



KONGELIG HOFLEVERANDØR

HARBOE

HARBOES BRYGGERI A/S

CSR REPORT 2020/2021

STATEMENT ON SOCIAL RESPONSIBILITY CF. SECTIONS 99 A AND 99 B OF THE
DANISH FINANCIAL STATEMENTS ACT

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We share our CSR news on social media. Read more on LinkedIn, Harboes Bryggeri A/S, and Harboe.com

On our website, you can read our CSR policy and CSR report from this year and previous years. There is also a brief description of our work with CSR for a quick introduction for our stakeholders.



Our annual report focuses on our financial performance but also contains the most important information about CSR for our investors.

MANAGEMENT'S REVIEW OF CORPORATE SOCIAL RESPONSIBILITY

Business-driven social responsibility and management values for Harboes Bryggeri A/S for the 2020/2021 financial year



Søren Malling
Søren Malling
CEO

The financial year 2020/2021 was very unusual, with completely unexpected challenges as a result of Covid-19, but despite the changed reality in which we operate, our increased focus on sustainability and our sustainability strategy have not changed. We emphasise that the group's growth and development should happen on a sustainable basis. Our long-term success depends on our ability to create value for both the company and the surrounding community.

We think long-term and ensure that, with our investments, we constantly live up to the demands placed on a responsible company. Our companies are based on strong values, which are the starting point for our business strategy.

Our financial goals must be achieved with respect for the outside world, while at the same time we must be able to live up to the demands placed on us by our customers, employees and investors.

Our focus is on limiting negative impacts from our operations and the entire value chain of which we are a part.

We focus on ensuring that the workplaces for our employees are good and healthy, while making a constant effort to be able to deliver responsible products to our customers, as well as working to develop the culture of sustainability in the company.

We have prioritised our areas of focus and identified the major impacts from our operations and the value chain of which we are a part.

- Climate and environment
- People
- Consumer
- Business ethics

Our approach to sustainability is supported by our strategic focus areas, our work with the UN Global Compact's 10 principles and our work with the selected UN Global Goals and targets.

We maintain the short-term objectives for the focus areas set in 2020.

In collaboration with our interdisciplinary sustainability steering committee, several concrete initiatives have been launched.

” WE ARE FOCUSED ON BEING ABLE TO CONTRIBUTE POSITIVELY TO SOCIETY, THE CLIMATE AND THE ENVIRONMENT.

Our sustainability strategy is rooted in Harboe's Board of Directors and involves the active management of the Executive Board.

Sustainability is a part of our everyday lives, just as it is part of the overall financial, strategic and operational goals.

This should help bring our sustainability work to the next level so that we can continue to be an attractive company.

We hope you enjoy reading the report.

ABOUT THIS REPORT

CSR REPORT 2020/21

BUSINESS-DRIVEN SOCIAL RESPONSIBILITY

This CSR report covers the 2020/21 financial year and is a statement on, and policy for, sustainable social responsibility and diversity. In Harboe's annual report 2020/2021, a summarised version of this report is reproduced. This report has been prepared in accordance with Sections 99 a and 99 b of the Danish Financial Statements Act. The purpose of the report is to provide an overview of the positive and negative impacts our companies have on the world, as well as how we work with these.

THE FRAMEWORK FOR THE REPORT

The CSR report covers the activities of brewery companies Darguner Brauerei GmbH, Dargun, Germany and Harboes Bryggeri A/S, Skælskør, Denmark. All activities of our Estonian brewery A/S Viru Ölu have ceased.

In the report, "Skælskør" refers to Harboes Bryggeri A/S in Skælskør, and "Dargun" refers to Darguner Brauerei GmbH, Dargun. In the report, Harboes Bryggeri A/S is referred to as Harboe.

REPORTING PRINCIPLES

The topics covered in the CSR report have been selected and prioritised jointly by Harboe's management, board of directors and executive board – and anchored via the sustainability steering committee based on their relevance to the company and the stakeholders.

Our customers, employees, shareholders, regulatory authorities and the local community are the most important stakeholders in relation to our sustainability work.

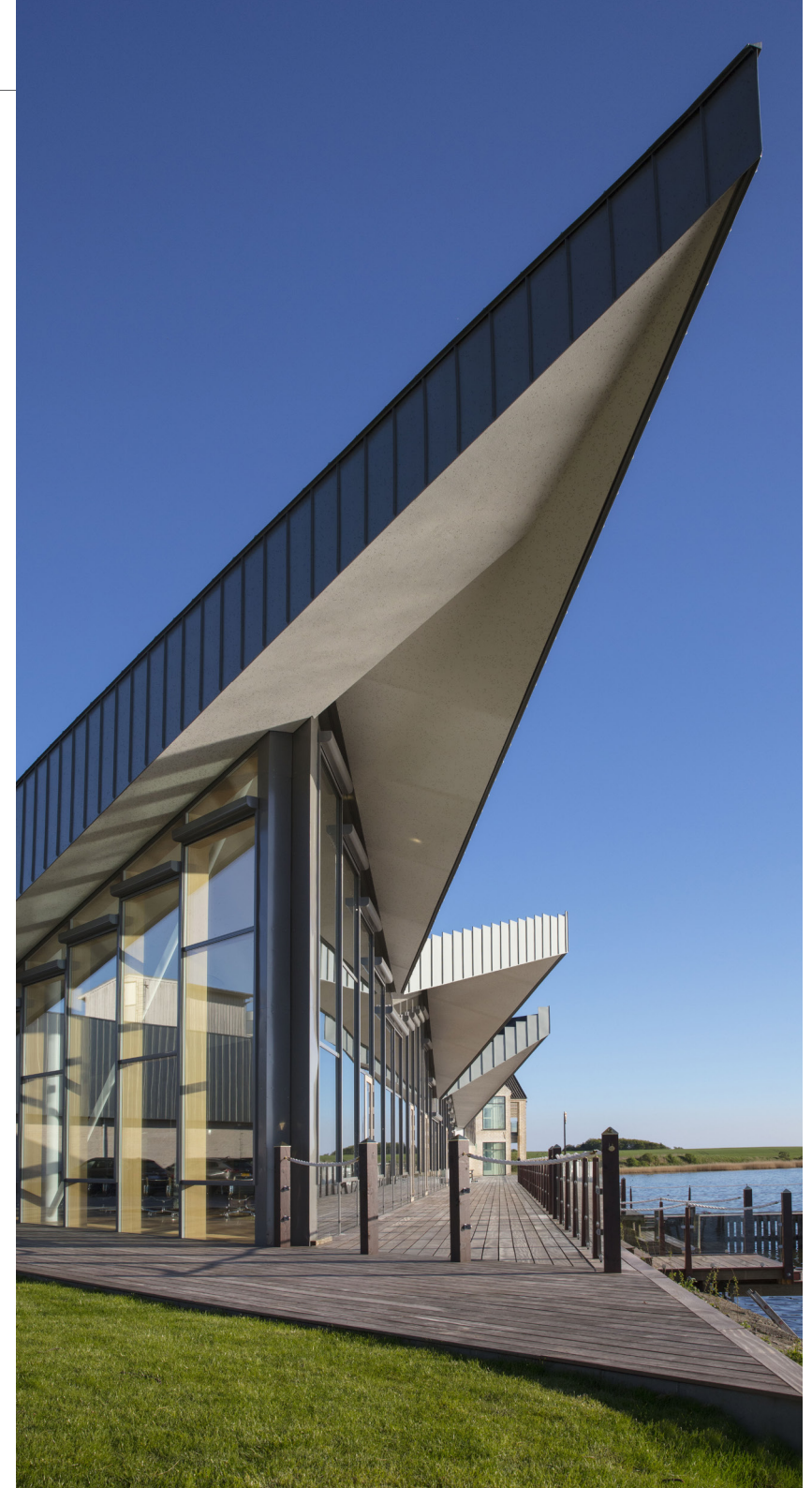
During the financial year, Harboe continued to work on developing a well-defined and transparent CSR documentation.

UN GLOBAL COMPACT

This report is also used to communicate our progress regarding the 10 principles of the UN Global Compact, which are an integral part of our objectives and CSR work. In this way, we can ensure a structured development.

For more information on the UN Global Compact, please refer to www.unglobalcompact.org

WE SUPPORT



OUR BUSINESS

HARBOE IN BRIEF

Harboe is an international beverage producer with companies in Denmark and Germany.

Harboe is a Danish company with a strong international platform.

Harboes Bryggeri A/S in Skælskør is the 3rd largest brewery in Denmark, and with our subsidiary in Germany, Darguner Brauerei GmbH, we produce and market our beverages and malt-based ingredients in a number of markets worldwide.

Our products are sold in more than 90 countries.

Harboes Bryggeri A/S is listed on Nasdaq Copenhagen, and the Harboe family has co-owned and managed the company since 1883.

Today, the family's fifth and sixth generation are part of the overall management and hold a decisive influence among the company's nearly 5,000 shareholders.

Our company is founded on strong values, which are the foundation for everything we do.

We are locally based and active in the communities of which we are a part.

The local connection has secured the basis for recruiting skilled and motivated employees, who help to create and maintain a good and stable workplace.



THE VISION

We put our heart into our work, and we are passionate about creating the best products for our customers.

With agility, innovation and responsibility, we create sustainable value.

BUSINESS MODEL



RAW MATERIALS AND SUPPLIERS

Ensure responsible sourcing



BREWERIES

*Reduce energy consumption and emissions
Reduce waste
Continuously optimise working conditions*



CUSTOMERS

*Systematic quality management
Food safety
Reduce food waste*



CONSUMERS

*Ensure that consumers are informed
Sustainable packaging*

POLICIES AND SYSTEMS

Harboe works in accordance with international and national legislation as well as international guidelines, conventions and standards for CSR and sustainability. Our policies and systems ensure that our business complies with regulatory requirements and guidelines. Our companies are certified according to international quality standards. We work systematically with environment and safety.

The ethical guidelines for Harboes Bryggeri are described in the Code of Conduct for employees and suppliers, respectively.

All employees are trained on how the ethical guidelines are to be understood and complied with. This training is adapted to the role of individual employees and depends on whether the function is of an internal or external nature.

The policies include focus areas within Business Ethics, Climate and Environment, People as well as Consumer, and are based on the efficient utilisation of resources at all stages of the value chain as well as the minimisation of risks from our activities.

The CSR policy was revised in April 2021 and approved by the Board of Directors and the Executive Board.

The CSR policy can be read in its entirety at harboe.com/CSR.

UN Global Compact

- Principle 8

Policies

- Quality and food safety policy

Systems, procedures and guidelines

- Global Food Safety/ (GFSI) Standard/(IFS)

UN Global Compact

- Principles 1, 2 and 10

Policies

- Whistleblower policy
- Policies for bullying and harassment

Systems, procedures and guidelines

- GDPR
- Compliance with tax and transfer pricing
- Code of conduct – employees



UN Global Compact

- Principles 7, 8 and 9

Policies

- Environment and climate policy

Systems, procedures and guidelines

- Energy management at the group level/ISO 50001 (Dargun)

UN Global Compact

- Principles 3, 4, 5 and 6

Policies

- Health and safety policy

Systems, procedures and guidelines

- Work environment management at group level
- Code of conduct, employees

RESPONSIBILITY FOR THE SUSTAINABILITY STRATEGY

The day-to-day responsibility for our CSR work is anchored with the CSR officer, who is responsible for the implementation, maintenance and reporting of our CSR policy and resulting activities.

Through the work of our sustainability steering group, strategy and objectives are transformed into activities. The group has key competences across the organisation. The day-to-day implementation of the sustainability strategy and

the underlying initiatives and policies aimed at ensuring the sustainable development of our operations is managed by those responsible for the relevant functions.

These initiatives and policies are followed up on by the top management, including Harboe's Board of Directors.

Overall strategic issues are discussed and agreed with the company's top management and board of directors.



OUR 4 FOCUS AREAS

We focus on ensuring that the CSR efforts worked on have the maximum impact for our business. On the basis of our value chain analysis, information from customers and employees, we

have established our efforts within the 4 focus areas so that we achieve the maximum effect economically, environmentally and socially.

Based on our value chain analysis, we have also identified the Global Goals where Harboe can make the biggest real difference in terms of minimising negative impacts and supporting

positive ones in order to create the greatest societal value.

ENVIRONMENT AND CLIMATE



MAIN AREAS:

- CO2 emissions
- Water and wastewater
- Packaging

PEOPLE



MAIN AREAS:

- Job creation and social inclusion
- Health and safety
- Well-being

CONSUMER



MAIN AREAS:

- Quality
- Packaging
- Health

BUSINESS ETHICS



MAIN AREAS:

- Culture and business
- Responsible supply chain
- Local anchoring

A VALUABLE DIFFERENCE

With its sustainability strategy, Harboe wants to make a positive difference to the society of which it is a part.



Our CSR efforts are rooted in our value chain, focusing on areas in which we can maximise the positive impact and minimise the negative impact of our activities. Our reporting is based on everything that happens within Harboe.

RAW MATERIALS AND SUPPLIERS



VALUE CREATION

Secure responsible sourcing by:

- selecting suppliers carefully
- ensuring that our suppliers comply with our ethical guidelines
- strengthening our sourcing procedures
- conducting CSR evaluation of our suppliers based on the Supplier Code of Conduct
- co-operating with our suppliers to ensure continuous development

BREWERIES



VALUE CREATION

Reduce energy consumption and emissions by

- setting targets for CO₂ emissions
- utilising our raw materials, water and energy to the fullest
- having energy management at group level

Reduce waste by:

- optimising our consumption of raw materials
- exploring options for reducing wastewater
- reducing our water consumption in production
- optimising our utilisation of by-products from production through recycling

Continuously optimise working conditions

- having working environment management at group level
- maintaining job satisfaction
- increasing the competences of our employees

CHALLENGES AND RISKS

- Managing suppliers is a challenge, as there are several links in the value chain
- As we receive materials produced outside the EU, there is an increased risk of human rights violations, corruption and bribery as well as food fraud

CHALLENGES AND RISKS

- Production of beer and soft drinks as well as malt extracts requires large amounts of water and energy
- Increased environmental impact due to changed product portfolio
- More requirements for packaging patterns have necessitated manual work processes
- Lack of competent labour



CLIENTS

VALUE CREATION

Ensure food safety by:

- preventing food safety issues through supplier and quality management
- complying with applicable food safety and labelling legislation

Reduce food waste by:

- having a lean production with just-in-time delivery.
- developing new sustainable ingredients that extend the shelf life of the products in which they are used.



CHALLENGES AND RISKS

- There is a risk of contamination of ingredients during transport
- Packaging is an important part of our products, and changes and adjustments take place very quickly

CONSUMERS

VALUE CREATION

Ensure beverages are healthier by:








- choosing packaging solutions that ensure good quality and safety when it comes to our products, but at the same time do not contain unwanted substances.
- ensuring that the products are labelled with the necessary information, allowing consumers to make informed choices based on the content of calories and alcohol.
- working with sustainable packaging, which is part of i.a. the Danish deposit and return system and contains the required amount of recycled plastic.



CHALLENGES AND RISKS

- Through social media, there is increased awareness of suppliers, and supplier management is important to avoid food scandals.
- Changes in consumer trends

THE PRIORITY AREAS WITH ASSOCIATED OBJECTIVES 2020-2022

	ENVIRONMENT AND CLIMATE	PEOPLE	CONSUMER	BUSINESS ETHICS
Objectives	<p>Reducing CO₂ emissions and energy and water consumption</p> <p>Optimising our use of raw materials, water and energy</p> <p>Wastewater reduction</p> <p>Optimising our utilisation of by-products from production through circular initiatives</p> <p>Focus on sustainable packaging</p>	<p>Maintaining job satisfaction</p> <p>Increasing the competences of our employees</p> <p>Reducing sick leave and work-related injuries</p> <p>Ensuring skilled labour and diversity</p>	<p>Increasing the level of information in the labelling of all beers and soft drinks in relation to health</p> <p>Focus on sustainable packaging</p>	<p>Complying with applicable laws and requirements</p> <p>Code of Conduct for employees and suppliers</p> <p>Supporting a well-functioning and inspiring local community and be a visible and active teammate</p> <p>Supporting the local community through sponsorships for sports, culture and education in the local area</p>
Link to the UN Global Goals	  			 



The short-term objectives set in 2020 for each of the priority areas will continue to apply until 2022. In the 2020/2021 financial year, we worked on our objectives and translated several of these into concrete plans and actions with goals and operational KPIs.

	Objectives 2022	Results in 2020/2021	Status	Planned for 2021/2022
ENVIRONMENT AND CLIMATE	<ul style="list-style-type: none"> Reduction of CO2 emissions, energy consumption and water consumption Optimising our use of raw materials, water and energy Wastewater reduction Optimising our utilisation of by-products from production through circular initiatives Focus on sustainable packaging 	<ul style="list-style-type: none"> Initiated a project for reduction of water consumption Ongoing analyses for clarification of optimisation options 		<ul style="list-style-type: none"> Establishment of energy management team in Skælskør Installation of equipment for measuring water, air, electricity and steam/gas per production area in Skælskør Installation of equipment for measuring the energy demand for heating in Dargun
PEOPLE	<ul style="list-style-type: none"> Maintain job satisfaction Increase the competencies of our employees Reducing absence due to illness Ensure skilled labour and diversity 	<ul style="list-style-type: none"> Employee satisfaction survey conducted – shows high job satisfaction and loyalty Leadership training programme for project management completed Workplace assessment carried out in Skælskør 		<ul style="list-style-type: none"> Efforts to reduce and maintain low absence due to illness Optimisation of onboarding Continued focus on training and job satisfaction Targeted training Working environment (focus on near misses – Danish: TTU and NVU)
CONSUMER	<ul style="list-style-type: none"> Increase the level of information on labelling of all beers and soft drinks in relation to health Focus on sustainable packaging 	<ul style="list-style-type: none"> Clearer labelling of energy content on soft drinks New soft drinks launched with lower energy content Packaging policy 		<ul style="list-style-type: none"> Further focus on sustainable packaging solutions Continued focus on the development of soft drinks with reduced calories and non-alcoholic beer Continue work on calorie labelling of all beers sold in the EU
BUSINESS ETHICS	<ul style="list-style-type: none"> Complying with applicable laws and requirements Code of Conduct for employees and suppliers Support a well-functioning and inspiring community and be visible and active actors Supporting the local community through sponsorships for sports, culture and education in the local area 	<ul style="list-style-type: none"> Management prepared for broad rollout of Code of Conduct Continued broad support for local activities 		<ul style="list-style-type: none"> Introduction, training and updating of employee tests for understanding of the Code of Conduct, as well as anti-corruption training Start the work of submitting the Code of Conduct to suppliers for signing Establishment of whistleblower scheme Attend local events. Walk for a cause. Use our visitor centre more actively.
	Target for 2022 reached	Target for 2022 partially reached	Target for 2022 not reached	

ENVIRONMENT AND CLIMATE



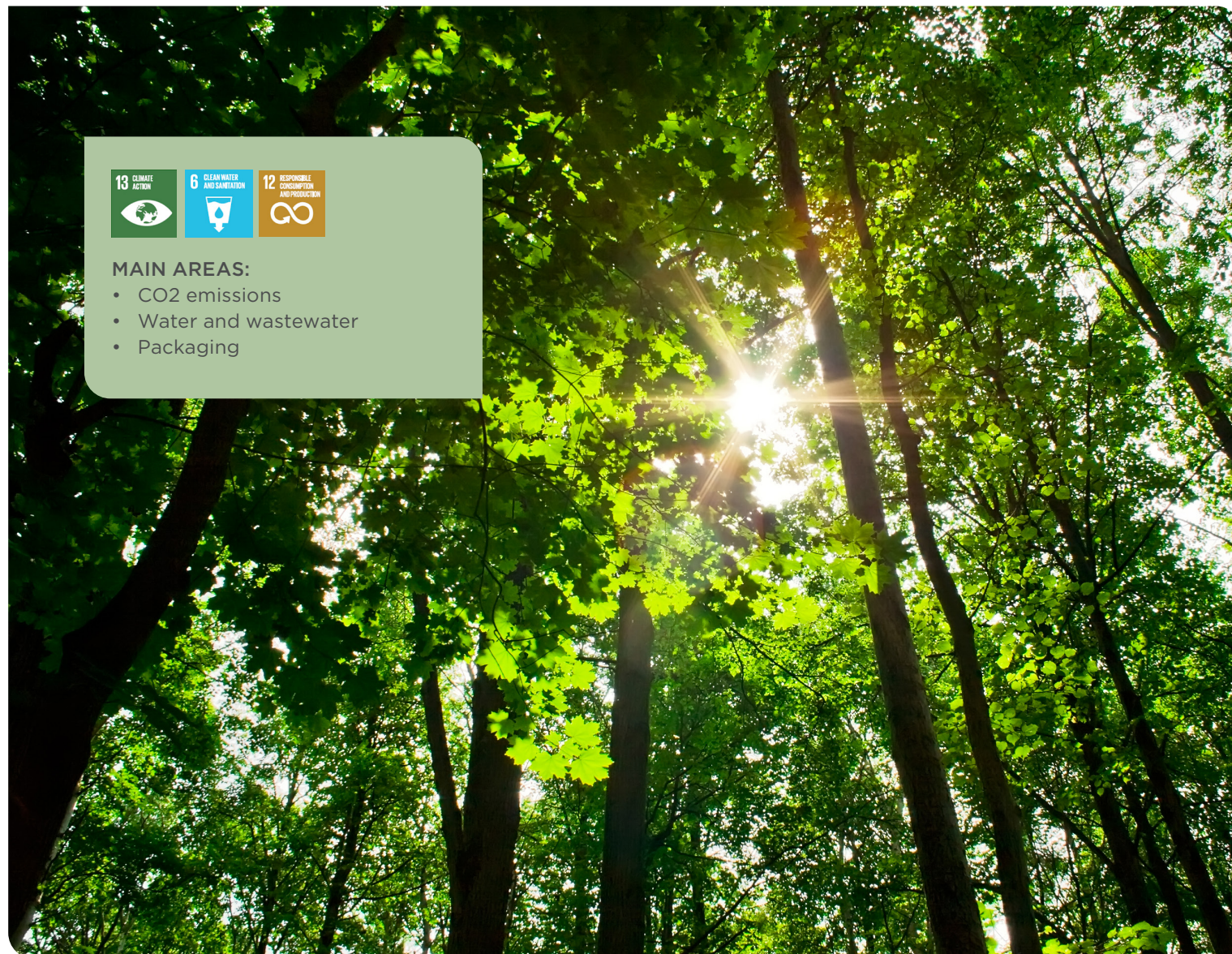
We focus on minimising our negative impact on both the global climate and our local environment. This must be done through a targeted effort within energy saving, as well as responsible use of resources consumed. Our focus is to, through responsible and sustainable solutions in our production (scope 1 and 2 for GHG Protocol), reduce the negative impact. The largest carbon footprint does not come from our own production but from the rest of our value chain (scope 3 GHG Protocol).

Due to a high level of complexity in calculating the external impacts, in this CSR report we have focused on reporting on our own corporate value chain again this year.

We perform continuous analysis of our value chain with a focus on reducing CO₂ emissions, energy consumption and water consumption. We work systematically to reduce our use of resources in production and introduce sustainable solutions for our packaging.

WE WILL:

- work to identify and reduce risks to the environment on an ongoing basis
- continuously improve our environmental standards
- implement guidelines for standardised energy management across Harboe Group





CO2 EMISSIONS

In recent years, our CO2 emissions have been fairly constant in relation to the volume produced and the changed product mix.

In the 2020/21 financial year, CO2 emissions from our production dropped by 6%. The reduced CO2 emissions are a result of our investment in energy optimisation for production in Skælskør in the 2019/20 financial year, a small decrease in production volume and a changed product mix.

As previously mentioned, we focus on what happens within our own walls in relation to energy consumption and CO2 emissions (scope 1 and 2 GHG Protocol). Our ambition is that all our efforts must result in a direct reduction in both energy consumption and CO2 emissions.

Last year, we launched an energy management project, where the goal is to be able to measure and reduce energy consumption and CO2 emissions from production in both our companies. Our company in Dargun is already ISO 50001 certified.

In the 2020/21 financial year, we have strengthened the work on the project with the installation of measuring equipment and a systematic analysis for reducing energy consumption and CO2 emissions. With this work, a data

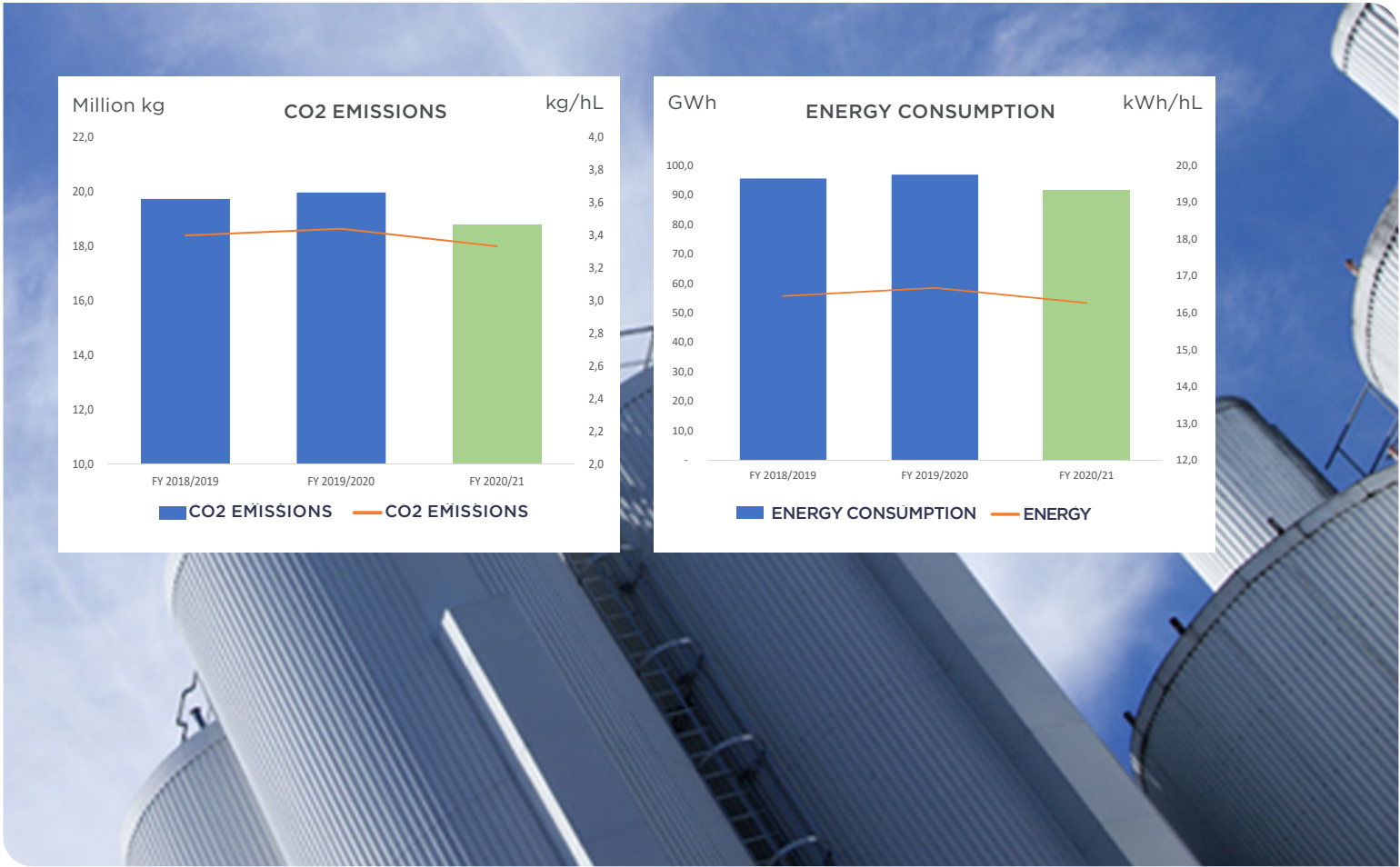
foundation is to be created, which will support our objectives for 2030.

RESOURCE USE

For the 2021/22 financial year, a number

of optimisation and maintenance investments have been planned which, overall, will further reduce resource consumption, including optimisation of yield during production.

We focus on shrinkage throughout our value chain, and a large amount of our residual products are either processed in the company or sold to external companies, where they are used in i.a. biogas plants.





WATER AND WASTEWATER

The supply of water to both our companies comes both from our own water resources and from municipal waterworks.

None of our production sites are located in water stress areas, but there is a constant focus on the use of water resources and on investments that ensure efficient utilisation, including recycling of water in production.

During the pandemic, our product mix has changed. We produced a larger proportion of soft drinks than beer during the 2020/21 financial year. This change in product mix has a minimal impact on our water consumption per produced hectolitre of product.

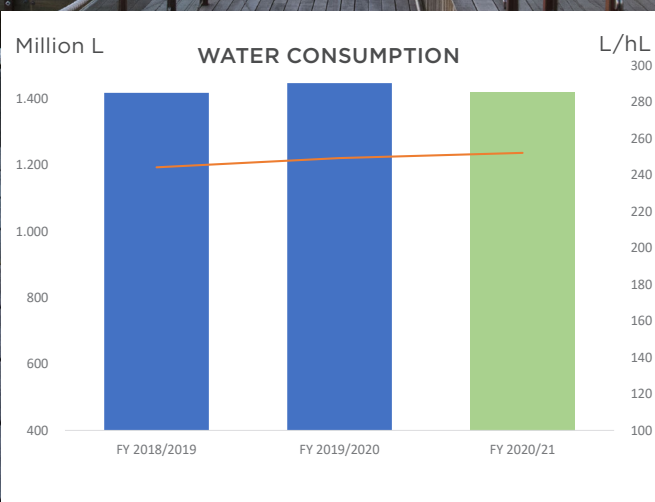
In the financial year, 2.50 hl of water was consumed per hl product produced, while

in the 2019/20 financial year, 2.49 hl of water was used per hl product produced.

A water-saving project has been launched for both our companies, where a systematic analysis of water consumption is being worked on to determine the efforts.

We also focus on reducing our wastewater. This reduction must come through optimal utilisation of both water and raw materials.

The company in Skælskør has its own treatment plant with a large capacity, while the company in Dargun discharges its wastewater to a municipal treatment plant. At both companies, we have collection reservoirs so that discharge can be adjusted to current capacity.





PACKAGING

PACKAGING

The part of the CO₂ emissions that can be attributed to packaging for our products constitutes a significant proportion of the total CO₂ emissions in our supply chain, which is why we have drawn up a packaging policy. We want to ensure that our packaging complies with the requirements and expectations our stakeholders have in relation to food safety, quality, and environmental impact, and we want to ensure our packaging complies with applicable legislation.

WE WILL:

- Follow customer needs and trends
- Make optimal use of our packaging materials
- Support an efficient deposit and return system and improve the quality of recycling of returnable packaging such as glass bottles

Campaigns and new legislation have increased the focus on the importance of packaging for the environment, where plastic is receiving particular focus. Our products are sold in different types of packaging, e.g. glass and plastic bottles, cans, kegs, foils and cartons. Aluminium cans are the primary packaging in which our products are produced. All plastic bottles are sold predominantly in

countries with well-established deposit and return system, while aluminium cans are sold worldwide. In Denmark, we are part of a highly efficient deposit and return system – Dansk Retursystem – where a return percentage of more than 90% is realised. In Germany, the return percentage on disposable packaging is approx. 70% today, but with a target of a significantly higher return percentage. During 2021, Germany will introduce a deposit and return system on juice products. Denmark introduced this in 2019.

In countries where there are no return systems for disposable packaging, as a producer we are dependent on the willingness of these individual countries to establish an infrastructure that enables responsible collection and recycling.

In 2020/21, we tested and implemented r-PET in several of our plastic bottles. We expect to increase the proportion of r-PET in plastic bottles in 2021/22. By 2025, all plastic bottles will contain 25% r-PET.

For other packaging, including cardboard, recyclable materials are used to a great extent, and we carry out ongoing tests so that we can reduce the total material consumption.



PEOPLE



We emphasise being a good and attractive workplace and continuing the values that have been part of our company for six generations.

We want to be a company with diversity in professional groups, nationalities and age distribution, and we want to create an environment where we benefit from developing employees' competences.

We want to create a working environment that ensures the safety and health of our employees, and we therefore work purposefully to develop and maintain a safe as well as physically and mentally sound working environment.

WE WILL:

- employ trainees and staff with special needs as part of internships and job training schemes
- prioritise creating a diverse workplace with equal conditions and opportunities for all employees, regardless of gender, nationality, religion and age, as an additional dimension to professional and personal qualifications
- ensure timely, correct and comprehensive training of both current and new employees
- prevent accidents at work and work-related illnesses
- prioritise the work environment as highly as productivity and efficiency considerations
- motivate our employees to seek co-influence and take co-responsibility for their own and their colleagues' work environment.



MAIN AREAS:

- Job creation and social inclusion
- Health and Safety
- Well-being



JOB CREATION AND SOCIAL INCLUSION

Based on social considerations, with two regionally based companies that want to act responsibly and with strong roots in the local community, we are also aware of our contribution to job creation and social inclusion.

Despite COVID-19 and the consequent economic slowdown, we have been able to retain our employees.

Our production staff predominantly comprises men.

In order to ensure a more equal distribution of men and women in Harboes Bryggeri A/S' top management, Harboe's Board of Directors has set the target figure for the proportion of women on the Board of Directors to 1/3.

This goal was achieved at the 2020 general meeting, where the number of women on Harboe's board rose to 2 out of 6 members.

We have a broad representation of different nationalities. Despite linguistic and cultural differences, everyone experiences benefits from this, both academically and personally.

In both our companies we have employees with many years of seniority

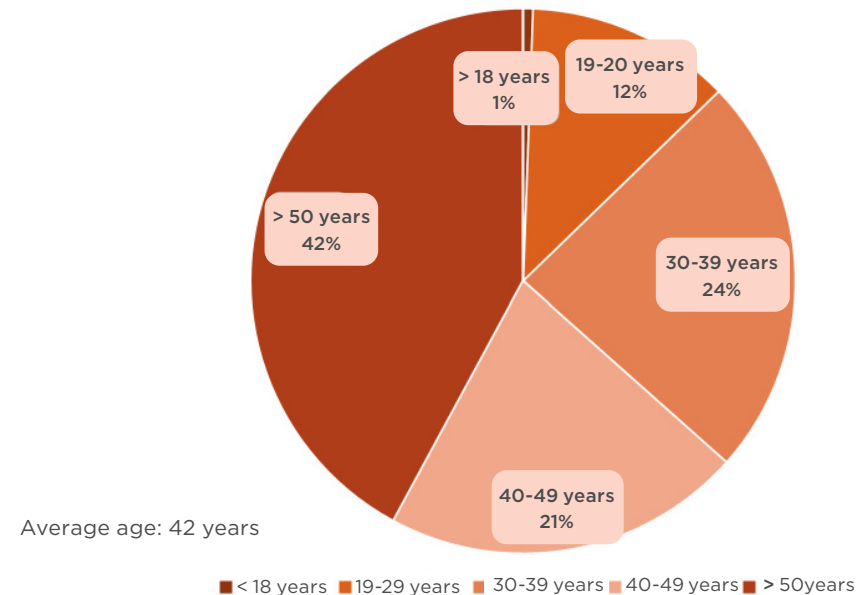
and experience. Along with a unique loyalty, this is an important building block for future development.

We focus on correct and versatile training of both new and existing employees in order to expand competences. It is a prerequisite for the Group's constant optimisation of routines and processes that all employees possess competence when it comes to handling the tasks that fall within their individual area of responsibility.

In order to be able to offer targeted in-service training to our production employees, we are working on a model for competence and motivational assessment. This new model is expected to be implemented by the end of 2021 in both our companies. The purpose of this model is to motivate and engage both managers and employees through learning and competence development. It is important for us to be able to retain employees and thus the knowledge and experience that employees gain over time.

When recruiting new employees, the starting point is first and foremost their professional and personal qualifications, but at the same time, we prioritise creating a diverse workplace with equal conditions and opportunities for all employees, regardless of gender,

AGE DISTRIBUTION OF EMPLOYEES, HARBOE GROUP



TOTAL NUMBER OF EMPLOYEES IN HARBOE GROUP 2020/21: 517

	DISTRIBUTION	WOMEN/MEN
Executive Board	1 %	0/3
Management	11%	9/49
Other employees	88%	82/382

nationality, religion and age. This creates a dynamic environment with professionally substantiated discussions and exchanges of experience in all areas of the group.

In both companies, there is a desire to help educate the next generation of qualified employees. Therefore, there is a focus on hiring trainees across the entire organisation. In the past year, we have had 17 trainees in both breweries.



HEALTH AND SAFETY

We work purposefully to create a safe and healthy workplace with room for new ideas and a common ambition to create the best results. Our work environment organisations in both Dargun and Skælskør systematically take care of work environment conditions.

We are working to formalise the work across the companies in both Dargun and Skælskør so that we can ensure uniform registrations of prevention efforts such as registration of near misses (Danish: NVU and TTU), fire and safety checks and accidents at work.

Reportable work accidents during the period in Harboe Group:

Year 2018/19	2019/20	2020/21
18	21	23

A review of previous incidents has shown that work-related accidents are often due to inappropriate behaviour, which is why, through information and involvement of employees, focus is on ensuring that everyone takes responsibility for their own, and colleagues', work environment.

As a result of COVID-19 in 2020 and 2021, we have had to take several

measures to protect our employees from infection in the workplace so that we can continue production in a sound manner. Where possible, administrative staff have worked from home. For employees working in production, there have been many measures to minimise the risk of spreading infection. At no time has production been affected by lockdowns, which is also thanks to the efforts of the many responsible employees.

ABSENCE DUE TO ILLNESS

In recent years, absence due to illness in the whole group has been on the rise. Last year, focus was on offering absence interviews with employees in the event of prolonged absence, and in the coming period we will work with categorisation of sickness absence in order to intensify efforts where these will have the greatest impact and value for employees as well as companies.

We follow the authorities' guidelines, and employees have thus not been allowed to come to work if it has been suspected that they have COVID-19 due to flu-like symptoms, and they have only returned once 48 hours have passed after the last symptoms of the disease. These guidelines have also led to sickness absence due to common colds. Yet, we see that our overall sickness absence is declining.



REGISTERED SICKNESS ABSENTEEISM IN HARBOE GROUP:

Year	2018/19	2019/20	2020/21
Sickness absence days (%)	5.9%	7.1 %	5.7 %

JOB SATISFACTION

We emphasise employees' general health and well-being, as these are contributing factors to creating a good environment around individual employees.

At the end of 2020, the first job satisfaction survey was conducted at the company in Skælskør. This was done with the help of an external and independent company, Ennova.

The aim is to conduct a similar job satisfaction survey for the entire group by the end of 2021. Using Ennova's benchmark GELx, we can compare our results with those of other similar companies in Denmark, as well as across all industries in Denmark.

In the first survey, 81% of surveyed employees responded. The result for employee satisfaction showed that satisfaction and motivation were at the same level as in similar industries in Denmark, reaching a score of 74.

The result for loyalty showed that the levels of loyalty and dedication were above those of similar industries in Denmark and across all companies in Denmark (GELx Denmark), with a score of 84.

COVID-19-related themes were included in the job satisfaction survey. The results of this study also showed that a large proportion of the employees believe that the new COVID-19 experiences will benefit the company in the future, where home offices in particular are viewed as something that can be used depending on function and needs.

As a result of COVID-19, it has become normal in both our companies to work together virtually. This transition has led to several new digital tools that have proven very effective. We expect these to be part of a more environmentally friendly and sustainable workplace, even after COVID-19.

In order to meet challenges as a result of COVID-19, in addition to the measures detailed under the section "Health and safety", we have offered all employees the opportunity to take a COVID-19 test at the workplace in both Dargun and Skælskør.

The tests have been carried out by healthcare professionals in Skælskør, and the results of these tests are registered on the healthcare platform and form the basis for the corona passport on min-sundhed.dk.

At the company in Dargun, a health programme for all employees has been introduced in 2021. The primary focus will be on a healthier lifestyle and

exercise as well as how to avoid back disorders and back pain. The health programme will run over 2 years, and there will be up to 5 activities per month.

UNSER BETRIEBLICHES GESUNDHEITSMANAGEMENT 2021



CONSUMER



Harboe strives to be able to deliver sustainable and good products to consumers and customers while, at the same time, ensuring that the product offering includes a good variety to suit any occasion.

Our products must provide energy, be used as refreshment and quench thirst. As part of a healthy life, Harboe supports sports and cultural events through sponsorships – especially in the local area.

We must ensure high levels of food safety and product quality, and we must take responsibility in relation to consumer health.

WE WILL:

- provide safe, high-quality products
- apply controlled supplier selection as well as controlled co-operation and communication with suppliers
- handle customer enquiries and complaints professionally
- work with market-oriented product development of safe and healthier products
- work with industry and government guidelines and recommendations



MAIN AREAS:

- Quality
- Packaging
- Health



Both companies are certified according to the IFS standard. Many European retailers require IFS certification from the suppliers in their supply chain. IFS is an international standard and can therefore also be used for suppliers outside Europe. The IFS standard applies to suppliers at all stages of the food chain

Through compliance with the requirements of the IFS standard and the ongoing work with our suppliers, we must ensure that we constantly deliver products of high and consistent quality. We require our suppliers to be certified according to the recognised Global Food Safety Initiative (GFSI) standard. Our quality certification is a recognised GFSI standard, and we must strive to achieve and maintain certification at the highest level.

We want to secure the business through good customer relations by:

- Ensuring co-operation and communication with customers, as well as mutual respect for agreements
- Delivering products of the right quality
- Handling customer enquiries and complaints professionally
- Ensuring uniform products from both companies
- Working with market-oriented product development of safe products



We want to promote quality across our companies by:

- Maintaining and continuously improving knowledge of processes and quality in both companies
- Continuously improving the efficiency of quality management systems, based on HACCP principles, regulatory requirements, customer requirements, and our own requirements
- Recognising and acting in accordance with best practice in our companies

- Applying controlled supplier selection as well as controlled co-operation and communication with suppliers
- Reviewing the policy annually and regularly communicating this to employees.

To ensure the high quality, we have implemented a wide range of procedures and instructions in all stages of our production. In both of our companies, we have our own laboratories that perform process control.





PACKAGING

We are constantly working on optimising our packaging methods. Optimisation of packaging methods takes place in close collaboration with the retail chains, as reducing the amount of foil or removing foil completely can have an impact on the handling of the goods during transit and storage.

We are constantly working to investigate the possibility of removing foil or reducing the amount of foil that we use to wrap products after they have been packed on pallets.



HEALTH

We are aware of the global challenges regarding health, and the WHO describes the challenges surrounding obesity and related diseases such as cardiovascular disease, cancer and diabetes, as well as alcohol abuse, as a consequence of an overconsumption of food and beverages.

We support the industry's work in relation to accountability and the authorities' guidelines. Through the development of existing and new products, we must be able to offer our customers more natural and nutritious products.

We want to ensure that consumers can choose the right products based on

information on labels and on our website.

We participate in innovation collaborations, where the focus is on reducing the calorie content of beverages. We therefore work continuously to develop and launch new products with fewer calories or less alcohol while maintaining the good taste and high quality.

We know that consumers want more information about the products they eat and drink, including nutritional information. We are therefore working to increase the level of information about products, and in the 2020/21 financial year, we implemented this in our soft drink range.

Focus has continued to be on being able to offer a wide range of soft drink products as well as making a clear distinction between products with and without sugar. We have changed our light soda series to a 0% sugar series. The entire Harboe soft drink range has been labelled with nutrient content per serving in order to help consumers understand how many calories each product contains.



ECOLOGY

More and more people are focusing on the raw materials used, which is why organic products are chosen. In recent years, Harboe has worked on the product range and, today, can offer a wide range of organic products in the form of both soft drinks and malt-based ingredients.

Our organic products are labelled so that consumers have the opportunity to choose organic alternatives. At the same

time, they are assured that these are products that meet the authorities' requirements in the relevant market.

In the spring of 2021, we launched a new variant in our organic soda series – EGO.

We have been producing sodas under the EGO brand since 2016 and, in addition to being organic, all products in this series have a reduced sugar content.

All to support consumers in making the right decision when they make a purchase.

RESPONSIBLE RAW MATERIALS

For our malt-based ingredients, there is a further focus on the requirements for how the raw materials are grown. For several years, we have been able to deliver products that have been produced without the use of glyphosate (Roundup) and straw shorteners.

In addition to this, the grain is grown in fields where the use of sludge from cities is not allowed.

ALCOHOL-FREE BEER

Sales of beer with no or low alcohol contents are growing, and we have therefore launched beer with 0.5% alcohol under various beer brands. Similarly, there is a great focus on the development of beer products with 0.0% alcohol.



BUSINESS ETHICS

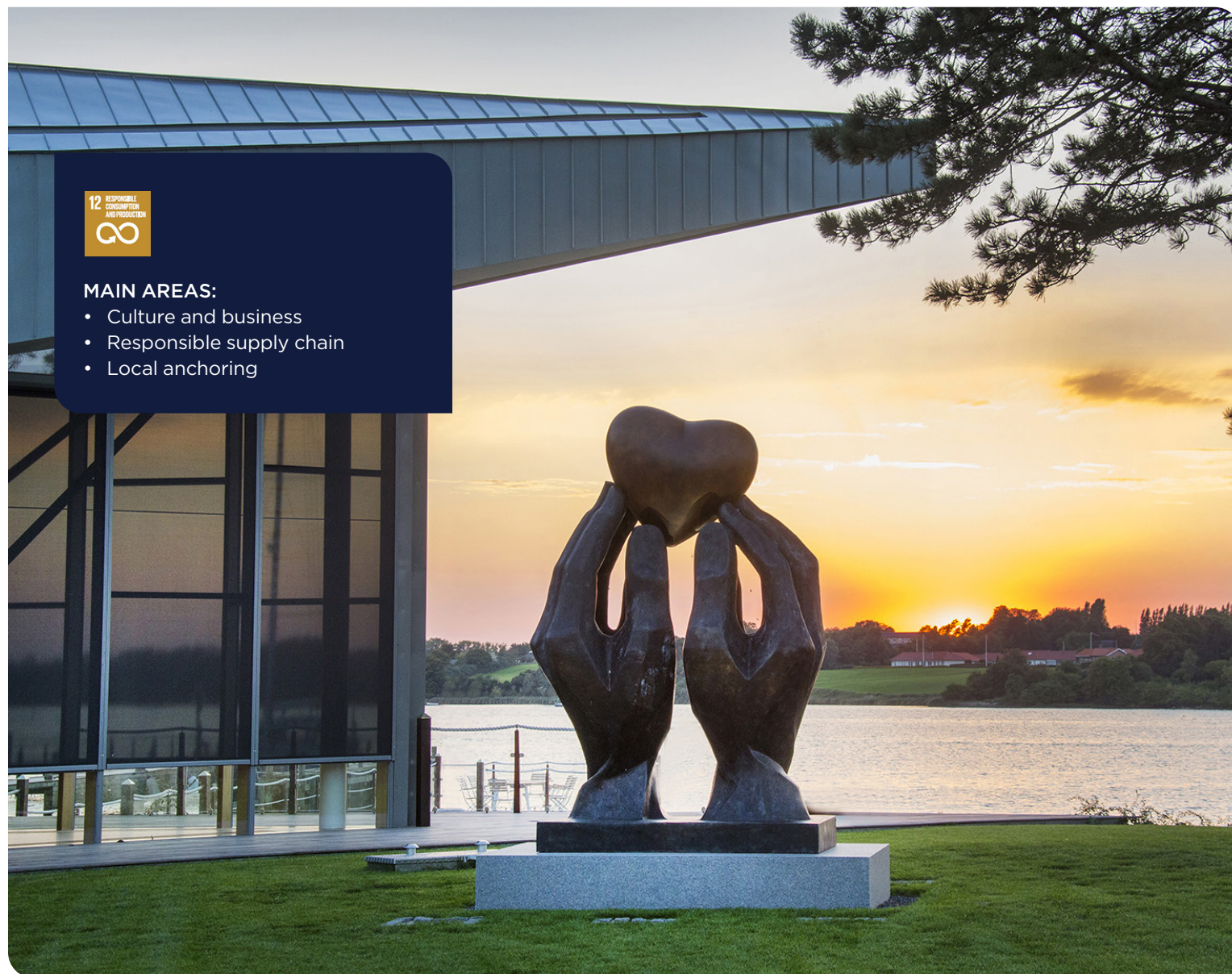


Business ethics are an integral and important part of our values. Business ethics cover all parts of the business and are factored into all the decisions the company makes. We respect and work according to international guidelines and legislation. Our business plays a role in the economy, supply chains and communities.

We contribute to the economy of the countries where we have manufacturing companies by creating jobs and paying taxes. We also contribute to the UN's 8th global goal by contributing to sustainable economic growth. We are strongly rooted in the local communities where our two companies are located. A well-functioning and inspiring local environment is an important part of everyday life for us and our employees. We want to be visible and active partners and to create communities that benefit both our employees and their families. We work closely with the municipal authorities, and with a good dialogue about good ideas, we help to create dynamic local environments.

WE WILL/DO:

- respect human rights and demand the same from our partners.
- focus on the secure processing of personal data in accordance with personal data legislation.
- communicate zero tolerance for all forms of corruption, bribery and anti-competitive behaviour.
- implement, maintain and communicate Harboe Group's Code of Conduct for both employees and suppliers.



MAIN AREAS:

- Culture and business
- Responsible supply chain
- Local anchoring



CULTURE AND BUSINESS

Our accession to the UN Global Compact in 2020 was the starting point for a more formalised approach to CSR and sustainability, where we have focused particularly on greater clarity in our policies, processes and systems. The circular mindset and good business ethics have always been part of our culture but are now more closely described through these policies and processes, and supported by systems. Our Code of Conduct describes the ethical guidelines for our employees and suppliers.

CODE OF CONDUCT FOR EMPLOYEES

In the 2020/21 financial year, focus has been on implementing our Code of Conduct for employees throughout the company, e.g. through training of the management team. Our Code of Conduct provides guidelines for how our employees should deal with compliance with laws, bribery and corruption, money laundering, conflicts of interest, fraud, protection of personal data, human rights and employee relations, health and the environment and climate, as well as communication.

In 2021/2022, initiatives will be launched to ensure that all employees have knowledge of our ethical standards. The



guidelines will be updated annually and communicated via our intranet as well as our HR system. All employees will also receive an annual test, which will uncover their awareness of the guidelines and the need for further training. These tests will be based on the function of individual

employees so that we ensure relevant knowledge and further training in the right areas. All new employees must be introduced to general, ethical, safety and quality guidelines and carry out a start-up test as part of the regular onboarding and training.

We do not accept bribery and corruption and therefore have an additional focus on processes and will perform additional training of selected functions in both our companies in the coming financial year.



RESPONSIBLE SUPPLY CHAIN

We focus on responsible sourcing, and our goal is to ensure that our suppliers also live up to our ethical standards. We do our best to ensure that the international obligations and rights described in the UN Global Compact are complied with. All our primary suppliers are established within the EU and therefore, as a rule, are subject to the same obligations in relation to legislation and ethical conduct. Suppliers in countries subject to sanctions to which the EU has acceded are excluded.

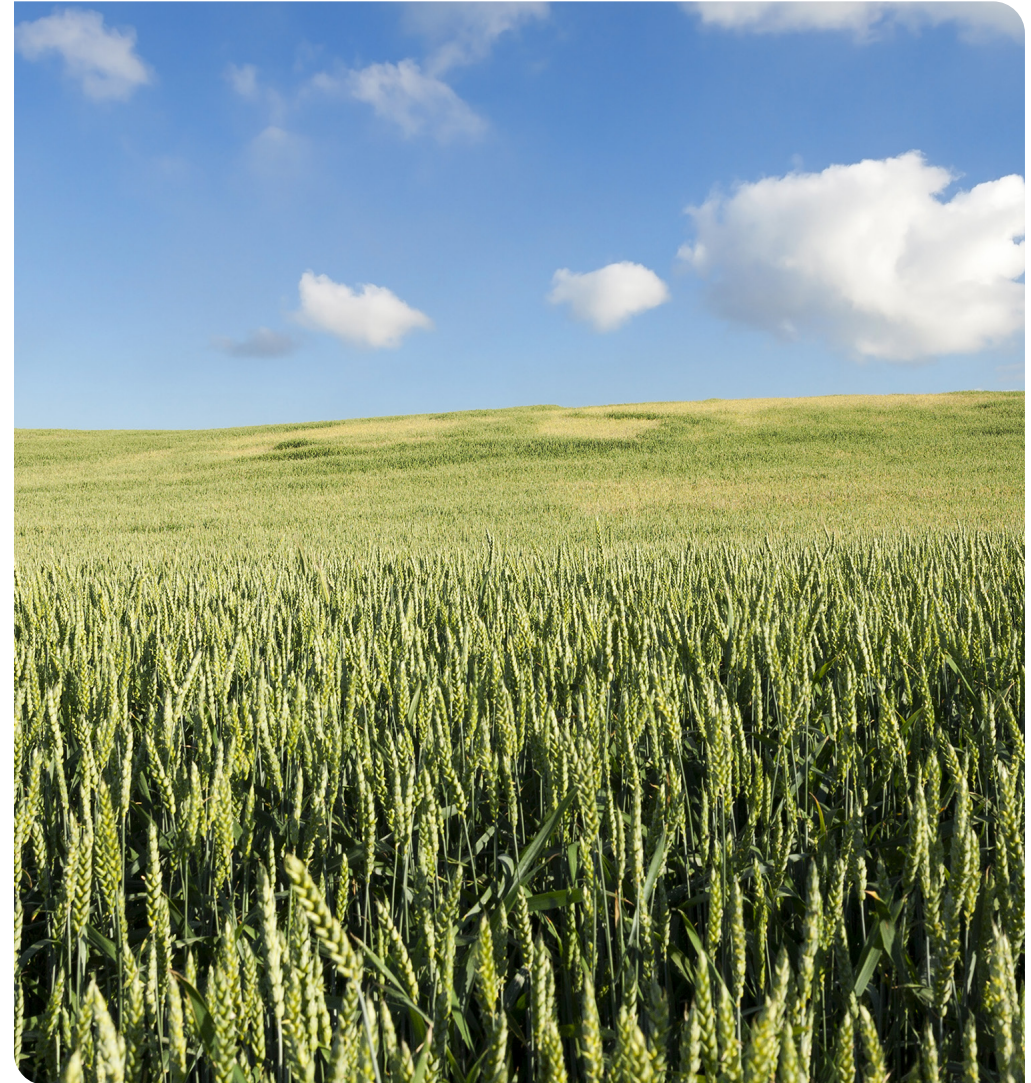
To ensure that our suppliers comply with our ethical standards, all raw material and packaging material suppliers must sign our Supplier Code of Conduct. This Supplier Code of Conduct will be an integral part of our supplier contracts and will be introduced to all current suppliers and used as a requirement when concluding new contracts. All suppliers of raw materials and packaging materials must also undergo a CSR evaluation within a

three-year period. Targets must be set for what score our suppliers must achieve before the first CSR evaluations are carried out at the end of 2021. The CSR evaluation covers the entire supply chain and assesses the suppliers' performance in the following 4 areas:

- Environmental impact
- Human rights
- Sustainable sourcing
- Fair business practices (ethics)

In the past financial year, supplier surveys have been issued with a view to eliminating the risk of food fraud and food scandals.

Our suppliers' food safety has been evaluated and will be part of the future work to include further relevant CSR aspects.





LOCAL ANCHORING

We are strongly rooted in the local areas of which our companies are a part. We support local sporting activities, cultural events and charitable causes, which help to make our local areas attractive areas to live and work in. We make our knowledge available and create dialogue about education and business opportunities in the local community.

FOCUS ON EDUCATION, KNOWLEDGE SHARING AND CULTURE

For many years, we have prioritised making our knowledge available to citizens, associations, students and classes at schools through various activities. This helps to create a dialogue about educational and business opportunities in the local community. Our visitors' centre has proven valuable in recent years, and we have been able to hold several events for local clubs, organisations and associations, as well as schools. It has also been possible to hold many internal and external events, where we have had the opportunity to talk about the group and our work. We look forward to once again welcoming guests to our visitors' centre after the pandemic. Through this, we hope to be able to provide a better insight into Harboe's history and the values that underlie all our activities.

Every year, we want to take interns at both companies – primary school students and students in higher education

– for shorter or longer periods. This helps to give young trainees insight into the job opportunities in a production company and gives the students the opportunity to test theory in practice and, through sharing new knowledge, inspire the colleagues they work with at Harboe. During the pandemic, we have not had the same opportunities, but we look forward to welcoming trainees again.

We look forward to continuing projects with students after the pandemic, where we hope for good collaborations with higher education institutions and their students. We have had many good projects with students in recent years, and we use the results actively after the collaboration and hope to provide students with a useful knowledge which they can also use afterwards.

SPONSORSHIPS AND LOCAL COMMUNITIES

As part of our local roots, we have a tradition of supporting local clubs, associations and organisers that help to create a good framework for leisure activities and cultural life in our local area. We prioritise providing local support, and again this year we supported a range of sporting activities and, where the pandemic has not prevented it, cultural events and charities, thus supporting the business, creating positive publicity for both our business and the community, and making a difference for our employees



and their families. Both existing and newly established collaborations must help create focus on good local initiatives, through which we get great positive exposure and engage in dialogue about our company. This is to help create positive publicity for both the company

and the local community, but also in the municipality in general, which makes a difference for residents, our employees and their families.

We look forward to resuming local initiatives when society allows this again.

CSR – KEY FIGURES

PEOPLE

		2020/21	2019/20	2018/19
OCCUPATIONAL HEALTH AND SAFETY				
Work-related accidents – total		23	21	12
EMPLOYEE ENGAGEMENT				
Absence due to illness	%	5.7	7.1	5.9
Total number of employees		517	560	538
DIVERSITY				
Statement for women/men on the board as of 30/4/2020	Quantity	2/7	0/5	1/7
Statement of employees in relation to gender distribution				
Women	%	17	19	20
Men	%	83	81	80
Statement of employees in relation to gender distribution at management level				
Women	%	19	27	36
Men	%	81	73	64

ENVIRONMENT AND CLIMATE

		FY 2020/21	FY 2019/20	FY 2018/19
SALES FIGURES				
Sales volume	million hL	5.46	5.81	5.81
Production volume	million hL	5.64	6.00	
ENVIRONMENT AND CLIMATE DATA				
Purchased electricity	GWh	31.1	33.0	33.4
Natural gas	GWh	60.4	63.3	61.7
Oil	GWh	0.2	0.5	0.4
Total energy consumption	GWh	91.7	96.8	95.5
CO2 from production	million kg CO2	18.8	20.0	19.7
Total water consumption	million L	1.421	1.448	1.418
Total wastewater discharge	million hL	7.5	8.1	8.3
RELATIVE PRODUCTION FIGURES				
Energy	kWh/hL	16.3	16.7	16.5
CO2	kg CO2/hL	3.3	3.4	3.4
Water consumption	L/hL	252	249	244

NOTES

NOTE 1: PREPARATION

Harboes Bryggeri A/S has developed a CSR reporting overview containing information on roles and responsibilities, objectives, activities, reporting and documentation requirements, as well as requirements for the preparation of KPIs with detailed information.

NOTE 2: ENVIRONMENT AND CLIMATE DATA

In 2019/20, Harboes Bryggeri A/S reported its environmental performance for the first time. In the future, 2019/20 will be used as Harboes Bryggeri A/S's baseline. Data has been prepared and presented as described in note 1.

The total energy and water consumption as well as the total CO2 emissions for the period 2019/20 to 2020/21 are decreasing. The calculations for CO2 emissions, energy and water consumption have been made in accordance with the recommendations from ESG's key figures and ratios in the annual report. It should be noted that this statement is in relation to scope 1 and 2 GHG Protocol, but for CO2 emissions, fuel from company cars and electricity consumption for work-related accommodation are not included. Total CO2 emissions have decreased by 6% compared to 2019/20.

The relative production figures for 2019/20 were calculated in relation to sales volume, but for 2020/21 they are calculated in relation to total production volume.

Sales and production volumes are stated for 2020/21 for better comparison with previous years' levels. The increased water consumption is due to changes in the product mix, where there is an increase in the production of soft drinks, but also due to smaller production series under COVID-19.

NOTE 3: PEOPLE

For several years, Harboes Bryggeri A/S has collected data on work-related accidents and absence due to illness. In accordance with note 1, data for the 2018/19–2020/21 period is displayed.

Absence due to illness has decreased in the group compared to 2019/20, despite COVID-19.

In order to ensure a more equal distribution of men and women in Harboes Bryggeri A/S' top management, Harboe's Board of Directors has set a target figure for the proportion of women on the Board of Directors at 1/3, to be realised in connection with the company's annual general meeting in 2021. This goal was already achieved at the 2020 general meeting, where the number of women on Harboe's board reached 2 out of 6 members elected by the general meeting.

The statements for employees work with both headcount and the number of FTEs.




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