

2022

Sustainability

from SEA to TABLE



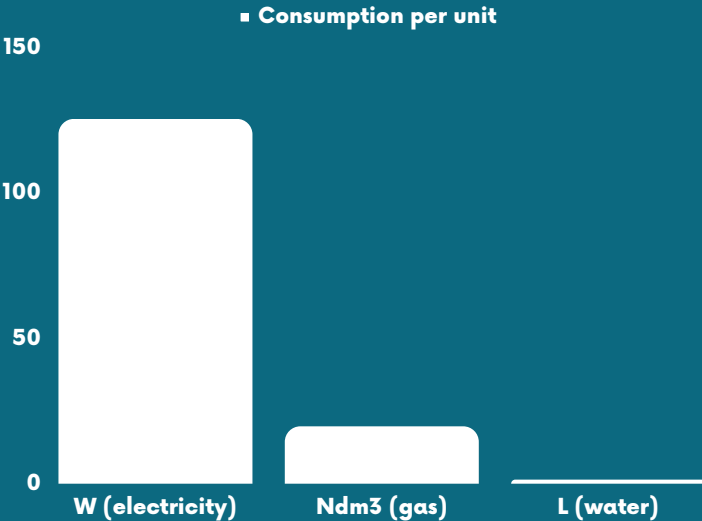
We never stop our development. The work on sustainability and responsibility will continue. We will lead the way and take initiative.

*2022 HIGHLIGHTS

Quantity of mackerel caught (in tons)	15.800
Number of produced cans	53 mio.
Number of sold cans	51 mio.
Waste percentage (%)	0

75 years

in 2022
Canned mackerel producer
in constant development



Statement on Corporate Social Responsibility in accordance with Section 99a of the Danish Companies Act. The statement forms an integral part of the management report in the annual report of Sæby Fish Industry A/S for 2022, covering the period from January 1 to September 30, 2022.

*YTD 01. September, 2022
Mackerel is purchased once a year for a full year's production. Cans are not considered sold until they have left the company.

THE 17 SUSTAINABLE DEVELOPMENT GOALS (SDGs)

BUSINESS-ORIENTED SOCIAL RESPONSIBILITY

WORKING ENVIRONMENT

CLIMATE & ENVIRONMENT

RISKS IN THE VALUE CHAIN



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WORDS FROM OUR CEO

At Saeby Fish Canners, we have not changed our DNA, which is why sustainability and responsibility are still important parts of who we are.

The last two years have been plagued by the global COVID-19 pandemic, which put a stop to many activities. Now that the pandemic is no longer our biggest challenge, we, along with the rest of Europe, have been hit by war, high inflation, and economic consequences that have not been seen before. This has certainly put a damper on the development we were looking forward to.

We will take the lead and initiative

We cannot achieve good results alone

Despite the current dark prospects, we have still managed to achieve some results in our defined areas within the environment, climate, employees, and our partners.

We never stop our development, and the work on sustainability and responsibility will continue. We will take the lead and initiate action.

A common denominator in our work with socially responsible solutions is that we cannot achieve good results alone. We need our customers, colleagues, suppliers, and partners to join us on the journey.

We are far from achieving our goals within social responsibility, and there is a lot of work ahead of us in the coming years, especially in terms of climate and environment. However, we know that we have skilled colleagues, suppliers, and partners who are ready to work together.

Together we create value.



OUR BUSINESS

Saeby Fish Cannery is a Danish food company and one of the world's leading suppliers of mackerel canned products.

During the raw material season, which primarily occurs in October and November, we purchase fresh mackerel, which is then headed, gutted, and frozen.

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

The mackerel is then cooked and hand-fileted before being filled into cans.

Sauce is added according to a recipe, and after filling and sealing the can, it is sterilized through autoclaving and stored for incubation before being packaged.



SEE OUR COMPANY

After packaging, the product is ready to be shipped to the customer or alternatively stored in a warehouse. The products are purchased by supermarket chains in Denmark, most of Europe, the UK, the US, and Asia.

During the entire production process, there is no waste, as fish trimmings are sold to biogas plants. Therefore, no waste is generated in the production process, except for water, which is treated in the factory's own purification plant.



* 2022 KEY FIGURES

Raw material (mackerel)	15.800 tonnes
Production	53 million cans
Sales	51 million cans
Waste	0%

*YTD 01.09.2022

Mackerel is purchased once a year for a full year's production.
Cans are not considered sold until they have left the company.

OUR BUSINESS MODEL



THE MACKEREL

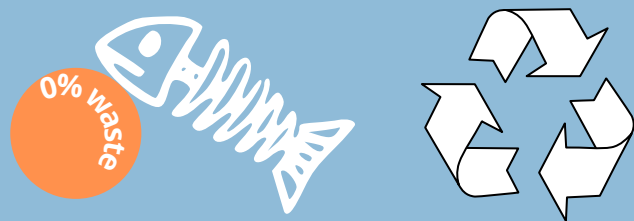
The mackerel of the species *Scomber Scombus* is the core of our business. We receive fish in one season, exclusively from zone FAO 27. The fall is the season when the *Scomber Scombus* mackerel has the highest fat content and is therefore the best. We take in fish for one year's production to preserve the mackerel stock and avoid an excessive inventory.

RAW MATERIAL SEASON

In 2022, we received 15,800 tons of mackerel from trawlers. The trawlers always land at the nearest port, either in Hirtshals or Skagen, and the mackerel is then transported in full trucks to the factory in Sæby. Our focus is to ensure that all transportation is done with consideration for the environment.

PRODUCTION

All of our employees are specially trained to work efficiently and always ensure world-class food standards. We hand-fillet on 6 filleting lines. The filled mackerel can is heat-treated and sterilized in autoclaves, of which the water is regenerated.



CONSUMPTION & FOOD WASTE

We inspire healthy and sustainable eating habits. We provide protein-rich and accessible food to people all over the world. Our recipe universe on our website is updated with seasonal ingredients and with the goal of reducing food waste.



CUSTOMER NEEDS

We are in close dialogue with our customers, associations, and universities to constantly predict and meet their needs. Recently, our focus has been on optimizing the health benefits of our existing products.

OUR VALUES

PRESTATION

We aim to maintain our status as a reputable company with vast experience and expertise within our field.

CREDIBILITY

We exhibit a high level of credibility, both as employees and as a company. We do our utmost to keep our promises and meet deadlines externally towards our partners - but also internally towards each other. We live up to a high degree of integrity.

UNITY

We actively work to develop multicultural, positive, and supportive departments.

INNOVATION

We follow the changes that the world brings in order to constantly stay ahead of the new trends in products, production and packaging methods. We do not rest on our success and dare to be curious. We maintain innovation on the production side to maintain our relevance to customers and the market.

STABILITY

We make long-term well-founded decisions. We value stability in terms of retaining competencies on the employee side.

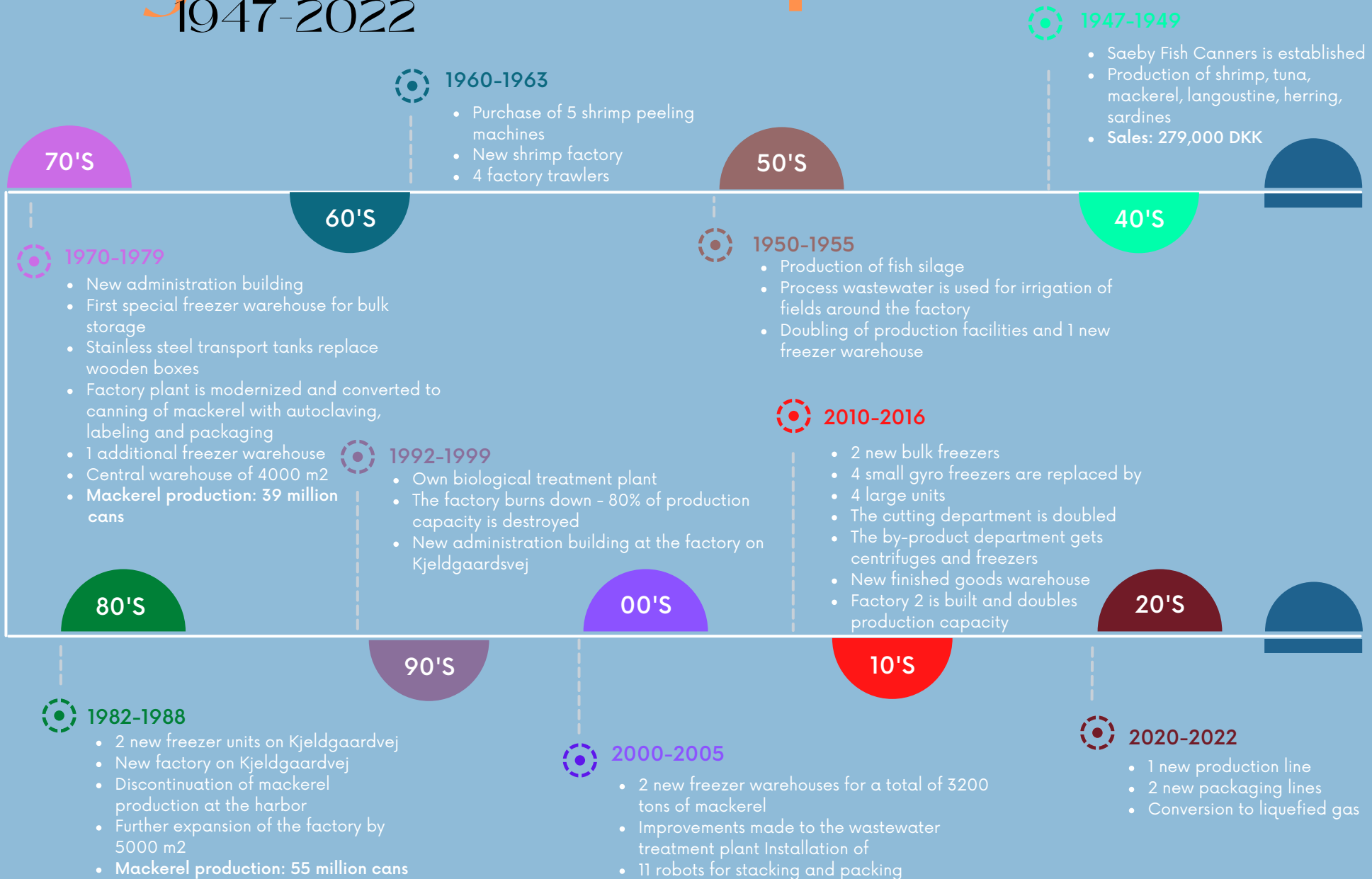
EFFICIENCY

We prioritize both production and administrative tasks to be carried out as efficiently as possible. We make use of as many digital tools as possible. We continuously investigate opportunities for streamlining processes with the help of technical tools.

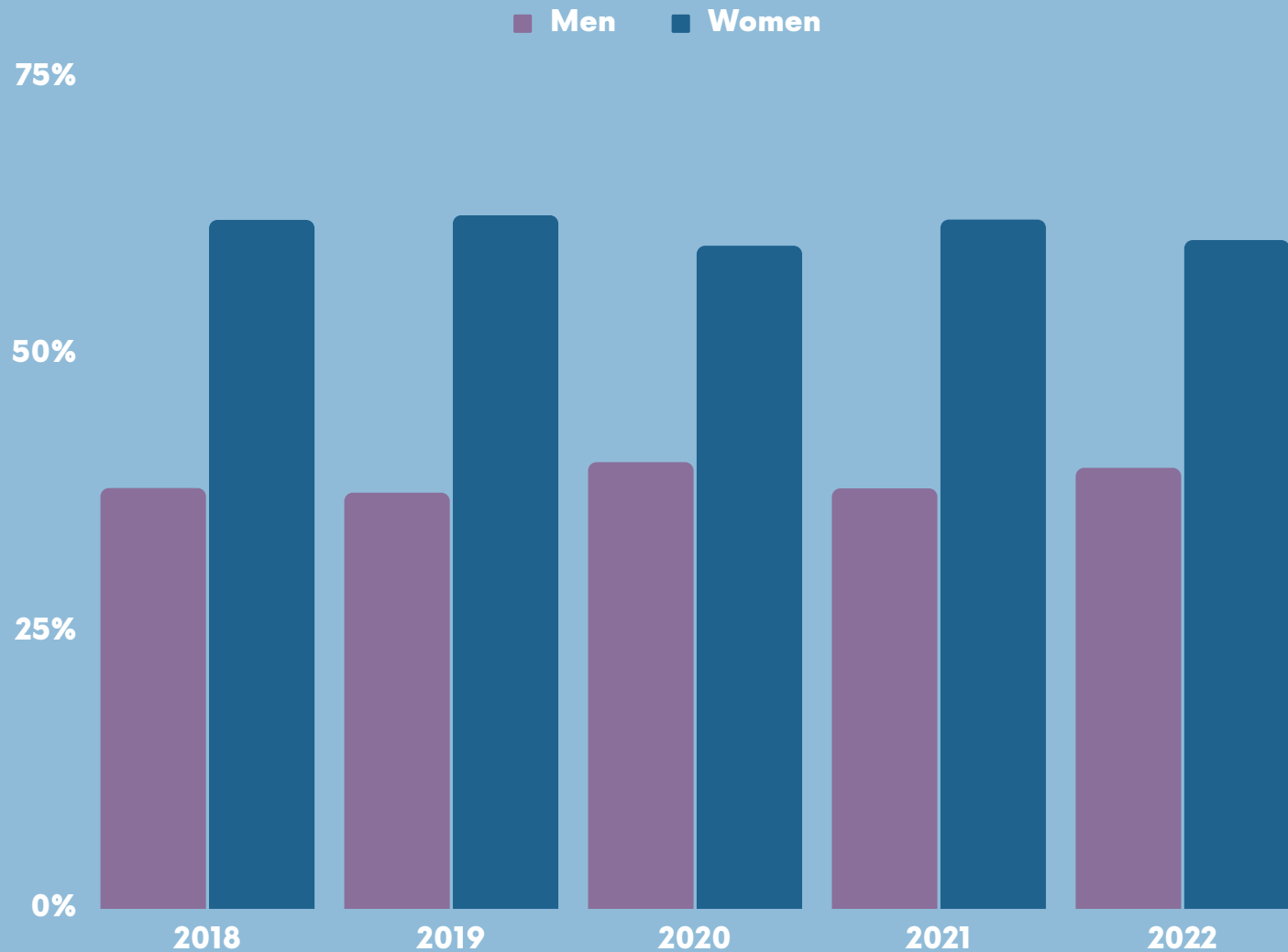


75 years of development

1947-2022



GENDER DISTRIBUTION 2018-2022



We strive to promote diversity and inclusion through value-based communities and good working conditions.

To us, diversity is a success across gender, ethnicity, age, and background.

BUSINESS-ORIENTED SOCIAL RESPONSIBILITY

Our contribution to the UN's Sustainable Development Goals is defined through an assessment of the significant risks related to our business model.

Sustainability activities are grouped under 4 significant headlines:

CLIMATE & ENVIRONMENT

We continuously work on optimizing our energy and resource usage in production and reducing our environmental footprint by effectively utilizing our resources.

HEALTH

We aim to promote health through our current and future products.

EMPLOYEES

We place a high value on safety and health. We have a strong culture where safety comes first. We work purposefully with our employees' engagement to create well-being, development, and learning.

SUPPLIERS

We applaud strong partnerships across the value chain to jointly drive the green transition. We aim to establish strong partnerships to ensure knowledge sharing and development in innovation, sustainability, development, and optimal utilization of energy potentials.

HEALTH

Over the past 4 years, we have actively worked on executing events with the purpose of inspiring consumers to eat more fish.

In 2022, the company launched 4 new flavor varieties, mustard sauce, sweet soy sauce, coconut curry sauce, and hot & spicy sauce, in the Danish market.

The launch of these 4 products was with the aim of providing consumers with the opportunity to incorporate them into cooking.

The goal was achieved in 2022, among other things, through the launch of new recipes and participation in the Food Festival in Aarhus where 10,000 tastings were served.

We continue to work on activities to support Danes in getting more fish on the table.



OUR EMPLOYEES



Our workplace comprises diverse job functions, and therefore, we have a diverse workforce. We are proud of the diversity that our employees represent, and we see it as a strength to utilize each other's skills, experiences, and personal qualities. One of our values is that we make each other better. Through knowledge sharing, collaboration, and development, we can create value for each other and achieve our goals together.

We know that our employees are the key to success in Saeby Fish Cannery. This applies to all functions at the factory.

It is our employees who ensure the quality and test the products, develop and market the products. Our goal is to ensure that we continuously develop our employees. We do this through a good recruitment process, onboarding, education, and well-being.

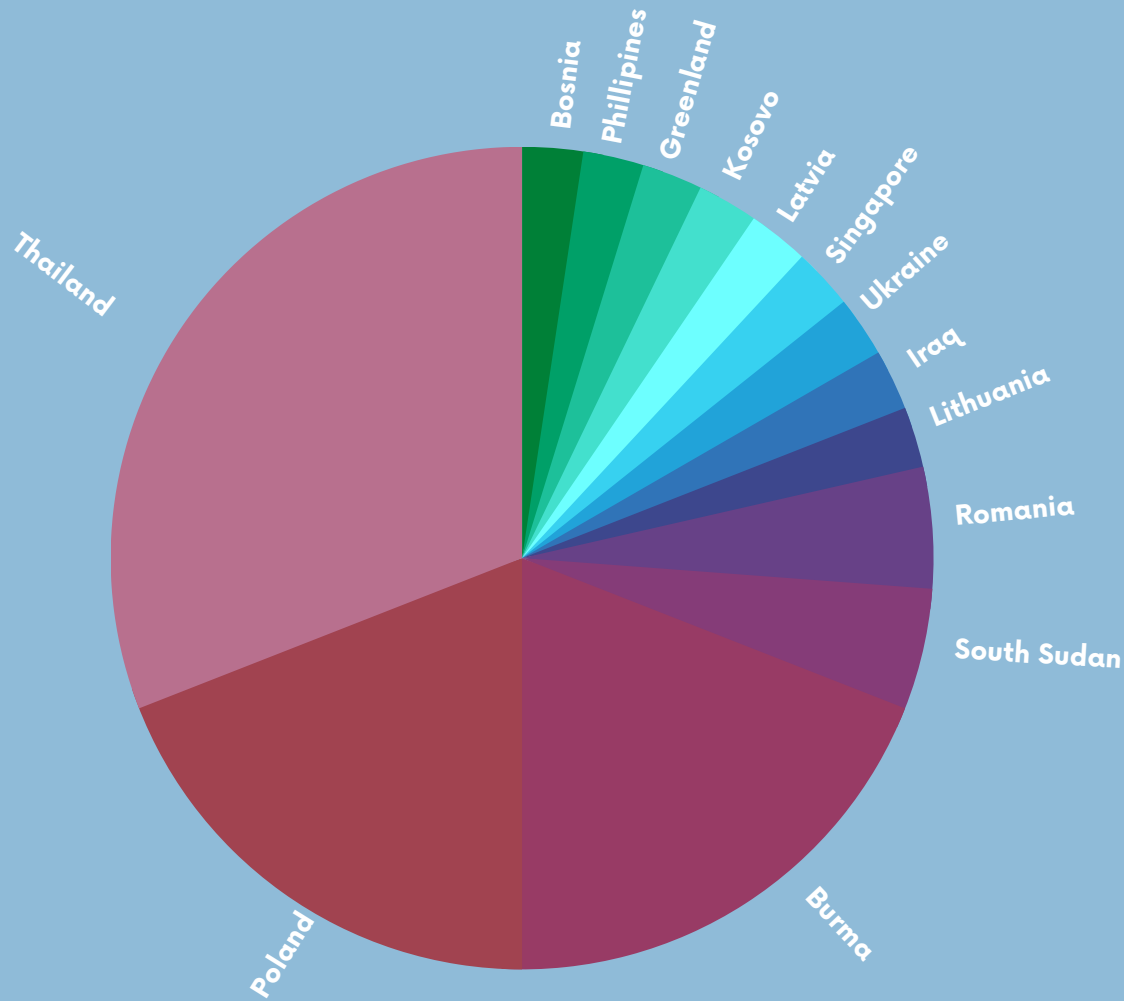


MAIN RISKS:
RISK OF LACK OF ORDERLY SOCIAL AND EMPLOYEE RELATIONS FOR OWN EMPLOYEES

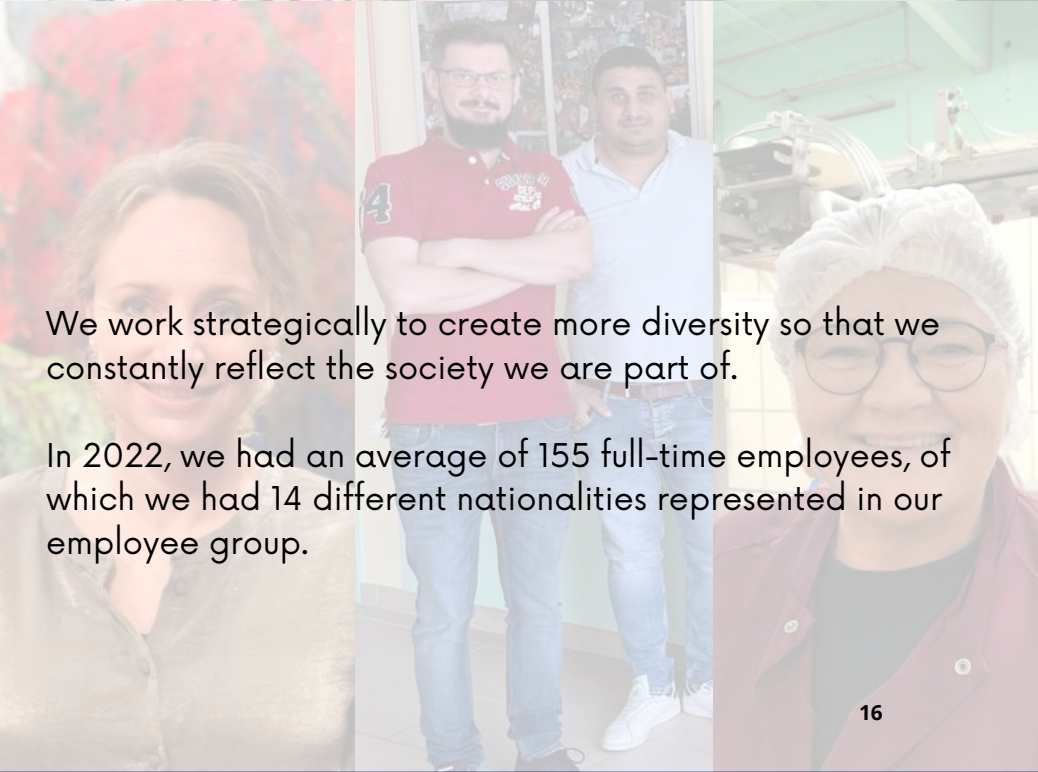
HEALTH & SAFETY

Without the engagement, motivation, and collaboration of our employees, we would not be where we are today, nor could we reach our future goals. We act responsibly towards our employees because a good work environment has a positive impact on our results and in the long run ensures our need for skilled employees.

We hold an annual occupational health and safety discussion in the occupational health and safety organization where we evaluate the previous year's occupational health and safety work and plan new goals for the next year's occupational health and safety.



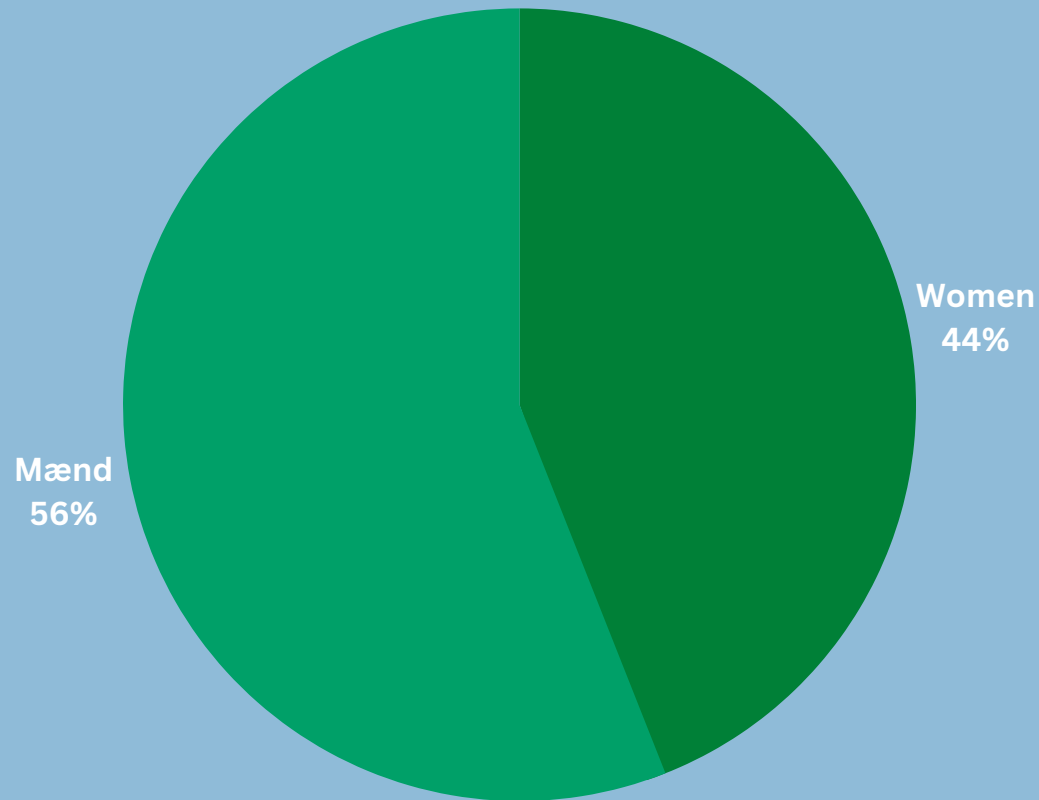
ROOM FOR ALL



We work strategically to create more diversity so that we constantly reflect the society we are part of.

In 2022, we had an average of 155 full-time employees, of which we had 14 different nationalities represented in our employee group.

WOMEN & MEN IN THE COMPANY



At management and middle management level, we also have a balance in the distribution of women and men, with a distribution of 44% women and 56% men.

A workplace in development

Every year we hold employee development meetings, where together with the employee we evaluate the work effort and set any goals and agreed expectations, just as we talk about what tasks and training are needed to motivate the employee.


We started 2022 with our bilingual employees having Danish lessons. They were divided according to level, so that each employee's development and skills could be catered for and developed.

Furthermore, in 2022 we have sent 2 employees on training to go from unskilled to skilled.



Abigail Grønhøj is in the process of training to become an electrician.

My father and brother are electricians and I've always wanted to be, but haven't had the opportunity. You gave me the opportunity and I'm really, really happy about that.



It means a lot to me to go from unskilled to skilled. I feel like I'm part of the team, even though I used to be. But the fact that the company gives me that training also means that they believe in me and that means a lot.

Jan Vinther is currently undertaking a 2-year training as an industrial operator.

FURTHER EDUCATION



WELL-BEING GYMNASTICS

After a few years with the health crisis COVID-19 where distance and division became keywords, 2022 has focused on the common starting point. We have a strong culture at Saeby Fish Cannery, but in order to exploit the company's potential, the cultural journey is paramount.

Running a responsible business does not just include selling a responsible product, but also involves acting with integrity and social consideration. We do our annual well-being survey to get a strong picture of where we are doing well, as well as where there are areas of action that should be worked on to become an even better workplace. In 2021, the results showed that we should improve our employee's health in the workplace. Therefore, in 2022, we have introduced gymnastics for our employees.

After we have implemented gymnastics, I estimate that we have achieved both better well-being and reduced small physical annoyances. The vast majority of girls do the little exercises as soon as the music starts. It lightens the mood a notch as soon as the knife is hung on the hook.

Working environment representative, Mette Bering

In order to target the effort, we asked the employees where it was specifically that they could feel fatigue and soreness on the body. Afterwards, in collaboration with a physiotherapist, we could find the exercises that could help. It was important to us that the effort created a balance and was wholehearted, for both employees and the company.

A steering group with representatives from both the management and the other employees helped launch the project. It was not about coercion, but about showing that it was a priority from the management, and in that way getting a cultural change through.

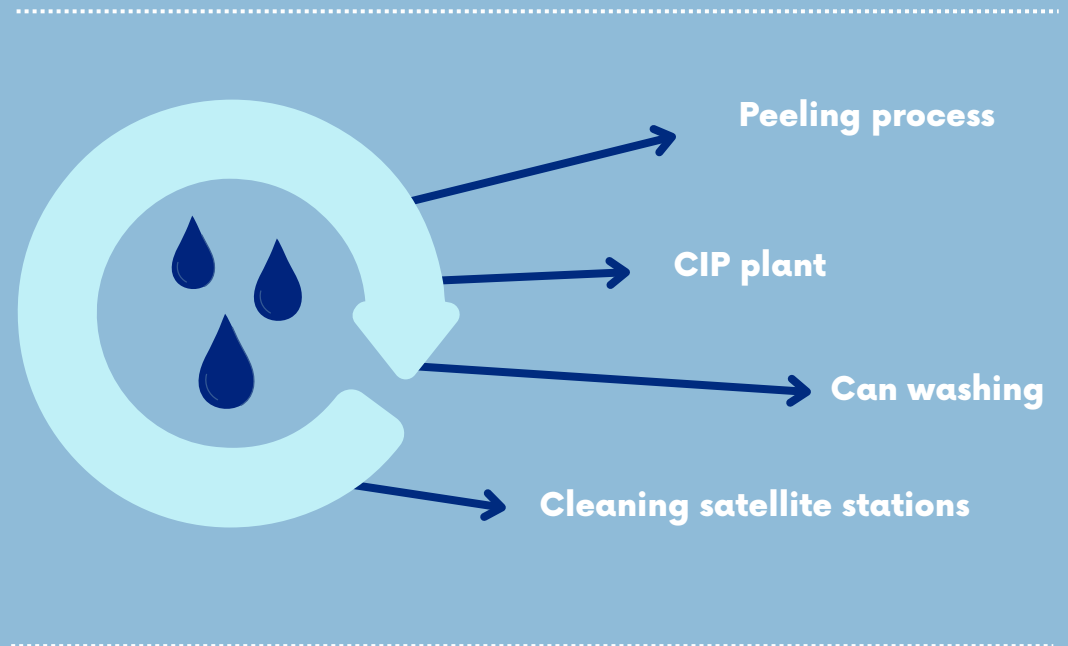
OUR COMMITMENT TO ENVIRONMENTAL PROTECTION

Rising inflation became this year's dominant and most unpredictable factor, and has demanded our full attention.

The cheapest energy is the one we don't use, goes an old saying.

Gas prices have skyrocketed and this set a natural course for the company's considerations to convert and invest in further electrification.

Absolutely crucial to being able to reduce the factory's CO2 emissions is the conversion to renewable energy in the form of wind and solar.



Electrification is a central area of effort here, where, for example, gas boilers for heat supply are replaced with heat pumps. We have already installed heat pumps to heat our administration building.

Our production equipment uses steam that reaches 160 degrees, and with the current technology, we cannot reduce or change our operation further. We are purposefully looking for opportunities to compensate and minimize our CO2 emissions. We want to make real compensations for a noticeable difference to the environment and climate. We reuse water in the process by recirculating water. We recycle approx. 6,000 m³ of water per month to i.a. stripping process, CIP plant, can washing and cleaning satellite stations.

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Our excess heat is used for central heating on our radiators, ventilation, underfloor heating, hot domestic water and for reheating the regenerated domestic water

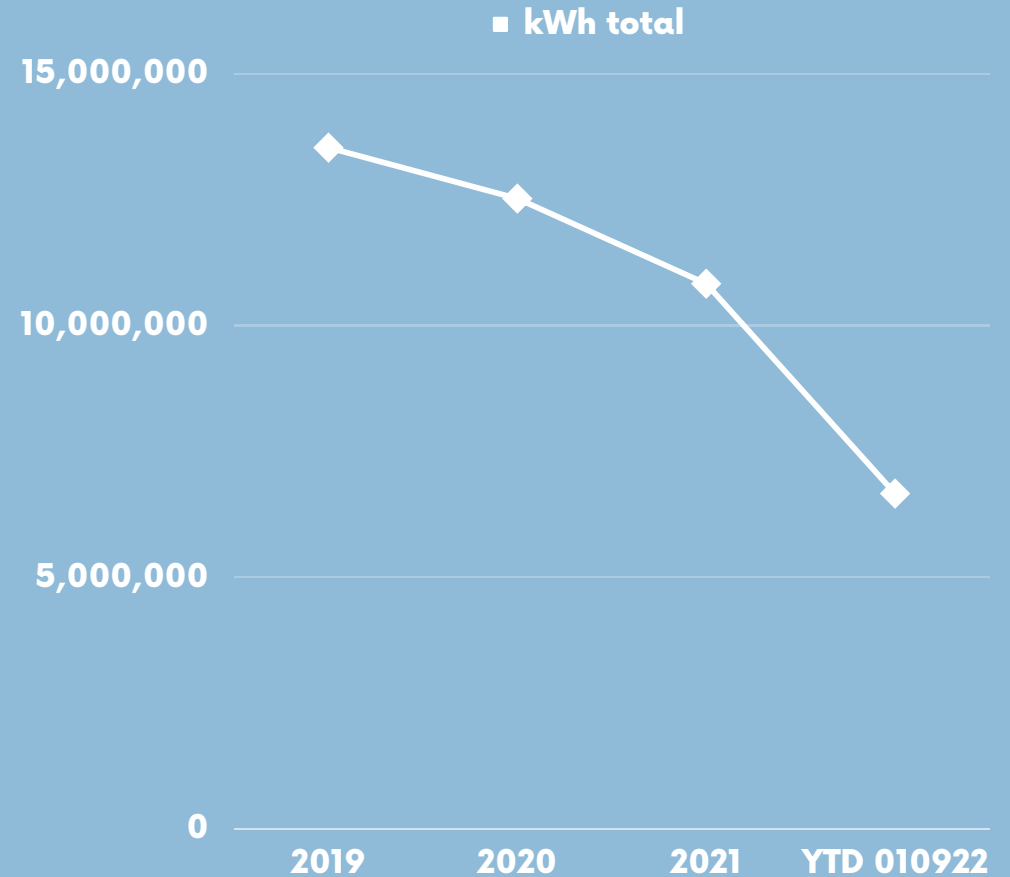
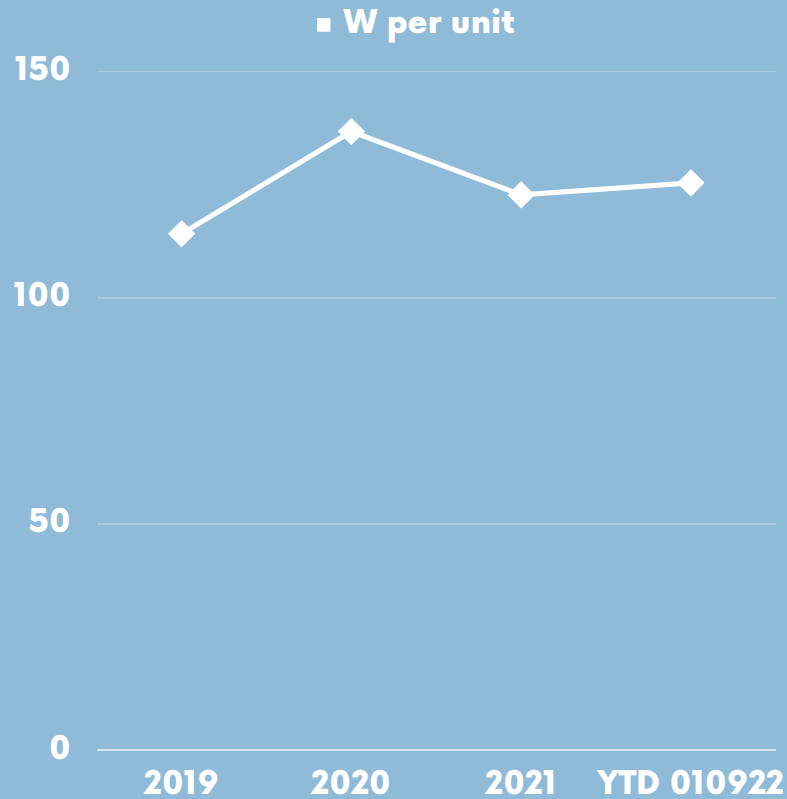
Our surplus heat is used for central heating on our radiators, ventilation, underfloor heating, domestic hot water and for reheating the regenerated domestic water.

The excess heat from the boilers is also used to preheat the feed water to the boiler, whereby so much energy is extracted from the flue gas that the efficiency exceeds 100%. This means that we get more energy out of the boilers than we supply in the form of fuel.

It requires ambition and the will to solve the climate challenges it faces. We are constantly working to minimize our environmental impact and prevent pollution, taking into account the financially responsible.

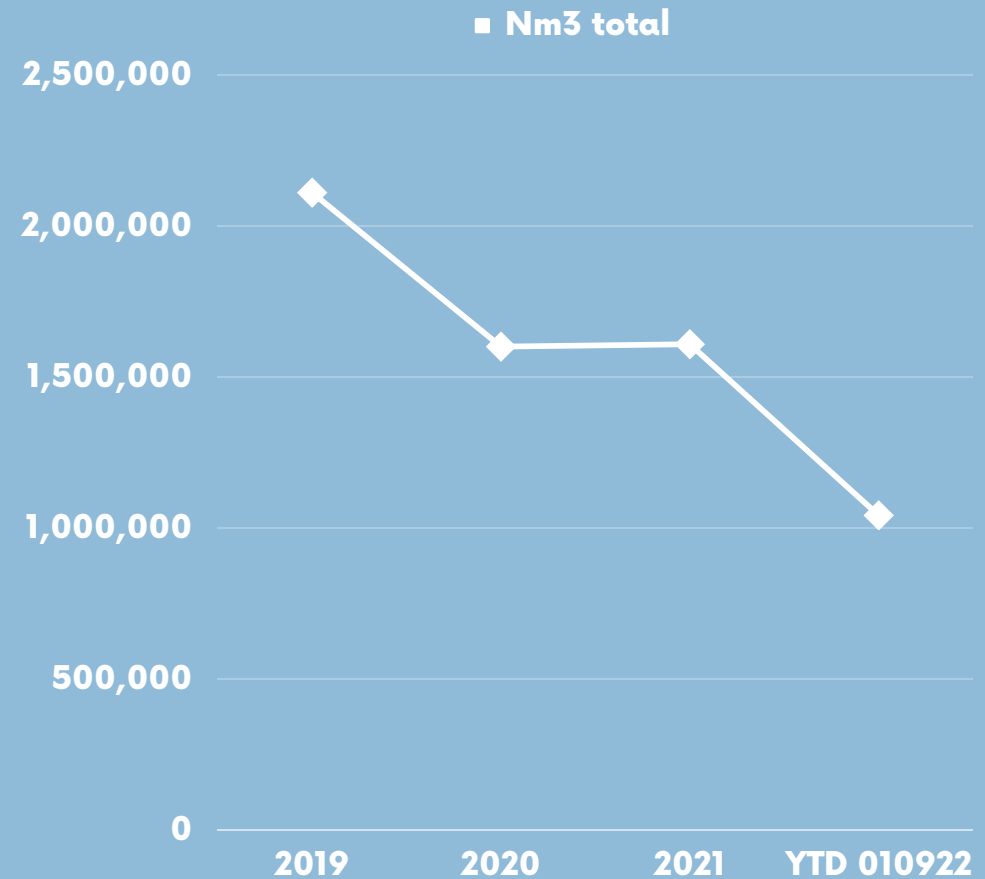
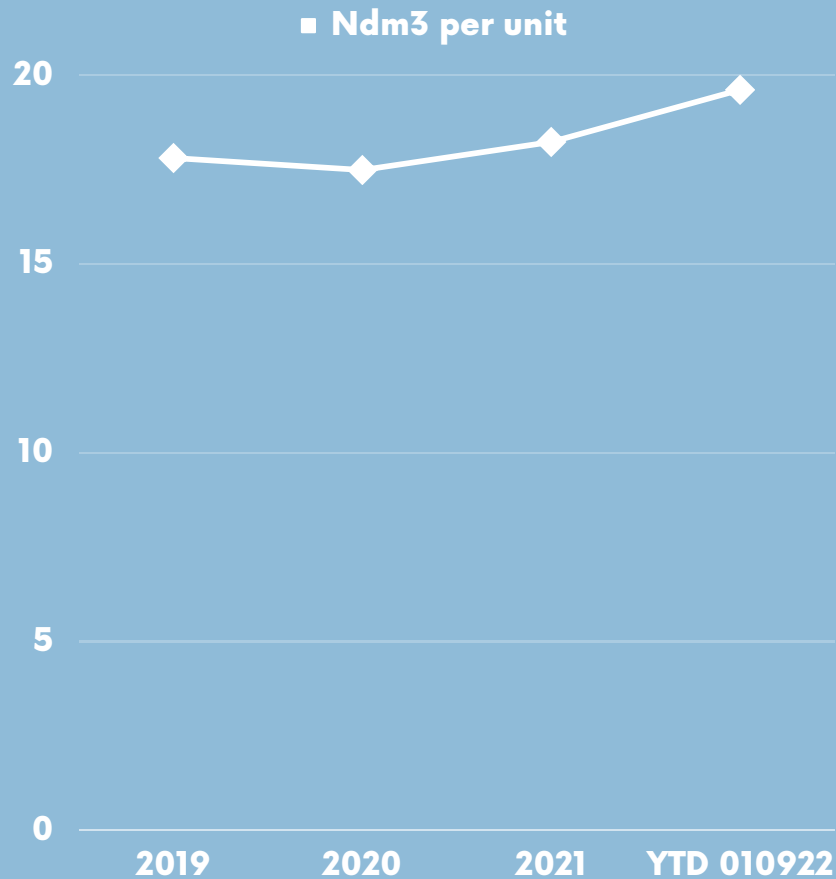
ELECTRICITY

In order to ensure the best possible utilization of the energy we use to manufacture our product, we must continuously monitor energy consumption with a view to finding opportunities for even better utilization of energy. At the same time, we follow the technological advances that open up opportunities to reduce energy consumption.

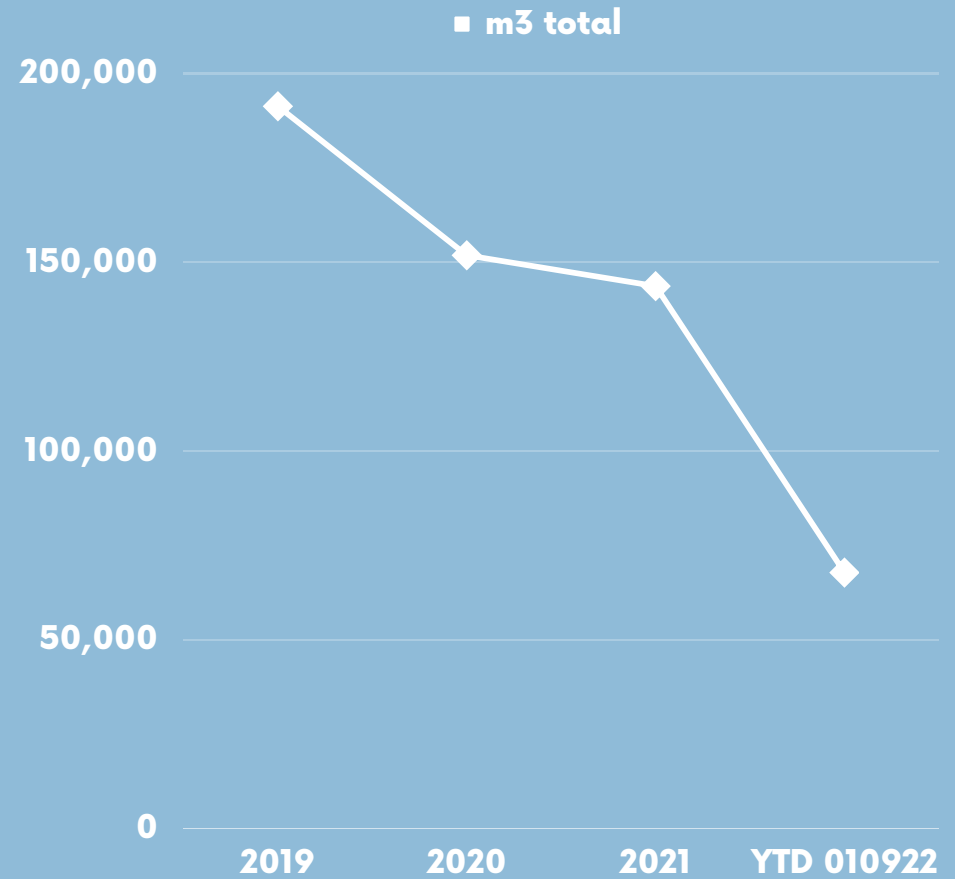
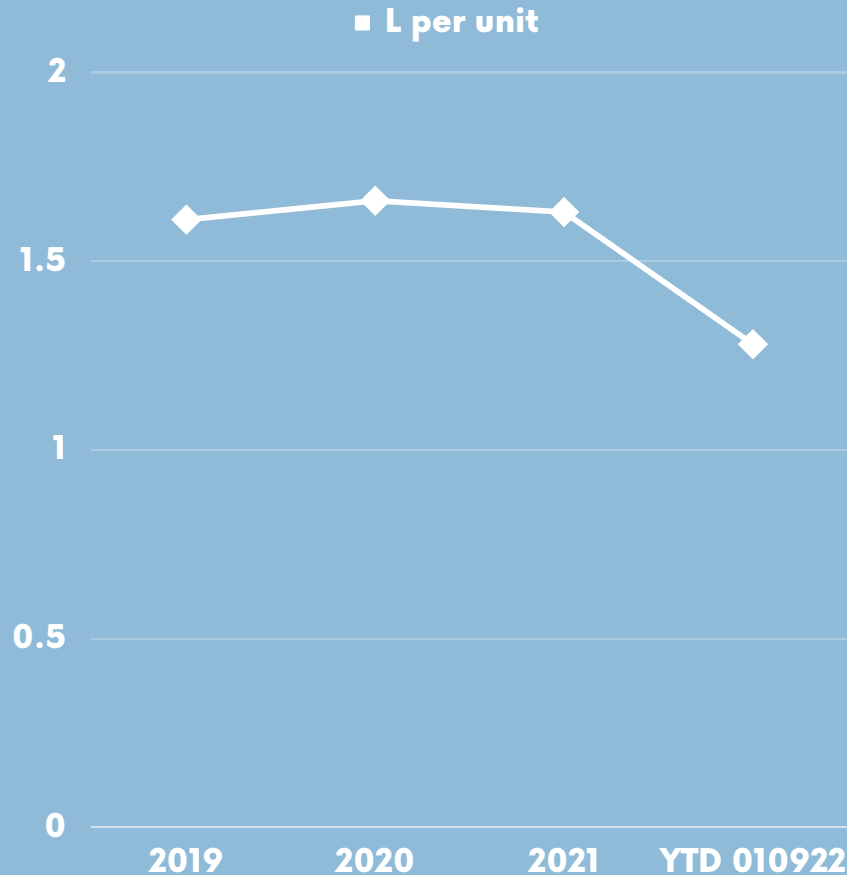


GAS

Gas is our primary source of production. In connection with the war between Russia and Ukraine, it created uncertainty about the supply of gas and a price level that skyrocketed. We therefore started the conversion to LPG gas, which is expected to supply the factory from the 4th quarter of 2022. We continue to focus on reducing our CO2 emissions and contributing to the green transition.



WATER



We make sure to recirculate our process water to the greatest extent possible. We reuse water in the process by recirculating water. We recycle approx. 6,000 m³ per month to i.a. peeling process, CIP plant, can washing and cleaning satellite station.

MAIN RISKS:
 RISK OF UNNECESSARY OR UNINTENDED CONSUMPTION OF ENERGY AND WATER AND THEREFORE NEGATIVE IMPACT ON OUR ENVIRONMENT AND CLIMATE.

PACKAGING

from supplier to business partner

In 2022, we have created a stronger partnership with our cardboard supplier. The purpose of a partnership and collaboration is to move the company towards a more sustainable future. Our cardboard supplier continuously takes our packaging under a magnifying glass and examines optimization possibilities. We are in an active dialogue with our customers about reducing plastic foil.

This year, the focus, in collaboration with the B2B customers, has been:



1. A more sustainable choice of packaging
2. Minimizing plastic



RESULTS

- ➔ Optimization of format for primary product.
- ➔ Removal of plastic foil.
- ➔ New design consisting of 100% recyclable materials.
- ➔ Former board grade consisted of 45% recycled fibres, new solution contains 60% recycled fibres.

A MORE SUSTAINABLE CHOICE OF PACKAGING



White lid: 63% recycling



White tray: 66% recycling



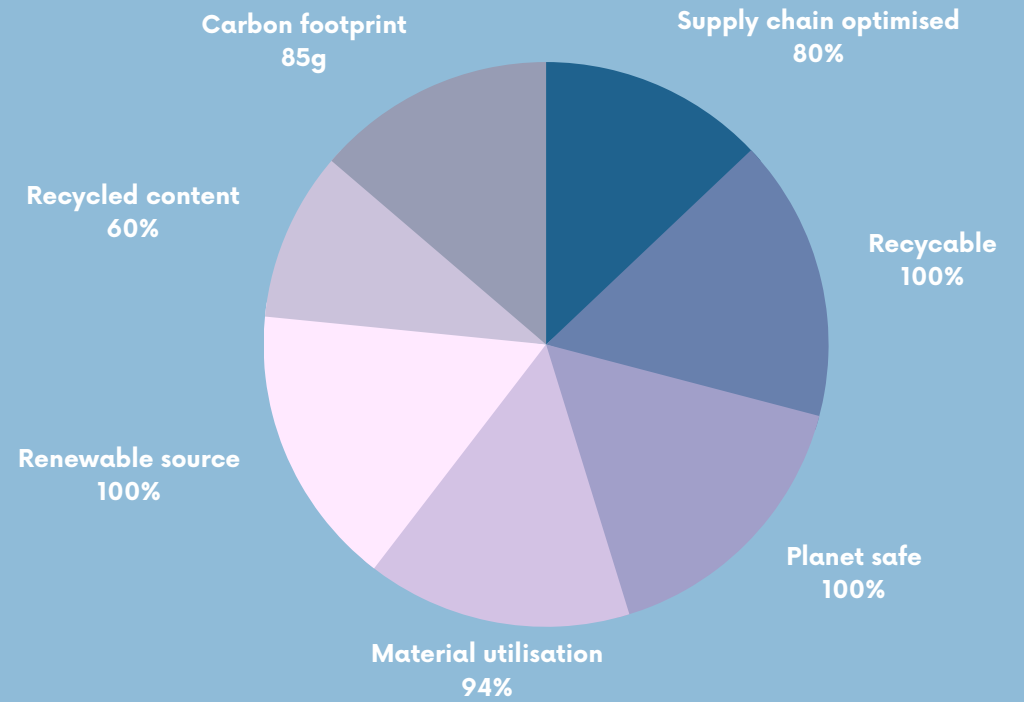
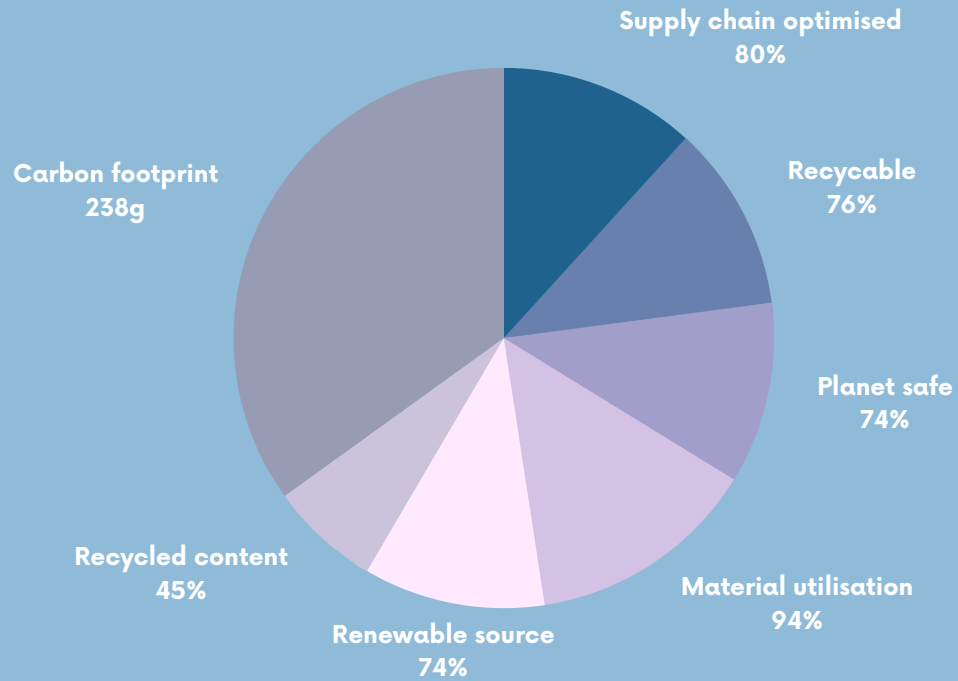
Brown lid: 79% recycling



Brown tray: 81% recycling

Source: DS Smith

MINIMIZING PLASTIC



VS



Source: DS Smith

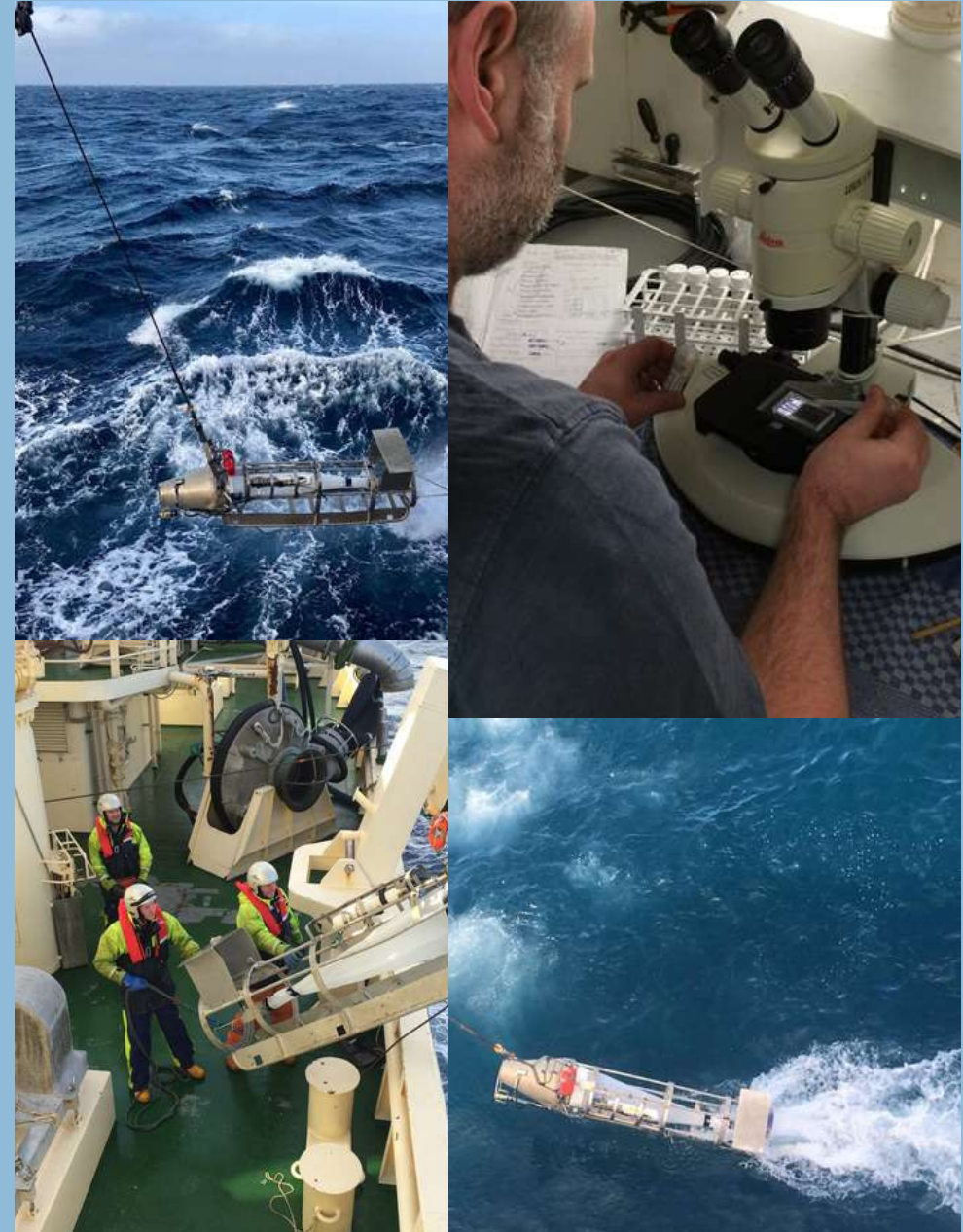
SUSTAINABLE FISHERY

As the fishing for 2022 has not yet been completed, we give an insight into the fishing for 2021.

Prior to 2019, the mackerel fishery was Marine Stewardship Council (MSC) certified, but this is now suspended due to the unilateral actions of a few coastal states. The end result for 2021 is a 42% exceedance of unilateral TACs (total quota catch) in relation to ICES', The International Council for the Exploration of the Sea's (ICES), recommended advice.

ICES is an intergovernmental marine research organization that meets society's need for impartial documentation about the condition and sustainable use of our seas. Saeby Fish Canners only cooperates with trawlers that are certified for the Responsible Fishing Vessel Standard (RFVS). The RFVS certification implies that the social requirements for teams on board have been met, and is in accordance with international laws.

As a widespread and migratory species, North-East Atlantic mackerel is exploited over a wide geographical area during the year.



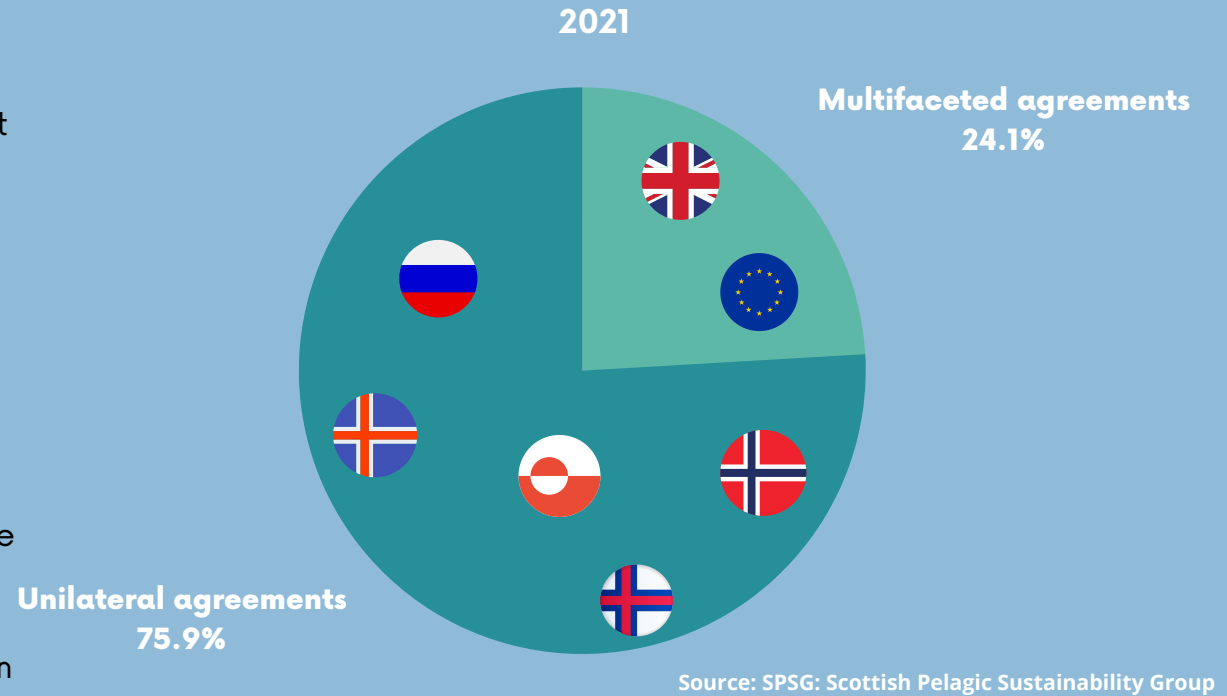
Saeby Fish Canners' diligent suppliers fish in the period October to November, as the mackerel stock is large during these months. Likewise, the mackerel's fat content is at its highest, and therefore best, during this period.

During these two months, the equivalent of a year's production is fished in order to preserve the mackerel stock and to avoid too large an inventory. The fishery also fulfills all the quotas allocated by the EU.

Trawlers have a strong partnership to work with leading researchers. It is more important than ever to identify the most responsible/sustainable raw material choice with credible third party evidence to support this. Taking on new responsibility for providing scientific samples is seen by the industry as a welcome opportunity to contribute directly to the continuous improvement of stock assessments.

In addition to the MSC, there are a number of other data sources that rank fisheries according to their sustainable credentials. Modern public perception of sustainable seafood is also about more than just the fish stocks.

The fishery is international and as such is exploited by several nations using a variety of techniques determined by both the national fleet structure and the behavior of the mackerel.



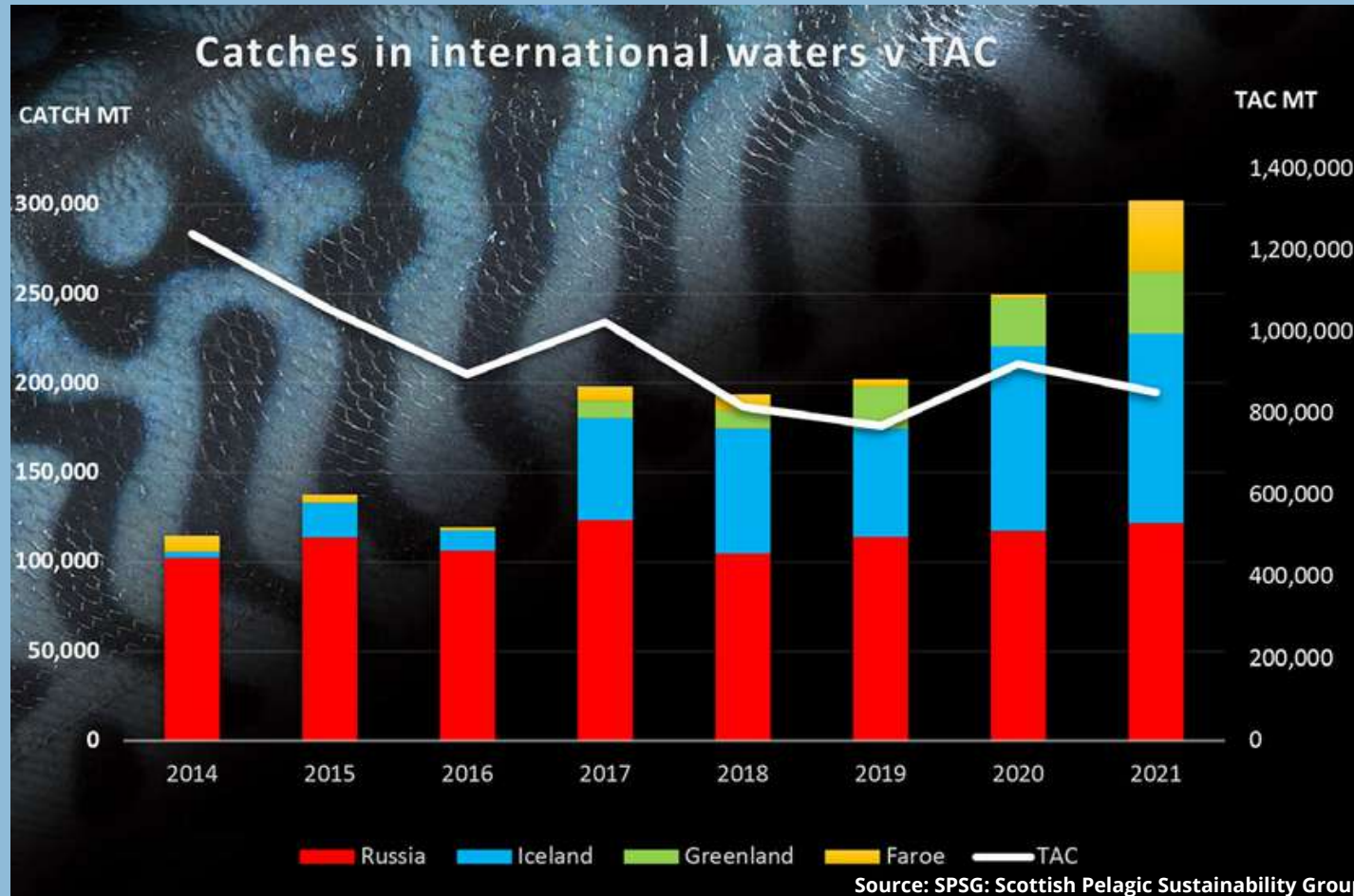
Saeby Fish Canners is, among other things, part of NAPA, The North Atlantic Pelagic Advocacy Group, which is a collective of retailers and supply chain companies with an obligation to purchase sustainable fish and shellfish. This collective uses its voice to ensure long-term, science-based management of pelagic stocks in the Northeast Atlantic: for ocean prosperity, fisheries and business security.

At the start of the spawning migration, large schools of mackerel first move out of the northern part of the North Sea to the west before moving south down the west coast of Scotland and Ireland.

The timing of this migration is variable, but generally occurs around the end of the fourth quarter and the beginning of the 1st quarter.

Before this migration begins, mackerel hibernate relatively statically. In summer, mackerel spread more widely as they feed in northern waters





This results in catches amounting to approx. 140% of the scientific advice.

All parties agree that mackerel landings in 2022 must be reduced from the 2021 level. The mackerel stock remains strong with the current scientific documentation for biomass and sustainable yield.

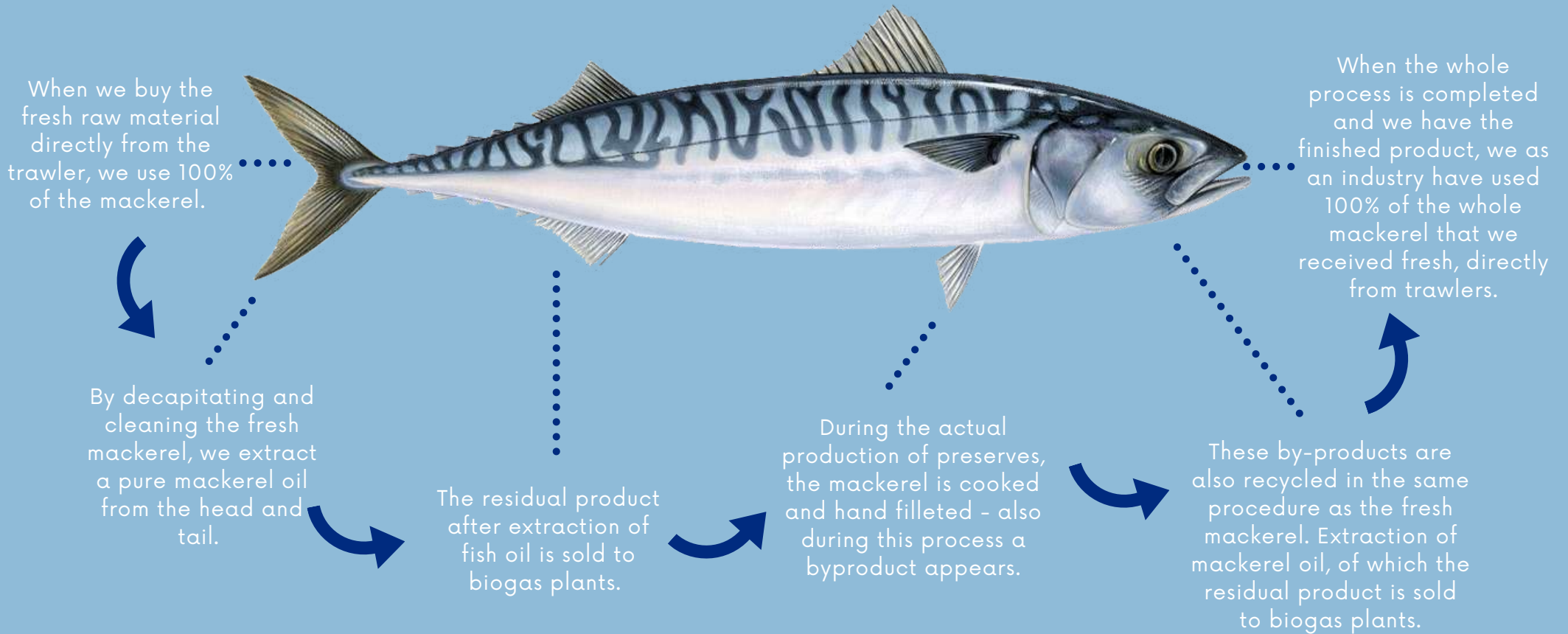
Modern public perception of sustainable seafood is also about more than just the fish stocks

The catches under unilateral agreements in 2021 totaled DKK 647.109 million. t., which corresponds to 76% of the 2021 TAC. In reality, the catch is likely to be well below this figure, as countries that have set unilateral TACs have consistently not been able to catch their own allotment.

The MSC mackerel certification remains suspended for the mackerel species *Scomber Scombrus* due to the lack of a comprehensive quota share agreement which follows from the fact that several countries have set unilateral quotas.

WE UTILIZE 100% OF THE RAW MATERIAL

It is Saeby Fish Canners' strategy to minimize all waste from raw materials right through to our finished product of canned mackerel.



RISKS IN THE VALUE CHAIN

Diversity is essential to the company's success, our policy does not differentiate between men and women in relation to advancement and remuneration. We want to create a workplace where you have respect and trust for each other.

Saeby Fish Canners respects basic human rights in the workplace by ensuring an open, inclusive dialogue that involves people with different backgrounds, different perspectives and innovative approaches.



Saeby Fish Canners is working on developing a more inclusive risk assessment tool that can contribute to a greater extent to mapping risks in relation to human rights

RESPECT FOR HUMAN RIGHTS

It is important to us that together with our business partners in supplier management, we have a common set of ethical methods and standards. Furthermore, all our suppliers must be either IFS- or BRC-certified.

AREA	RISK	ACTION	EXPECTATION
<p>Food safety</p>	<p>Improper handling of food can pose a risk to food safety. Food safety includes food origin, including compliance with practices regarding food labelling, hygiene, additives and pesticide residues to avoid illness in consumers. Poor food safety can affect a great many people, and in some cases food poisoning (from eg listeria and salmonella) can lead to death. Foreign bodies in food can also pose a danger to consumers.</p>	<p>Third-party and in-house control of food, hygiene and food storage in our factory.</p>	<p>Increased reporting on external suppliers.</p>
<p>Workers' rights, health and safety</p>	<p>The main risks include forced and child labor and minimum wages.</p>	<p>Responsible procurement policy and follow-up and monitoring thereof.</p>	<p>That suppliers comply with our requirements and make ongoing improvements that can contribute to eliminating problem areas.</p>

EMPLOYEE RELATIONS

Saeby Fish Canners' most important resource is its employees. It is therefore of vital importance to us that our employees thrive and are proud to go to work. We work continuously with well-being, development and initiatives that can help to strengthen our identity and culture.

AREA	RISK	ACTION	EXPECTATION
Stress	There is a risk that employees may be affected by stress. Stress can affect employees' health, reduce productivity and lead to absenteeism or sick leave.	We try to adapt the work pressure and requirements to the capacity and abilities of our employees.	With a focus on well-being surveys and offers for psychological interviews through the company's health insurance, a lower and shorter level is expected.
Employee accidents	In production, there is a risk of sudden accidents due to slippery floors, use of forklifts, knives, machines and tools.	Thorough instruction to prevent accidents. Ongoing investigation and follow-up of accidents with a view to preventing the same accident from happening again.	We have had a decline in work accidents, we will continue going forward, with a major focus on fall accidents.
Physical wear and tear	Physical wear and tear due to heavy lifting and one-sided repetitive work can lead to more frequent sick leave and higher employee turnover.	We try to support job rotation for employees with one-sided repetitive work, in addition we have introduced break gymnastics twice a day, so that the employees can move their bodies.	With increased focus and knowledge as well as better aids, a somewhat lower rate is expected level.

ANTI-CORRUPTION & BRIBERY

MAIN RISKS:
RISK OF LACK OF ORGANIZED SOCIAL RELATIONS AND EMPLOYEE RELATIONS AT OUR SUB-SUPPLIERS.

We require all suppliers to be certified according to IFS/BRC or another GFSI standard. We require that all suppliers are certified according to Sedex SMETA, BSCI or a similar standard within social responsibility. Saeby Fish Canners has still not received any reports in the Whistleblower scheme in 2022.

AREA	RISK	ACTION	EXPECTATION
<p>Corruption and bribery</p>	<p>Bribery and corruption undermine society by undermining trust in public institutions and misusing resources. It undermines fair competition when funds and areas of effort are diverted as gifts for corrupt persons. Any involvement in bribery or corruption can have serious consequences in the form of large fines and lost business opportunities.</p>	<p>We continuously strengthen our internal controls and monitoring activities to ensure that our Supplier Questionnaire and policies are adhered to. All payments are approved by at least two people. We are continuously working to strengthen this process.</p>	<p>The overall work with business ethics, including anticorruption, will also in the future consist of monitoring and ensuring that good standards are maintained.</p>

SUMMARY OF KEY FIGURES

INTRODUCTION - 2022 KEY FIGURES (P. 7)	INTRODUCTION - GENDER DISTRIBUTION (P. 11)	CLIMATE & ENVIRONMENT - GAS, ELECTRICITY & HEATING (PP. 21-24)	CLIMATE & ENVIRONMENT PACKAGING (PP. 26-27)	CLIMATE & ENVIRONMENT - SUSTAINABLE FISHERIES (P. 31)
<p>Raw material (mackerel): Defined as the purchase made in the most recent raw material season.</p> <p>Production: Defined as the number of tins of mackerel produced in the period for which the figure is given. The production figure is calculated as the recorded approach in subsection to intermediate stock in the period (from the financial management system).</p> <p>Sales: Defined as the number of invoiced tins of mackerel in the period for which the figure is given. The invoiced number is deducted from the financial management system.</p> <p>Waste: Defined as the proportion of the purchased mackerel that is not processed or resold and thus disposed of as waste. The raw material season runs from October to January.</p>	<p>Defined as the number of employees employed per year regardless of the number of hours.</p>	<p>Figures for electricity, water and gas are actual readings totaled for the year.</p> <p>Produced units are reported by production/accounts - see key figures page 7.</p>	<p>Cardboard packaging supplier DS Smith has calculated all the figures regarding the optimization of new packaging and packaging solutions.</p>	<p>The table of "Catches in international waters v TAC" is presented in a report by the organization Scottish Pelagic Sustainability Group in 2021.</p>



Saeby Fish Cannery Ltd.
Gyldendalsvej 2-4
DK-9300 Saeby
+45 98 46 10 66
www.saeby.com

