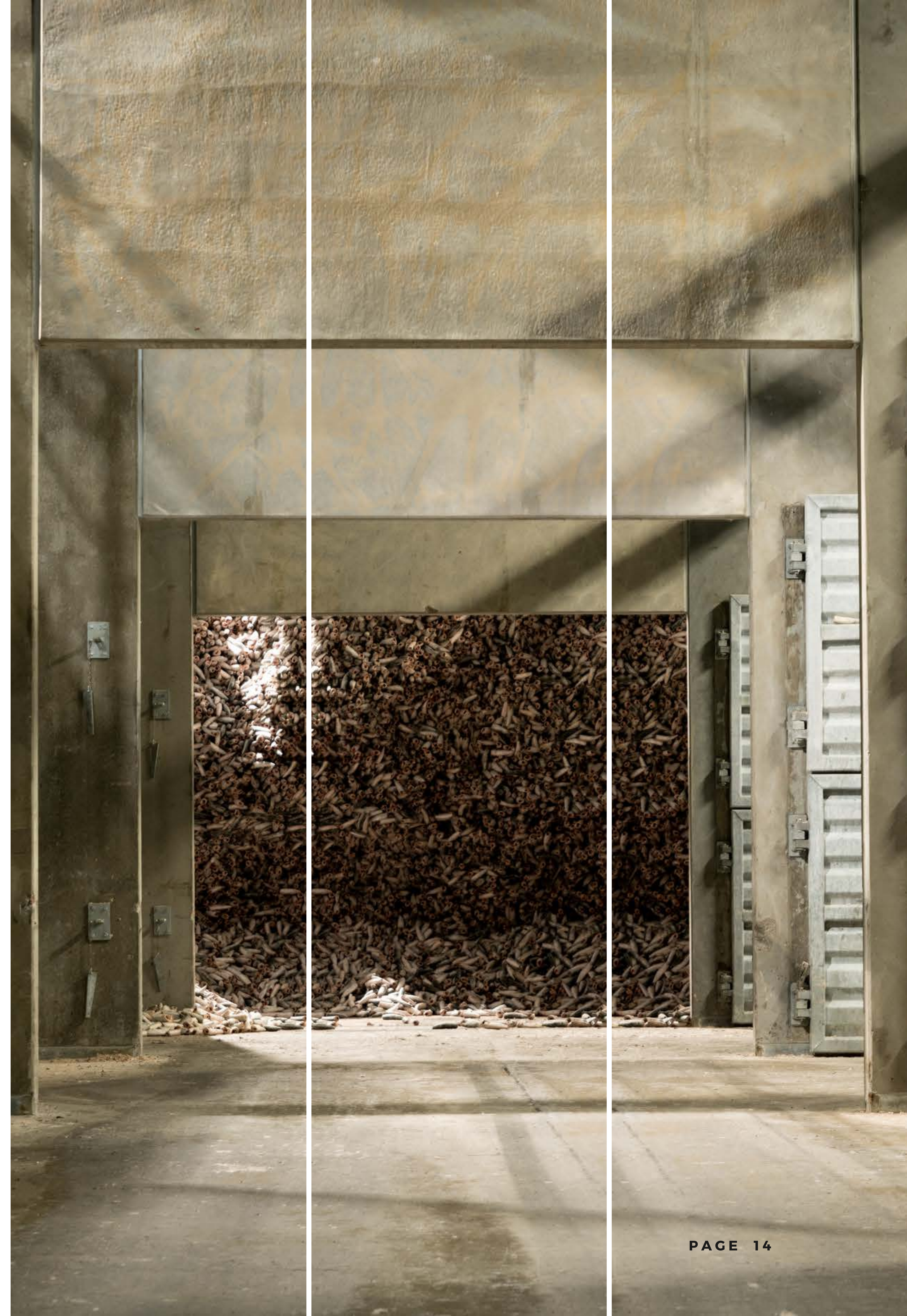
- We only cooperate with suppliers who work with values based on Danish culture and who respects human rights.
- We convey our respect for human rights and social relations to all our partners throughout the value chain.

Social, ethical, environmental initiatives

At Saeby Fish Cannery Ltd., we respect human rights and work to ensure that we as a company are not complicit in any violation of human rights.

For Saeby Fish Cannery Ltd. it is crucial that our product is of high quality. Therefore we only cooperate with suppliers, whom we have assessed and approved based on our Supplier Questionnaire, which asks about the supplier's social, ethical, and environmental initiatives. In some cases, we also carry out an audit with our suppliers.

Our decisions on a future cooperation with a supplier is made on the basis that a supplier works according to the same ethical guidelines as us, and values based on the Danish culture and that all suppliers comply with human rights according to UN's Global Compact.



Through our negotiations with buyers and sellers in Europe and the rest of the world, we convey our respect for human rights and social relations to all our partners throughout the value chain.

We assess our suppliers based on 3 risk groups; 1, 2, and 3.

Every three years, our Supplier Questionnaire is sent to our suppliers in risk groups 1 and 2 for updating.

Every year in connection with raw material intake, we audit onboard the trawlers, to check both the quality of the fish, as well as see the conditions on board for the employees.

Suppliers are assessed on the basis of 3 risk groups






2021

Supplement our efforts with audits

Work is ongoing with our suppliers to ensure the suppliers work purposefully to promote their activities in social, ethical, and environmental behaviour.

Our goal within a 5-year period is that our suppliers in risk groups 1 and 2 are certified according to SMETA, BSCI, or similar standards within social responsibility.

Our supplier in risk groups 1 and 2 are countries with different cultural and social conditions, and therefore place great demands on our efforts. From 2021, if COVID-19 allows travel, we will supplement our efforts with audits at selected suppliers.

-  **Risk group 1:** Ingredients
-  **Risk group 2:** Paper/Cardboard
-  **Risk group 3:** Raw material



ANTI-CORRUPTION



ANTI-CORRUPTION

OUR 2020 SUCCESSES

- We require all suppliers to be certified according to IFS/BRC or other GFSI-standards.
- We require all suppliers to be certified according to Sedex SMETA, BSCI, or similar standards within social responsibility.
- In 2020, we have introduced a Whistleblower Scheme.

We do not tolerate corruption and bribery.

It is vital to our reputation that we run our business in an ethical and honest manner.

In connection with the approval of new suppliers, a Supplier Questionnaire is submitted, which asks, among other things, for BRC/IFS or other GFSI-standards.

We require all suppliers to be certified accordingly to minimise the risk of fraud and falsification of raw materials.

In addition, to ensure that we comply with our own product descriptions and that legal requirements are accurate and verified.

Furthermore, it is asked if the supplier is certified according to Sedex SMETA, BSCI, or similar standards of social responsibility to prevent and oppose corruption, including extortion and bribery.

All suppliers are assessed and approved based on the submitted Supplier Questionnaire and any audit before entering a cooperation.

BRC
IFS
SEDEX
SMETA
GFSI

Risk of fraud is also assessed in accordance with internal risk matrix as well as historical cases of food fraud in the world.

In 2020, we have introduced a Whistleblower Scheme that is available for confidential reporting of illegalities, unethical- or inappropriate behaviour related to our business.





SAEBY