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TripleNine Group

# CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

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# TripleNine

## CSR-report 2023

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The TripleNine Group is a group of companies whose main business activities are the production and processing of fishmeal and fish oil at production facilities in Chile, Denmark and Norway.

This report constitutes the TripleNine Group's overall CSR report and aims to present the TripleNine Group's status, goals and direction in the area of CSR. In addition to CSR, this report also focuses on sustainability, because sustainable business development is a cornerstone of our Group strategy and because we of course also have to take our share of the responsibility for a sustainable development and report on it.

As a strategic element, sustainable business development reflects our commitment to integrate sustainability into the way we do business and to do more than just comply with various ESG regulations (Environment Social Governance). It also reflects our belief that, as a company, we can gain a competitive advantage by working systematically with a business focus on sustainability.

Within the Group, we talk about three focal points: sustainability, competitiveness and excellence, which have in common that they are all fundamentally about what you get out of your resources, be they raw materials, kilowatt hours, production equipment, capital or competences.

Quality is a very important element for TripleNine, which is why we naturally comply with the rules for food safety and good manufacturing practice by being certified according to GMP+ (Good Manufacturing Practice incl. HACCP) in Denmark and FEMAS in Norway. Through our systematic quality management, we work with continuous improvement and with meeting our targets for meal yield, oil yield, freshness expressed as TVN (Total Volatile Nitrogen) and any customer complaints.

In this report, we want to show how we intend to integrate sustainability into our business and, through the learning that the reporting process itself provides us with, prepare ourselves to meet the requirements when the forthcoming statutory CSRD reporting comes into force for us as a C-corporation under Danish company law on 1 January 2025. The report is therefore divided into a section on Environment, a section on Social and a section on Governance.

In the countries where TripleNine operates, traditions and cultures differ in terms of what data is collected and monitored as standard and what is not. In this way, the report also serves as a test run, as the process of compiling it makes us aware of additional data needs that we might otherwise take for granted.

The report covers the year 2023 and in some cases includes reference data going back several years. We have not been able to obtain data in all cases, but have used our best judgement and estimates where necessary.

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## Environment

# The environment and our impact

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We aim to minimise our environmental and climate footprint through the efficient use of the raw materials and resources available to our production facilities.

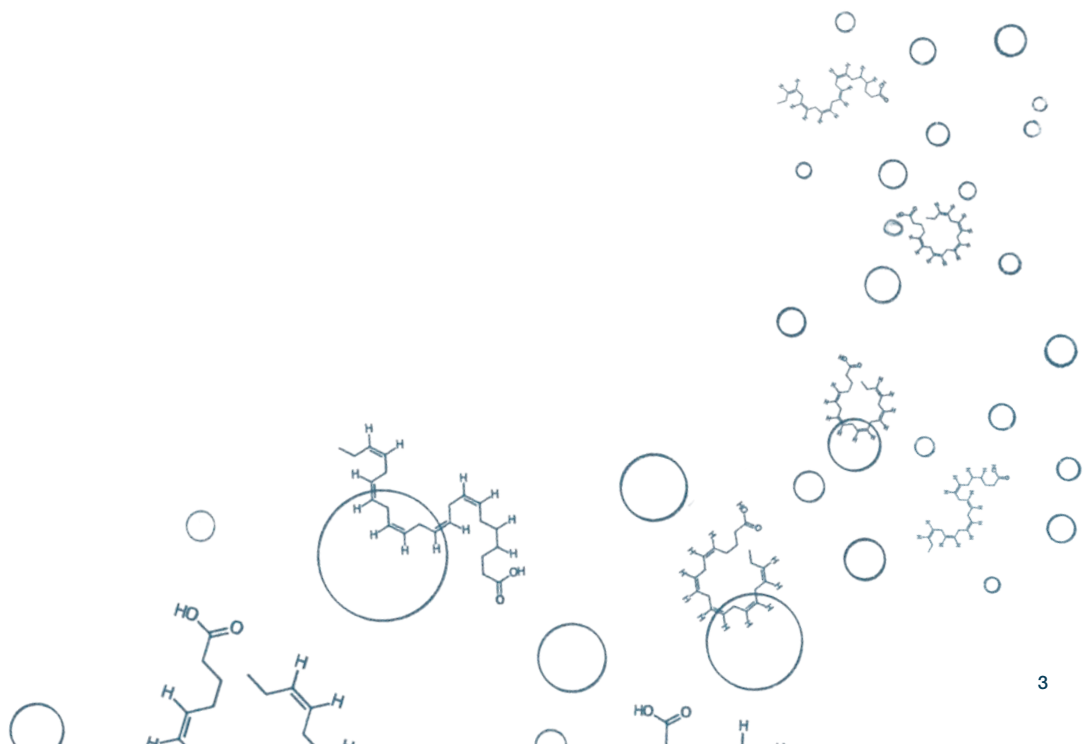
We focus on continuously improving the use of resources - including energy, water and other auxiliary materials - in our production processes. Our efforts include continuous improvement measures to reduce energy consumption and minimise odour and waste water emissions to the local environment.

We also have a declared aim to increase the inclusion of side streams from products from the consumer industry.

We upcycle residual and waste products into ingredients that are used as healthy and nutritious building blocks in aquatic feeds and agricultural diets.

To the greatest extent possible, we source our raw materials based on the motto regionally fresh. This provides the freshest raw material, which results in the best product quality and also reduces energy consumption in our production processes. Geographical proximity to the fishing grounds also results in relatively lower fuel consumption for the fishing vessels, which ultimately has a positive impact on the carbon footprint of our finished products.

Although we are not yet able to report on scope 3, it is estimated that up to 70% of our total carbon footprint comes from the raw material side. We therefore aim to build a network of raw material suppliers and partners who will work with us to take initiatives on climate-improving measures and solutions, thereby contributing to a more environmentally sustainable value chain.



## Energy consumption

Fishmeal and fish oil production is an energy-intensive process where energy amongst others is used for cooking, steaming and drying processes. TripleNine's production facilities utilise different forms of energy such as coal, oil, natural gas and electricity, a practice that depends on geographical conditions, local infrastructure, process needs and historical tradition.

All facilities work locally with systematic initiatives to reduce energy consumption, which are monitored and reported on a regular basis. The transition from fossil fuels to renewable energy sources is particularly important, but it is not yet economically feasible to run a factory solely on renewable energy, so instead we seek to optimise the energy mix, taking into account both economic and environmental considerations. The TripleNine Group's Danish production companies are also working towards certification in energy management according to the ISO 50001 standard in 2024-25.

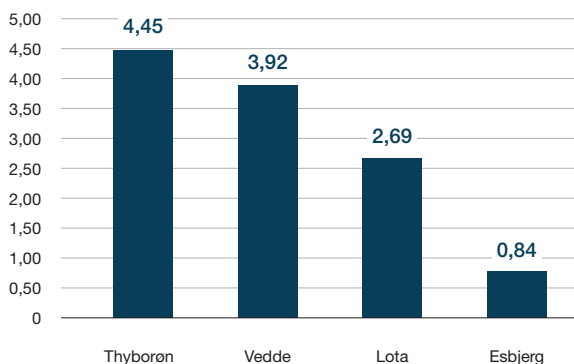
The facility in Thyborøn has reorganised production operations to reduce the need for evaporation and has also planned a reorganisation of the purification of odour emissions, which will be more efficient, both in terms of purification and energy consumption.

An action plan has also been drawn up for the decommissioning of two coal-fired boilers, phasing out coal completely by 2024. In addition, explorations are underway with external parties for a transition to Power-to-X in the longer term, as large regional investments in renewable energy infrastructure are being made in the immediate area.

TripleNine's Vedde facility has been working intensively to reduce energy consumption since 2007, but there is still potential for improvement. The facility is making a number of investments in new equipment, such as new cookers and dryers, which, among other things, help to reduce energy consumption per kg of finished product. In addition, large parts of the facility's equipment are insulated to reduce heat loss in the production processes.

TripleNine's Lota facility has switched from LPG gas to the cleaner form of gas, LNG, as an energy source. In addition, action plans have been established to reduce energy consumption by reducing water intake in the production flow. The figure shows the consumption in kWh per kg of finished product produced in 2023 for each of TripleNine Group's facilities. Although the ratios are in the same units, they are not directly comparable across companies due to different production methods and different products, but they serve as reference points for setting targets for future consumption patterns, which will happen later in 2024.

**kWh per kg of finished product for 2023**



## Scope 1 and 2 CO<sub>2</sub> emissions

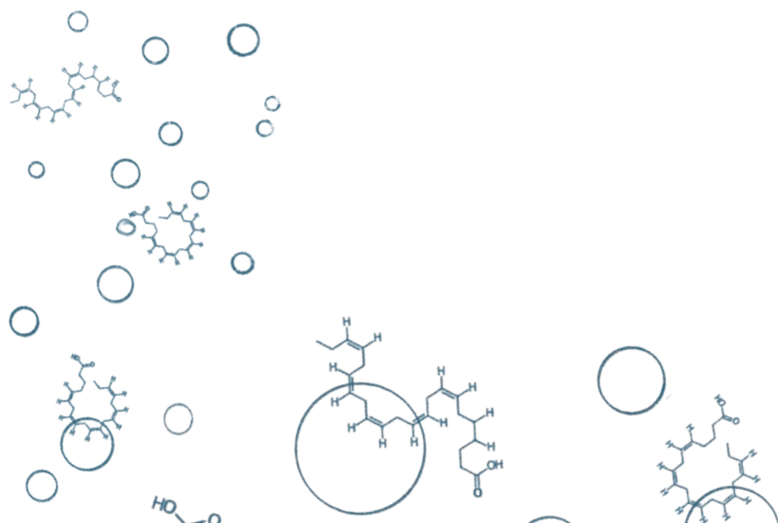
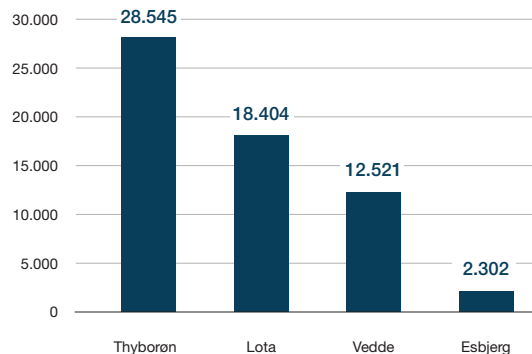
Greenhouse gas emissions are calculated annually as CO<sub>2</sub> equivalents for each TripleNine company. These figures are reported, collated and processed into an overall report for the TripleNine Group. Climate accounts are prepared in the individual group companies, which, like this report, follow the international Greenhouse Gas Protocol (GHG). This is the recognised method for calculating greenhouse gas emissions, converted into CO<sub>2</sub> equivalents (CO<sub>2</sub>e). Typically, total CO<sub>2</sub>e emissions are reported in tonnes (t CO<sub>2</sub>e). For our Norwegian company, the report includes figures and data that are also subject to the Norwegian Transparency Act (Åbenhetsloven).

Greenhouse gas emissions are categorised into 3 scopes, depending on where in the value chain they occur and thus which control TripleNine has over them.

Scope 1 emissions arise from the activities directly controlled by each TripleNine entity and include transport and driving of its own vehicles, as well as direct emissions from its own production plant. Scope 2 emissions arise from the indirect emissions of the energy purchased by each TripleNine entity. For both scope 1 and 2, t CO<sub>2</sub>e is calculated by applying emission factors to specific activity data. As mentioned previously, scope 3 is not yet included as we are in the process of collecting, mapping and calibrating scope 3 emissions with selected stakeholder organisations including IFFO, MID and DPPO.

In total, the TripleNine Group emits 61,772 tonnes CO<sub>2</sub>e in scope 1 & 2 as per the breakdown in the chart. There is a clear focus on reducing emissions through energy efficiency improvements in the respective entities, as exemplified in the previous section.

tonnes CO<sub>2</sub>e for 2023



## Water consumption

Fishmeal and fish oil production generates waste water in the form of unclean condensate streams from cooking, drying and evaporation processes. In addition, production facilities with direct fish reception receive discharge water from fishing vessels during the unloading process from vessel to factory.

Water and waste water management requirements vary from country to country, but all TripleNine Group production facilities are working on solutions to continuously reduce water consumption and waste water discharge. Reducing water consumption will also lead to a reduction in energy consumption, as less water is used in energy intensive thermal processes.

Water consumption here covers all water purchased from external suppliers as well as our own wells in Norway for our production facilities.

In Thyborøn, unclean condensate is channelled from the recipient to a municipal waste water treatment plant. In addition, a flotation plant has been installed for the recycling of unloading process water. Any sludge fractions are collected and recycled for biogas production.

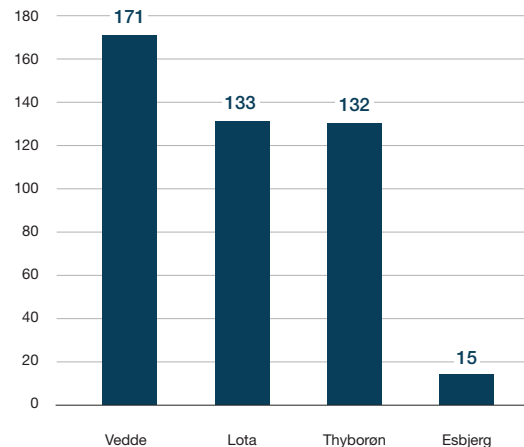
In Vedde, parts of the facility's waste water fractions are discharged directly to the recipient, which is in accordance with Norwegian legislation and regional environmental permits. In Lota, partial streams of unclean condensate are biologically treated, while other water streams are returned to the recipient in accordance with Chilean legislation and local environmental permits.

## Waste management

Waste is sorted in all entities in accordance with the laws and requirements of each country. Some of the source-separated waste in Denmark and Norway is sent for recycling.

Hazardous waste from the production facilities is handled separately and is collected and treated in an environmentally correct manner at specialised facilities.

**Water consumption in 1000 m<sup>3</sup> for 2023**



## Environmental sustainability

To contribute to the sustainable consumption of marine resources, TripleNine follows the recommendations of IFFO (The Marine Ingredients Organization), FAO (Food and Agriculture Organization of the United Nations) and ICES (International Council for the Exploration of the Sea). TripleNine is therefore also certified according to the industry's Marine Trust standard for responsible sourcing and the improver programme for blue whiting.

In our Code of Conduct, we state the following in the section "Our contribution to sustainability" with an emphasis on the environmental aspect of sustainability:

*We make our decisions based on sustainability and with consideration for environmental impact. We see this as a prerequisite for operating a competitive and profitable business.*

*Our supply chain is based on raw materials from the sea, which is why we want to contribute to sustainable fishing. We understand the importance of sustainable resource management and therefore work with certification bodies to ensure that our sourcing and practices meet international standards.*

*We define specific goals to reduce our impact on the environment and climate, we continuously reduce our energy consumption and greenhouse gas emissions, and we also implement methods to further minimize waste and our water consumption.*

*It is essential for us to work with our business partners in the supply chain to continuously improve our environmental initiatives and thereby contribute to the fulfilment of our environmental and climate goals. We are also collaborating with our customers to develop products and improvement measures based on sustainable principles in order to continually raise our standards in this area.*

As examples of concrete actions, in December 2023, and as previously mentioned, we have decided to phase out the use of coal in Thyborøn completely during 2024. We intend to join the international programme "Science Based Targets", which commits us to strive to meet the Paris Agreement climate goals. And starting in 2024, part of the management target in the incentive programme is a specific target related to sustainability, e.g. CO<sub>2</sub> emission in kg per finished product.

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## Social

# The people in and around our business

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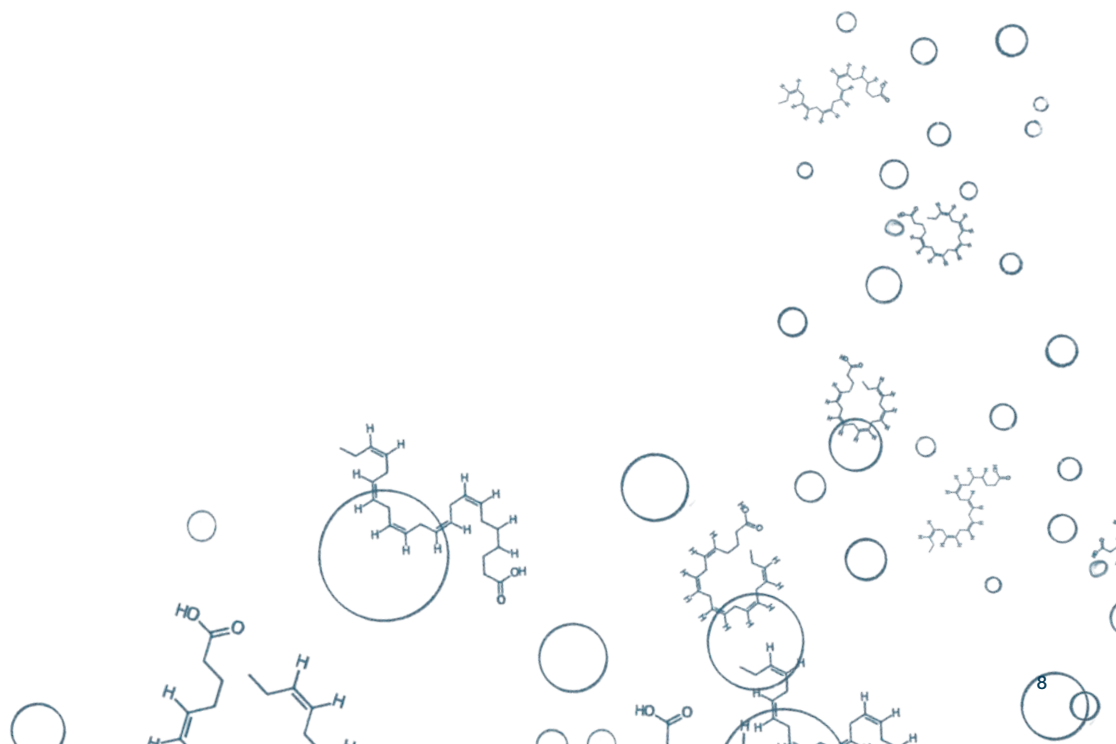
In our efforts to promote a responsible and sustainable business model, we recognise the importance of our social footprint, in other words, how we impact the people in and around our business. This section of the report focuses on the social aspect of our business and the importance of our employees.

We recognise that our current diversity data does not reflect our level of ambition. Historically, the fishmeal and fish oil industry, like other similar industries, has been male-dominated, but the number of women in our workforce and in leadership positions is still below our target.

Gender diversity is important in itself, but diversity in general should not be underestimated either. Diversity is essential for innovation, creativity and a strong corporate culture, as different perspectives and backgrounds enrich our decision-making and problem-solving. It's a challenge we take seriously, which is why we have signed the Confederation of Danish Industry's "Diversitetsløftet" (Diversity Pledge) and are committed to taking targeted initiatives to promote a more inclusive workplace.

We have also made significant progress in other social areas, with a significant reduction in the number of occupational accidents with absenteeism as well as a decrease in sickness absence. We aim to maintain and improve these results, underlining our commitment to providing a safe and healthy working environment for all our employees.

In addition, we conducted the first overall employee survey on job satisfaction in the Danish part of the organisation and are pleased to report good results.





## Our employees

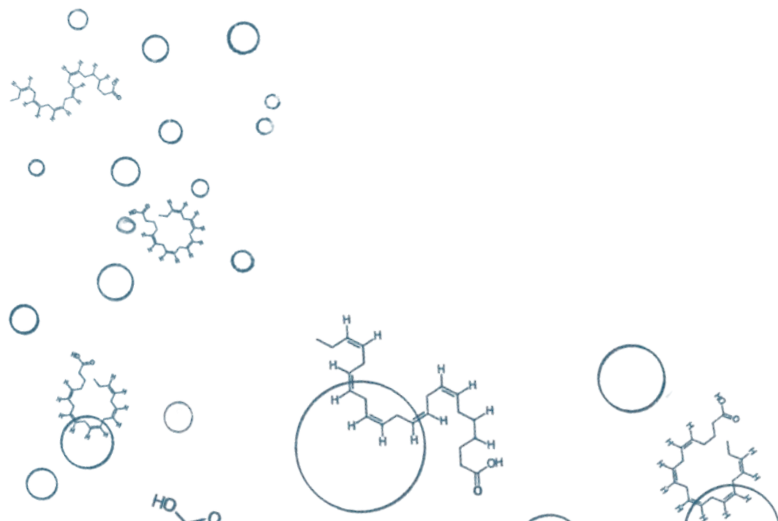
At the end of 2023, TripleNine Group employed 268 employees with a full-time equivalent (FTE) of 248. We see this ratio as a reflection of, among other things, our flexible working environment and the possibility to work part-time to meet the different needs and life situations of our employees.

We consider our employee turnover rate of 9.3%, calculated as the number of employees who have left the company during the year, to be fairly acceptable, albeit on the high side.

We are pleased to contribute and benefit from having 6 apprentices or trainees in our company, but we also recognise that we can improve our efforts to attract and develop young talent to ensure the long-term success and sustainability of the company.

### Number of employees and employee turnover for 2023

Number of employees	268
Number of employees (FTE)	248
Employee turnover (25/268) %	9,3
Number of apprentices/trainees	6



## Diversity and inclusion

Our current diversity and inclusion data shows that there are challenges and opportunities for improvement within our organisation. Women make up 11% of our total workforce, with 221 male and 27 female full-time equivalents (FTE). This gender imbalance is more pronounced at managerial level, where 8% of managers with personnel responsibilities are women. There are no women in our Group Management or Board of Directors, resulting in a 100% male gender distribution at the most senior levels of the company.

Our ambition over time is to achieve a gender distribution that matches the gender distribution in the private labor markets we operate in. For the company's top management layer, the long-term ambition is to reach a gender distribution of 40/60 and as a first milestone to achieve a gender distribution of 20/80 in 2027.

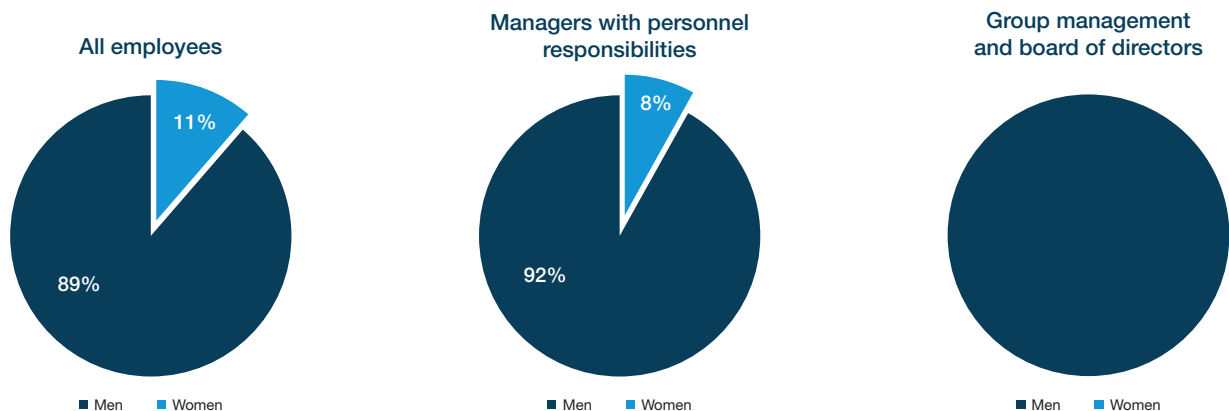
These figures highlight the need to intensify our efforts to promote diversity and inclusion at all levels of the organisation. Diversity is essential for innovation, creativity and a strong corporate culture, as different perspectives and backgrounds enrich our decision-making and problem-solving. It is with this realisation that we commit to taking concrete steps towards achieving a better balance going forward.

In addition, in a world where labour shortages are an increasing challenge, it is important for our company to utilise the entire talent pool, which can impact our long-term sustainability and competitiveness.

We have not yet launched initiatives to attract, develop and retain female talent across our organisation. This will therefore be a key focus in the coming years.

In Denmark, as previously mentioned, we have joined the Confederation of Danish Industry's initiative Diversitetsløftet (Diversity Pledge), which has been developed for member companies to promote diversity, inclusion and equality. Diversitetsløftet provides us with a range of tools and knowledge to, in the words of the Confederation of Danish Industry, move from good intentions to concrete action.

### Gender distribution in the organisation, management and board



## A safe and healthy work environment

### Occupational accidents

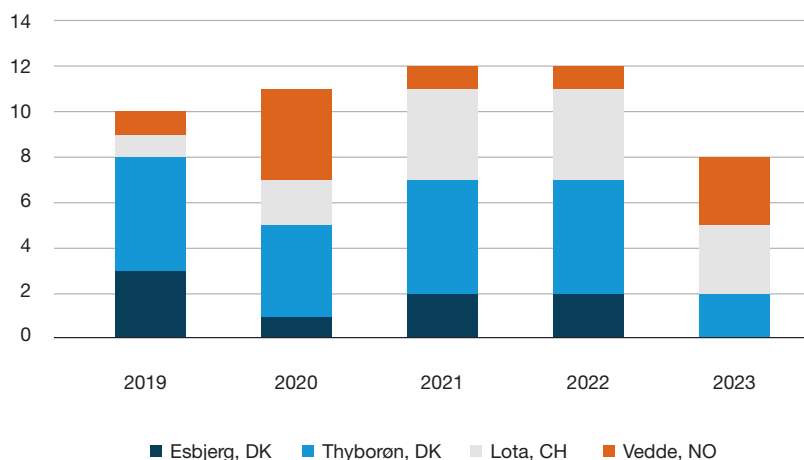
Our commitment to workplace safety is an absolute priority. Below is the last five years of occupational accidents data across entities. In 2023, a significant reduction in the total number of accidents to 8 was achieved, which is the lowest number in the observed period. This improvement is a result of a significant decrease in the number of accidents in the Danish part of the organisation, which overall has gone from 7 accidents in 2022 to 2 accidents in 2023.

In Thyborøn in particular, a number of new initiatives have been introduced to reduce the number of accidents. Among other things, a new health and safety organisation has been established with a decentralised structure that encourages a higher level of employee involvement in this area. Targeted efforts have also been made to carry out preventive safety rounds and to register the so-called near misses. All with prevention in mind. Safety work has been digitised, which means, among other things, that every employee can use their smartphone to register near misses, including taking pictures, and upload them directly into the system for systematic follow-up.

These improvements reinforce our belief that continued attention to employee involvement and prevention efforts are key to creating a safe workplace. We are committed not only to maintaining this level of safety, but also to improving it.

Our goal is zero occupational accidents.

### Occupational accidents with absenteeism



*An occupational accident is recognised when it occurs during working hours and results in at least one day's absence after the day of the accident.*

## Sickness absence

Our interest in employee wellbeing and health is also reflected in our recording of sickness absence across the organisation. Data from the last four years shows a varying trend in the sickness absence rate in the different entities.

In 2023, we saw a significant improvement in sickness absence rates in all entities, which we attribute to our focus on promoting a healthy working environment and our commitment to the wellbeing of our employees.

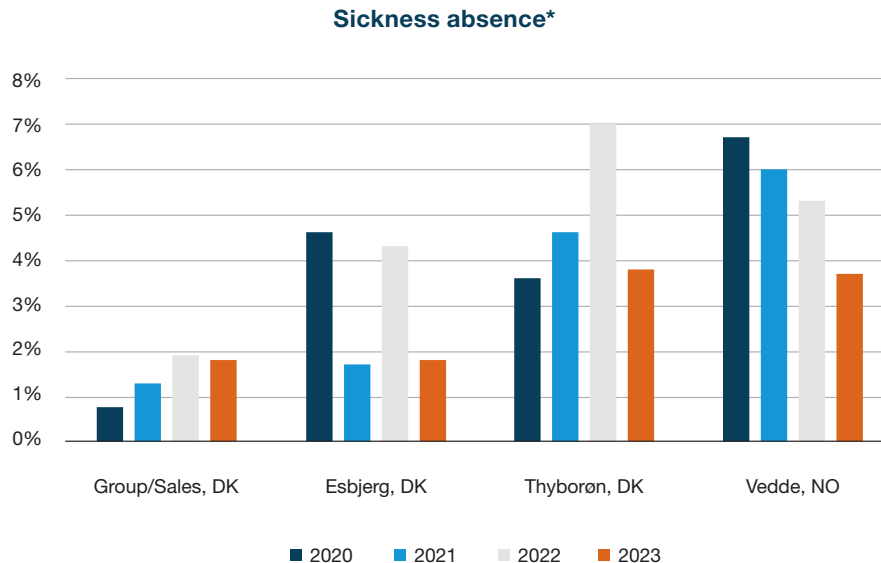
In the Danish part of the company, we have formulated a sickness absence policy, which aims to create security in the company by signalling that TripleNine will make a special effort to keep a sick employee in the employment relationship, if possible, and to limit sickness absence for the benefit of both the employee and the company.

We have various health promotion initiatives, including offering regular health screenings to all employees in all entities. We recognise that prevention and early detection are important in the pursuit of a healthy life. This initiative gives employees a detailed overview of their health status and promotes a proactive approach to their own health, but also helps build a culture where health and wellbeing is a priority.

We also offer all employees health insurance as part of our commitment to employee health. As a new addition, we now also offer dental insurance to employees in Denmark. The common denominator of these offers is that they ensure easy access to healthcare.

It should also be emphasised that we occasionally launch various initiatives to promote health, such as a smoking cessation course for 7 employees in Thyborøn.

We continue our efforts to further reduce absenteeism, as it is a central part of our continuous work to ensure employee wellbeing and productivity.



\*Sickness absence is not recorded in Lota, Chile

### **Employee survey on job satisfaction**

For the first time, we have conducted a comprehensive employee survey in the Danish part of our organisation to uncover job satisfaction. This survey was designed and administered by the National Research Centre for the Working Environment (NFA) and is known for its application across a wide range of companies and sectors. A particular advantage of this survey is its frame of reference, which enables a direct comparison of our performance with those of similar organisations and industries.

The data collected has shed light on the perspectives and experiences of our employees across the Danish part of the organisation, yielding an overall response rate of 86% and a total job satisfaction score of 80.3 points, expressed on a scale from 1 to 100.

The benchmark for job satisfaction set by the NFA is 71.7 points. Our result is thus well above this benchmark for Denmark as a whole, which indicates a generally high level of employee satisfaction, which is a good starting point for the further development of the company.

In Vedde, Norway, we also conducted a survey in 2023 to measure the overall job satisfaction of our employees. The survey classified job satisfaction on a scale of 1 to 5, with 5 representing "very good satisfaction". The results from this survey are also encouraging, with an average of 4.4 for 26 respondents. These results also point to a high level of employee satisfaction among our employees in Vedde, which we attribute in part to what we believe is a positive and supportive work environment where employees feel valued and motivated.

In our entity in Lota, Chile, job satisfaction is not yet measured.

### **Supporting local communities**

Our commitment to the local communities in which we operate is an integral part of our corporate culture. Through targeted initiatives, we improve living conditions and support sustainable development in these areas.

In Lota, Chile, we have taken steps to strengthen the local fire brigade, a vital institution run by volunteers. Our financial contributions have enabled the purchase of equipment and clothing, and supported their training programmes. These initiatives ensure that the fire brigade can maintain its high level of preparedness and effectively protect the community.

Further in our efforts to promote health and wellbeing in Lota, Chile, we have taken over the payment of the property rent for the local hospital, ensuring continued access to essential healthcare services for the local community.

In Vedde, Norway, our support ranges from sports and culture to local development projects, reflecting our commitment to the diverse growth of the community. By sponsoring sports associations, we ensure that all ages have access to recreational activities, while our contributions to clubhouses and leisure facilities enrich local cultural life.

In Esbjerg, Denmark, we are committed to promoting education and learning through our membership of Education Esbjerg. This partnership reflects our commitment to developing Esbjerg and the surrounding area as a centre for education and student life, with the aim of creating a more balanced Denmark - educationally, economically and geographically.

Common to our initiatives across the Group is a holistic approach to corporate responsibility, where we actively contribute to the communities of which we are a part. Through these initiatives, we reaffirm our commitment to being sustainably and socially responsible, while creating value for both our local communities and our business.

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## Governance

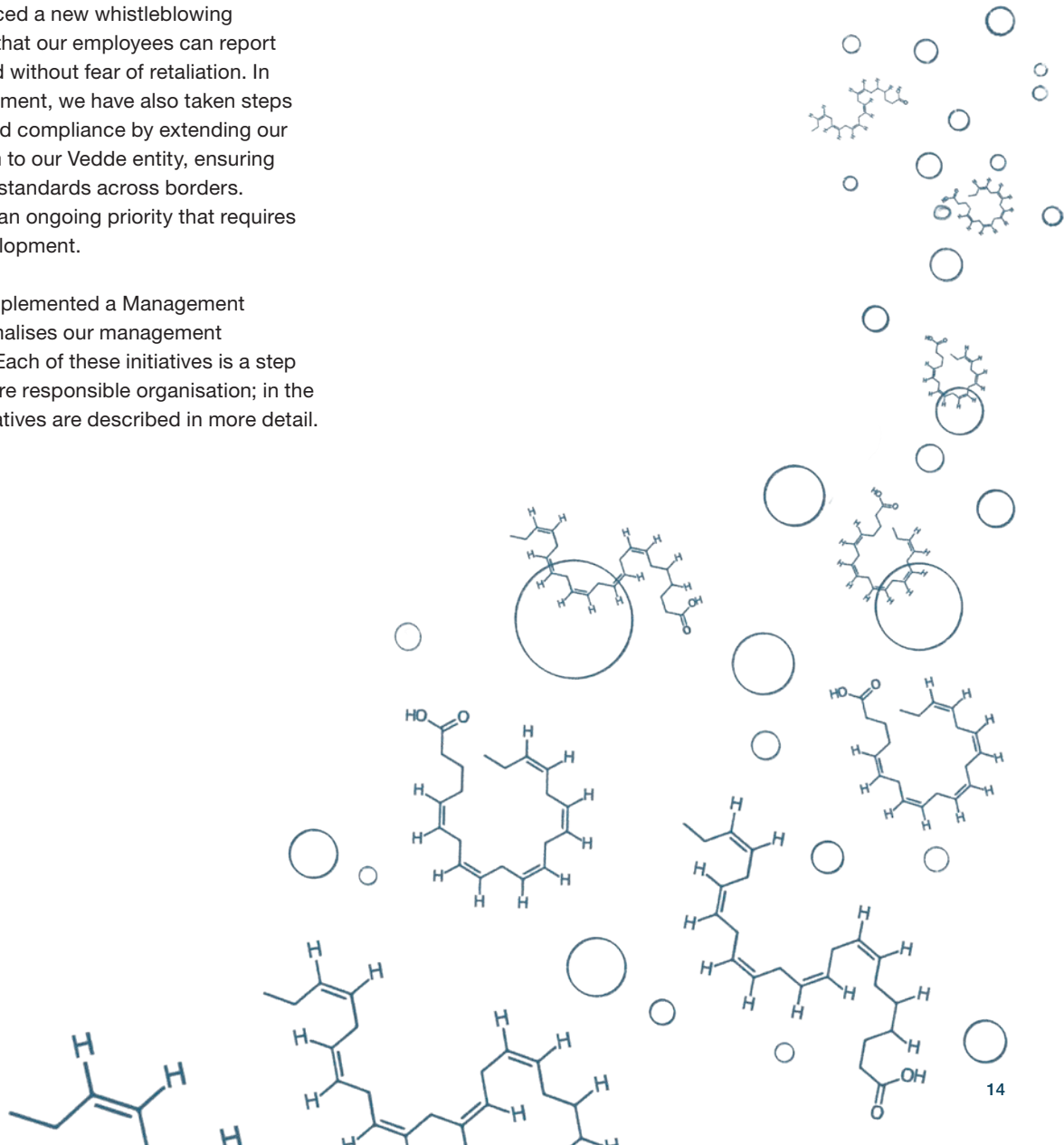
# Leadership

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As part of our ongoing efforts to strengthen integrity and accountability in all aspects of our business, we have launched a number of initiatives that reflect our commitment to good practice and transparency. In 2023, we launched our first Code of Conduct, called the Sustainable Business Principles, which serves as the backbone of our ethical guidelines and behavioural expectations across the TripleNine Group.

Moreover, we have introduced a new whistleblowing procedure, which ensures that our employees can report concerns anonymously and without fear of retaliation. In line with the digital development, we have also taken steps to strengthen our GDPR and compliance by extending our HR and recruitment system to our Vedde entity, ensuring consistent data protection standards across borders. Furthermore, IT security is an ongoing priority that requires continuous focus and development.

Finally, we have recently implemented a Management Instruction that further formalises our management processes and principles. Each of these initiatives is a step towards a stronger and more responsible organisation; in the following, the different initiatives are described in more detail.



## Code of Conduct "Sustainable Business Principles"

In our endeavour to promote an ethical and transparent working environment, we have taken important steps to ensure that our business is conducted in accordance with high standards and good governance. A central part of this effort is the development and implementation of the Code of Conduct, which we have named "Sustainable Business Principles". This fundamental document is the result of an extensive process and has been approved by our Board of Directors, emphasising its importance and value to the entire TripleNine Group.

Group Management plays a crucial role in embedding these principles into our culture and day-to-day operations, ensuring that our commitments are not just words on paper, but living practices. We are in the process of further concretising our Code of Conduct with specific policies and instructions that will support us in operationalising these principles across the entire TripleNine Group.

Our Code of Conduct covers five main areas that are critical to our success:

- Our responsibilities as corporate citizens both locally and globally
- Our employees and work environment
- Our contribution to sustainability
- Our quality
- Our credibility

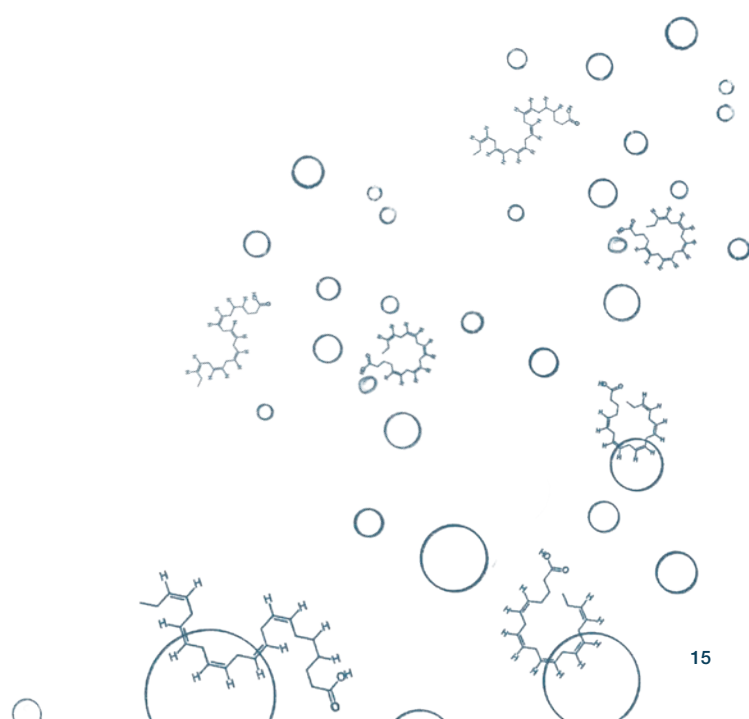
Through our Sustainable Business Principles, we are committed not only to conducting our business with integrity, but also to fostering a culture where accountability and sustainability are embedded in everything we do.

### Whistleblower function

Openness and trust are cornerstones of our culture and an integral part of our Code of Conduct. To reinforce these values, we introduced a new whistleblower programme in 2023 to provide a safe and anonymous channel for employees and external stakeholders to report any concerns or irregularities.

This programme is multilingual and available via a web-based platform, ensuring that everyone - regardless of geographical location - has easy access to report concerns. To ensure everyone is fully informed about the programme and its purpose, it was presented in face-to-face meetings to all employees, along with our Code of Conduct, across our entities throughout the TripleNine Group.

We have not yet received any complaints in the system. We are convinced that by giving our employees and external stakeholders the means to express their concerns anonymously, we contribute significantly to maintaining and strengthening an environment where decency and openness thrive.



## **Data Protection: GDPR and IT Systems**

At the core of our governance structure is a commitment to protecting personal data and safeguarding privacy. We recognise the importance of personal data, and are committed to meeting the requirements of the General Data Protection Regulation (GDPR) in all aspects of our business.

To support this commitment, our internal policies and procedures have been carefully developed to ensure that all personal data is treated with the highest levels of security and confidentiality. We conduct regular audits to verify that our data protection practices are not only up to date, but also effectively implemented.

As part of improving our internal processes and guaranteeing full compliance with GDPR, we have implemented an HR and recruitment system. This system, which in 2023 was expanded to include our operations in Vedde, Norway, is created with a built-in data protection function. Its design prioritises the security and confidentiality of personal data, ensuring that the handling of this data meets GDPR privacy standards across borders.

Additionally, we are constantly working on updating our data processing policies and continuously improving our IT security. In 2024, our firewalls will be replaced, our VPN access will be renewed, and all PCs and servers are equipped with antivirus software that is updated automatically. Finally, we are in the process of implementing software that will give the company full device-level control over what each device can access; we have a system for scanning external IP addresses and domains, and we are also covered by an updated cyber security insurance policy.

## **Management Instruction**

To strengthen governance and coordination across the TripleNine Group, we have implemented a Management Instruction. This document is designed to set clear guidelines and standards for management practices within the organisation, ensuring a consistent approach to decision-making and management of company resources.

The core of this instruction includes guidelines for approval rights and signature procedures, ensuring that all decisions and agreements meet the necessary levels of authorisation. This helps to maintain a high level of accountability and transparency in the governance structure.

The instruction also includes a clear expense reimbursement policy that determines how managers will be reimbursed for business-related expenses.

Confidentiality is another key element of this instruction. Finally, the instruction includes an obligation to consult with one's superior before implementing major organisational changes. This promotes an inclusive decision-making process and ensures that all potential consequences are carefully considered before making important changes.

This Management Instruction serves as a guide for our senior management and ensures that our business practices are aligned with our values and the expectations of our owners and other stakeholders.



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## Future steps in the ESG area

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As a testament to our ongoing commitment to environmental, social and governance (ESG) principles, we have taken significant steps to strengthen our ESG structure and strategy at group level. A central initiative in this process is the appointment of a responsible director to lead our ESG initiatives, supported by a newly established ESG steering committee. This structure ensures a focussed and coordinated approach to our ESG work.

In 2024, we will begin systematic work on our next ESG reporting, which will be in line with the Corporate Sustainability Reporting Directive (CSRD). One of the first steps in this process is the preparation of a dual materiality analysis at group level during the year. This will form the basis of our future ESG efforts and ensure that we address the most material areas for our business and stakeholders.

As an essential part of our environmental (E) focus, we will develop and implement new policies aimed at improving our environmental footprint.

This includes initiatives such as:

- A climate strategy targeting the reduction of our CO<sub>2</sub> emissions
- Policies for sustainable resource use, including water usage

We also plan to develop and implement several additional common policies that reflect our commitment to achieving specific ESG objectives, including:

- A gender diversity policy to ensure a higher level of equality and diversity throughout our organisation
- A safety policy that aims to promote a safe working environment for all employees throughout the organisation

These initiatives mark the next phase in our work to integrate ESG principles into our business strategy and operational practices. By strengthening our policies and objectives in these key areas, we commit to not only conducting business in a responsible and sustainable manner, but also to contributing positively to society and the environment.

