

2023

BAADER ///

BAADER Food Systems Denmark A/S

Corporate Social Responsibility

Introduction to

Corporate Social Responsibility

This is the official Corporate Social Responsibility (CSR) statement of BAADER Food Systems Denmark A/S (BFS DK). BFS DK is part of the BAADER Group. We are a family-owned business with more than 1500 employees around the world. We design and engineer innovative and holistic solutions for all phases of professional food processing.

BFS DK develops, produces and sells machines and complete plants for slaughtering and processing of poultry as well as weigh-

ing and grading equipment, also used in the fish industry as well as other food industries. Sales, marketing and service in several important markets takes place directly through subsidiaries.

At BFS DK we aim to design intelligent solutions that measure, monitor and notify in order to optimise processes throughout the poultry plant and thus provide our customers with a sustainable competitive advantage through an optimised use of resources.

Our vision is to ensure a biosecure environment throughout the value chain, from the farm, within the process and to the customer.

Thus, we aim to design our live bird handling systems to best reduce bird stress and injuries to a minimum. Just as we aim to provide safe food processing factories to our customer all over the world by implementing effective food safety and hygiene practices to minimise the risk of contaminating the final product.

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The poultry business unit develops, manufactures and sells poultry processing equipment – from live bird handling to final product dispatch. The product portfolio encompasses live bird handling systems, slaughtering, evisceration, chilling, cut-up, deboning, distribution and grading and batching machines operating hand in hand to cover the entire poultry processing chain.

With more than 75 years of experience, BFS DK has gathered a comprehensive knowledge of the global poultry industry's demand and needs for processing solutions. In our solutions, we aim to implement the ideal processing practices with respect to animal welfare and food safety, and to provide our customers with a competitive advantage with reliable poultry processing equipment.

Like the business activities of the fish processing division, the poultry processing division also covers the manufacturing of individual machines, systems and comprehensive plants. Apart from the production and sale of machines, the spare parts and service businesses are also essential and has expanded strongly in recent years.

Market demands and technologies constantly develop, which is why BFS DK always keeps an eye on the market changes in order to develop and improve the portfolio of machines and solutions aimed for the global poultry processing industry.



Figure 1: BFS DK's processing solutions cycle

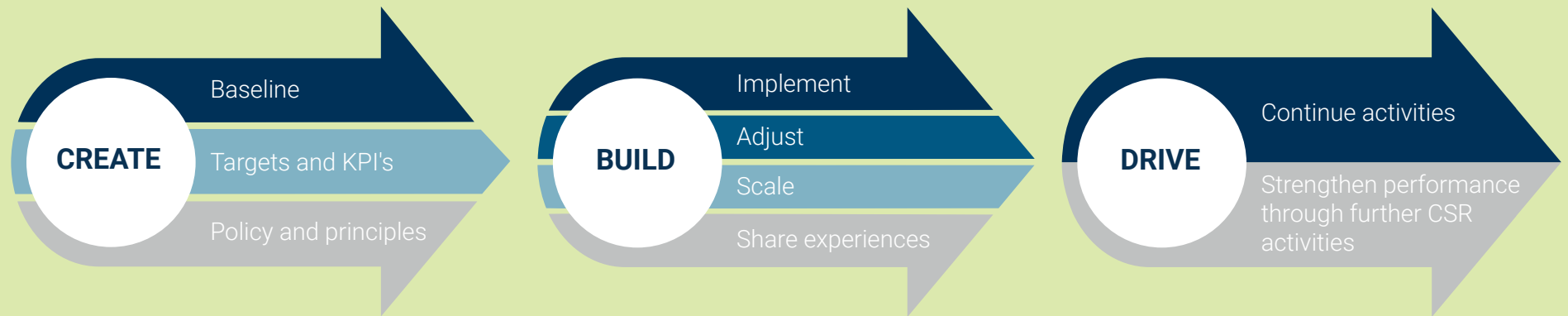


Our Work with CSR

BFS DK has been working with sustainability, human rights, ethical business conduct and creating good conditions for our employees for many years.


We use our CSR report to further develop our company and to work with sustainability, human rights, ethical business conduct and good conditions for our employees in a better and more structured way, with goal setting and using CSR as a part of BFS DK's strategy.

In 2020 we created a baseline for many of our goals, which we since have been working to improve. In 2022 we increased our measuring points, especially in relation to our environment footprint. In 2023, we continued the same measurement, nevertheless, we are well aware that our focus areas and goals might differ from year to year, but we will do our best to create a company with an unremittingly focus on sustainable business practices.



BFS DK recognises that working with CSR is not only a strategic tool, but something which all employees should be involved in as we wish that working with CSR should be a natural part of all employees' every day work. This is why the Co-operation Committee works to engage all employees in the CSR work.





Placing Sustainability on the Agenda

BFS DK welcomes the Sustainable Development Goals (SDGs) from the UN and sees them as a relevant framework to guide governments, organisations and people to make better decisions and take better actions towards a more sustainable future. At BFS DK, our area of focus will be the following targets:



Target 4.4

Contributing to increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.



Target 5.5.2

Ensure women's full and effective and equal opportunities for leadership at all levels of decision-making in political, economic and public life – with our focus on Proportion of women in managerial positions.



Target 12

Ensure sustainable consumption and production patterns.

These three targets are our focus points, and we will continuously work with the SDGs to gain insight into becoming a more sustainable company.

Results 2023


Environment and Climate

Sustainability

The world is facing a global crisis of global warming and climate change. In December 2019, the Danish Government adopted a new Climate Change Act, under which Denmark is committed to reduce the emission of greenhouse gasses by 70 % using 1990 as a baseline. To be able to achieve this goal and possibly more, it is important that we all do our part to protect our planet, as we know it. Therefore, we at BFS DK are committed to doing our part as well.

Our world has limited resources, and we have the risk of running out of our natural resources, which is why we have turned our attention to our raw materials. BFS DK wants to utilize our resources as good as possible to limit our waste from production. We aim to continually improving the utilization of the raw material entering our production, this measurement has been in place since 2020, where we made a baseline.

From 2022 we have also been looking into our usage of electricity and heating. The measurements set in place are overall usages of electricity for both production sites in DK, usages of heating in Trige (District heating) and heating in Gjesing (oil).

FOCUS AREAS 	GOALS 	ACTIONS 	RESULTS 
Waste	Reduce and reuse more waste from production and offices	Improve our utilization of stainless steel with 5 % points. Implement waste sorting system	Compared to 2020 we are still at the same level. Sorting system implemented
Electricity	Reduce the usages of electricity in production and office areas	Reduce our electricity with 5% compared with 2020	Compared to 2020, the reduction is as following Trige 1 %, Gjesing 16 %, Overall 7 %
Heating District heating	Reduce the usages of heating in production and office area in Trige	Reduce our usages of Mwh with 5% compared with 2020	Compared to 2020, the reduction is 10 %
Heating Oil	Reduce the usages of heating in production and office area in Gjesing	Reduce our usages of Oil measured in liters with 5% compared with 2021	Compared with 2021 the usages increased 11 %

Meeting of Goals

We have reached our goal to reduce direct heating and outperformed our target with a reduction of 10 %. This is the result of changing some of our direct heating to electrical heating. When changing to more electrical heating we did expect a higher consumption, but we managed to stay at same consumption level as last year.

We have one production site, where the heating is based on oil, where we see quite an increase in the usages from the 2021 baseline. There is an uncertainty in the numbers, since we only can measure on amount delivered, not on the direct usages. There is an ongoing project to evaluate if the heating system could be updated for better efficiency or if the full system needs to be changed, evaluation is expected to be finalized in 2024.

Our utilization of stainless steel has not been improved from the baseline in 2020, however, we did see a minor improvement in 2022, but this was lost again in 2023. We will initiate more analyses of the waste, to see if we can combine the amount of steel waste with specific activities or specific products.

Future Expectations and Initiatives

Waste

Stainless steel usages. We need to analyse the waste result for 2023 to understand the missing decrease in waste compared to 2020 also keeping the improvements from 2022 in mind. The output of this analysis will determine the areas to focus on going forward.

Animal Welfare

The environment and climate are not the only concerns of BFS DK. As a global manufacturer of live bird handling equipment, BFS DK recognises that our solutions, the equipment, and workforce have an impact on how animals are handled.

Animal welfare plays a crucial role in our mission statement, and we feel committed to drive up animal welfare standards within the poultry processing business. It is our objective to ensure environmental, transportation and slaughtering conditions that minimise stress and suffering for the animals, and we use digital technology to enable real-time bird-behaviour monitoring to help our customers ensure proper animal welfare in their production. Therefore, we also offer our customers in-depth training on how animal welfare is best ensured during catching, transport, shackling, stunning and slaughtering.

We are committed to ensuring that employees working with live bird handling or related equipment have deep insight into legal regulations as well as best practices and animal welfare guidelines defined by BFS DK and based on our many years of experience with live animal handling.

In addition to meeting EU legislation, we strive to work with independent organisations and customers worldwide to develop a range of products that deliver the highest animal welfare conditions.

Working with Expert Organisations

We have previously exchanged experiences with The Royal Society for the Prevention of Cruelty to Animals (RSPCA, England and Wales), an organization working to encourage welfare improvements across industries, and we make an effort to live up to the welfare standards developed by RSPCA e.g. by implementing a camera monitoring system during the stunning process.

With great dedication to animal welfare standards, we partnered our engineering team with the experts in poultry science at Auburn University's Poultry Science Department (USA) on the development of a new Controlled Atmosphere Stunning system. Once the equipment was finished, we decided to donate the first Above Ground CAS system to Auburn University to provide Auburn's scientists an advantage in their research on how carbon dioxide CAS systems influence animal welfare.

Electricity and Heating

Our focus on reducing our consumption of electricity and heating had overall good results, and this focus will continue. We are working on different investments and changes to the buildings, where we also expect a reduction in our consumptions. The goal for 2024 is to keep the 2023 level for

direct heating and to reduce the consumption of electricity with additional 2 %.

Heating Oil

The analysis of the heating system will be completed in 2024 and the result will be the base for further investments.

Best Use of Resources

Efficient processing solutions are our contribution to a sustainable food industry. We engineer our machinery to minimize the use of resources and we design our poultry processing solutions to maximize the use of each bird entering the processing plant. Our equipment and software solutions enable our customers to assess how each bird should be processed in relation to its individual characteristics, whereby the intake resource is fully utilized, and waste is minimized. We use advanced weighing and vision technology as well as sophisticated distribution algorithms to determine best use of each bird.

Food Safety

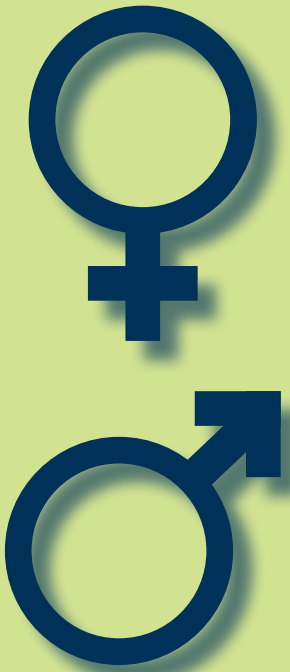
As a supplier to the food industry, we are obligated to ensure food safety throughout our processing solutions. We follow rigorous procurement processes to ensure that we select safe, high quality raw materials when developing our machinery, and hygienic designs that enable our customers to thoroughly clean the equipment, are a prerequisite for approving a machine for final launch.

When assisting our customers in designing new solutions, we carefully organise the processing flow to implement clearly separated hygiene zones thereby avoiding cross-contamination that challenges food safety.

Live bird transport equipment can easily transmit bacteria, which is why we have developed highly efficient washing and disinfection systems.



Social Conditions and Conditions for Employees



One of the most important resources in BFS DK are our employees and their extensive knowledge and experience. As we develop, manufacture, install and service all of machines ourselves, the people within the organisation have extensive knowledge about all the processes in connection with manufacturing our machines. Therefore, we are committed to providing a good and healthy working environment for all of our employees. Furthermore, training and educating our employees is an expressed goal from management.

Diversity and Equal Opportunities

BFS DK does not tolerate any form of discrimination on the grounds of race, skin colour, gender, language, ethnicity, political or other views, cast, national or social origin, wealth, birthplace, union affiliation, sexual orientation, health, age, disability, or other characteristics. We want to offer equal opportunities for all our employees, regardless of the above characteristics.

Equal opportunities for genders have also in BAADER had the priority during the last couple of years. In our recruitment process, BFS DK is very aware of the gender distribution within the company. When posting jobs BFS-DK drives for using gender neutral language, minimizing unconscious bias when conducting interviews and encourage managers to invite more than one gender for interviews during the recruitment process.

Results 2023

FOCUS AREAS 	GOALS 	ACTIONS 	RESULTS 
Training and education of employees	Increase training and education of employees	Increase the percentage of employees receiving training or education compared to 2021	38 % of all employees have received either internal or external training lasting at least 1 day. On top of that, all managers have access to a learning portal.
Diversity	Work towards a more equal gender distribution in management positions *	Multiple actions Gender-natural language. Inviting more than one gender for interviews. Limiting unconscious biases. Encourage and support talents in the organization.	The gender distribution for BFS DK has improved. In 2023 the management positions at BFS-DK are 55 % males and 45 % females improving with 8 % points compared to baseline in 2021.
Diversity	Work towards a more overall equal gender distribution	Gender-natural language. Inviting more than one gender for interviews. Limiting unconscious biases.	The gender distribution for all BFS DK has improved. In 2023 the gender mix is 72 % males and 28 % females, this is an improvement of 4 % points compared to baseline in 2021.

*Management positions are defined as positions with people responsibility.

Training and Education

Previously, all kinds of education were counted, but the measurement for 2023 and forward will be evaluated on either internal or external training lasting at least 1 day.

On top of that, all managers have access to a learning portal where the focus is different Management skills, Performance, Office programs and GDPR. Compared to earlier years, no general training has been executed in the production area.

Future Expectations and Initiatives

Our future goal is to continuously work for better social conditions for our employees and collaborate with the local community, as we consider this goal beneficial for all parties.

Moving forward, we will be working with the well-being of the employees and creating a good working environment for the employees. To gain more insight and to keep focus we have implemented a yearly employee survey that is followed by action plans in the different departments. Action plans will continue to be supported from management and HR.

We will also continue emphasizing the policy for equal gender distribution where possible. The goal for training going forward is to keep the mix for internal and external training and to evaluate if E-learning is a way forward to ensure knowledge in different areas.

The goal for gender distribution in the management team is achieved and the goal for 2024 is to keep the level. The overall gender distribution in BFS-DK for 2024 is to obtain a 70/30 distribution.

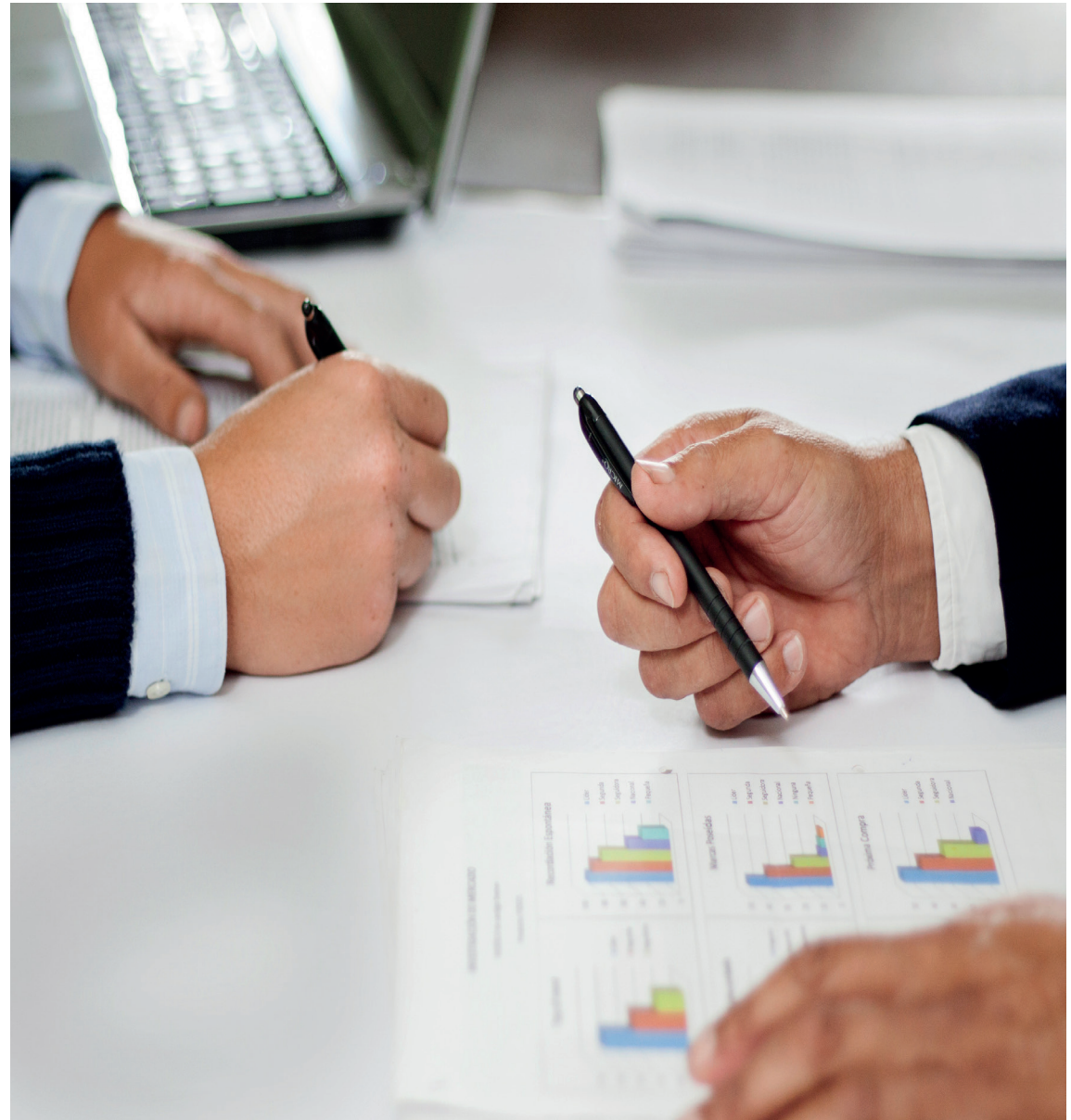


Business Ethics

Respect for Human Rights and Business Ethics

BFS DK conduct business all over the world with many suppliers and customers from many different countries. Not all countries have the same approach towards human rights. To make sure that all our employees know which standards to comply with and how to act in a way that BFS DK finds acceptable, we have developed a Code of Conduct.

In 2023, the BAADER Employee Code of Conduct was adopted by the Executive Board of BAADER Global SE, the parent company of BFS DK. The BAADER Employee Code of Conduct replaces the BAADER Poultry Code of Conduct. It was introduced to BFS DK by Corporate Compliance and the Local Compliance Officers of BFS DK.





Results 2023

FOCUS AREAS 	GOALS 	ACTIONS 	RESULTS 
Human rights and business ethics	Give our employees knowledge about BAADER Code of Conduct	Training our employees in our Code of Conduct	Employee Code of Conduct is introduced to the organization and awareness sessions has been conducted
Business ethics	Make it possible for employees to anonymously report any irregularities they might face, which do not correspond with the values of BFS DK	Handle incoming cases in a timely and professional manner to ensure that we handle irregularities according to the law and our values	The Whistleblower system has been updated to cover the full BAADER group. No cases concerning BFS-DK has been reported in the Whistleblower system in 2023
Business ethics	Have a more structured and systematic way of conducting ethical business	Implement an IT system with focus on sanctions	We have increased the level of efficiency of our sanctions screening process by implementing an IT system based solution, updating our policies accordingly and providing user trainings

Future Expectations

Corporate Compliance has been established within the BAADER group in 2022 and the focus to ensure and document compliance has increased with the more global view. In 2023, the Corporate Compliance department has appointed Local Compliance Officers at BFS DK.

Expectations for 2024 is to strengthen the compliance organisation both locally and globally and preparing the organisation to be able to manage the requirements in the coming CSRD reporting for 2025.



Anti-corruption and Bribery

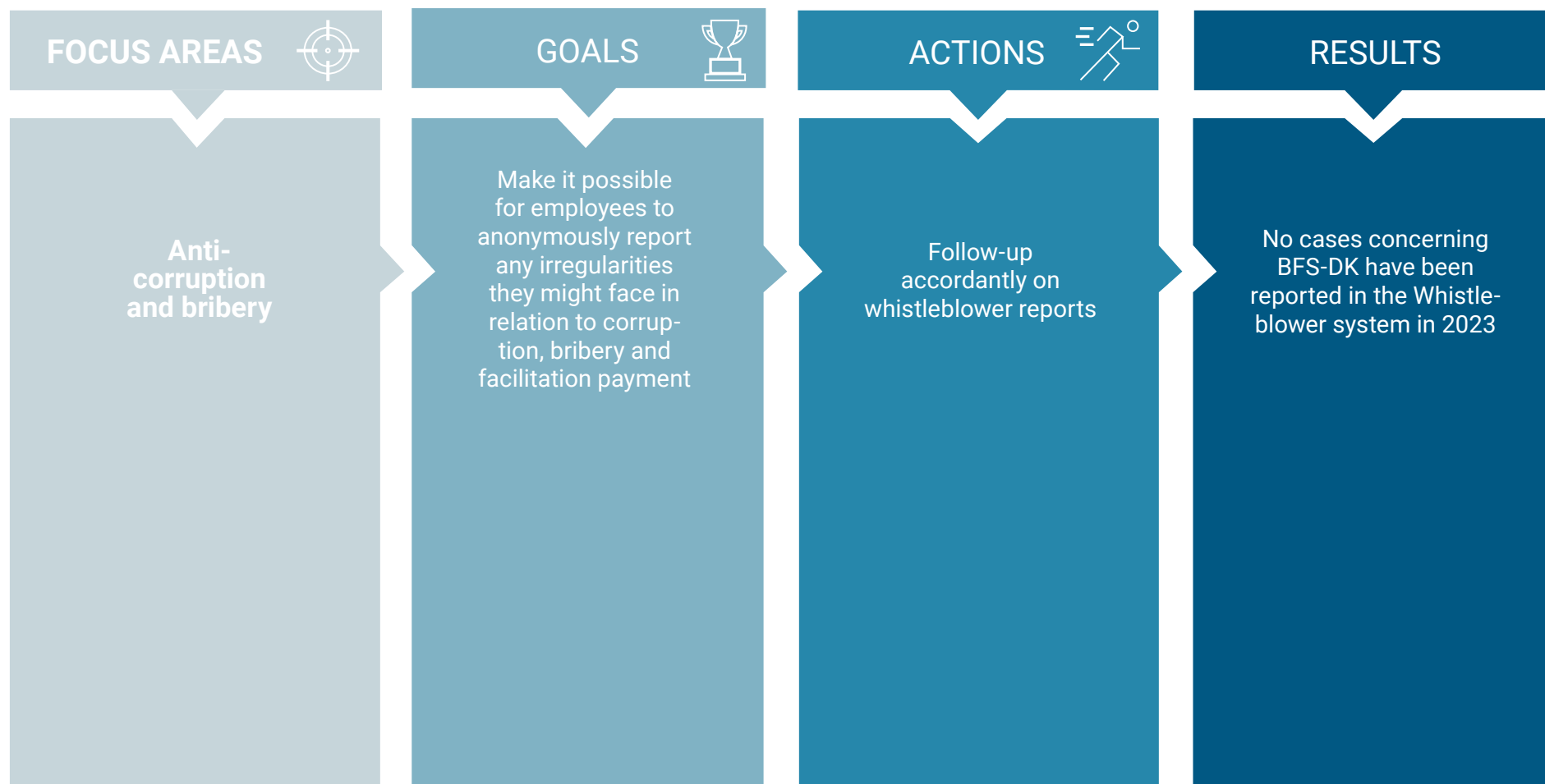
Global trading is a big part of our business model and we depend on the mutual trust between BFS DK and our suppliers. Bribes, corruption and facilitation payments are still a part of doing business in many places throughout the world. In BFS DK's policy and the Code of Conduct we distance ourselves from such conduct and we wish to work actively against all types of corruption, as corruption goes against the core values of BFS DK. We therefore expect all our employees and business partners to act in accordance with the law, regulations and standards of the countries in which we do business.

The BAADER Employee Code of Conduct introduces a global Whistleblower System where employees can report actual or suspected violations of applicable laws or the BAADER Employee Code of Conduct.





Results 2023



Future Expectations

The internal sanction control will continuously be updated to follow the changes in the legal regulation and implemented in the organisation.



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