



HAARSLEV™

Processing Technology

**CSR
REPORT**

2013

STATUTORY ACCOUNT OF THE COMPANY'S

CSR Performance 2013

This statutory account for Haarslev Industries A/S' CSR performance (cf. the Danish Financial Statements Act, § 99a and § 99b) is part of the management review for 2013 and covers the financial period 01.01-31.12.2013. This account is developed for the legal entity Haarslev Industries A/S only and does therefore not include any subsidiaries.

Policy

Haarslev Industries A/S seeks to run a responsible and profitable business. By offering rendering and processing equipment which ensures efficient reutilization of industrial and societal waste and by-products we create shared value for our company, our investors, our employees, our customers, the environment and society in general. We contribute to both local and global sustainable development through the manufacture of high-quality durable products for the protein- and bio-reutilization industries, and we do so under decent working and environmental conditions.

Focus areas

Quality

We develop and manufacture machinery for our customers in accordance with their needs and demands, and we adapt our products so that they always met the specific legislation and industry standards which apply in the markets where we operate.

To ensure that our products live up to the highest possible quality standards, and that our manufacturing processes run appropriately and lean, we execute our product design and development processes in accordance with clear procedures and policies. We are continuously working to develop and refine the policies, processes and systems which support and promote the responsible and resource-efficient operation of a company in rapid growth.

We always strive to ensure that our products perform in line with our customers' expectations. This we recognise as one of our most important tasks as a supplier to industries where operational stability and continuity is crucial. In case a customer experiences operational stoppage we are willing, ready and go a long way to make sure that their operation is quickly and efficiently restored. In order to ensure operational stability and continuity for customers with older equipment, we have for more than 30 years filed documentation and specifications for all equipment supplied.

We do not yet measure and evaluate the direct results of our quality assurance and customer service activities, but we are considering how to implement a more structured approach to this in the future.

Environment & Climate

We comply with a number of principles for mitigating our environmental impacts, although they are not contained within a formalised environmental policy. We strive to reduce our resource

consumption in production and to always comply with regulatory requirements. In order to achieve these goals we continuously invest in our production facilities.

For example, in order to reduce our energy consumption we have invested in new lighting in all our production facilities and installed new electricity meters to monitor consumption. Preliminary measurements indicate that these changes have lowered our energy consumption considerably. In our acid treatment facilities we have invested in new neutralization equipment which enables us to safely handle acidic waste from our production. In this way we avoid unnecessary and resource-intensive involvement of third-party waste-management companies. Finally, we have invested in a convection system in our sand blasting unit in order to reutilize the surplus heat created from this unit elsewhere in our production.

Furthermore, we are currently working on the renewal of our statutory environmental approval and have been engaged in fruitful and constructive dialogue with the municipal authorities.

As a supplier we offer low-energy rendering and process equipment as well as equipment for reducing the odours that may occur from protein reutilization. In this way we contribute to the reduction of energy consumption in an otherwise energy-demanding industry, and we help our customers improve their impacts on local communities. Finally, we offer to rebuild or renovate our customers' used equipment, thereby increasing resource efficiency of both our own product line as well as our customers' operations.

Work environment and working conditions

We have a strong focus on safeguarding the physical and mental well-being of our employees. We have 333 employees, including 191 blue-collar workers in our production (57%) and 142 white-collar workers in our administration (43%). All employees have clearly defined work assignments and are thoroughly trained in all relevant matters that enable them to perform their work in a safe and efficient way.

In our production we have particular focus on making sure that working conditions are appropriate and safe. Easily accessible health and safety equipment is available in all production centres, all employees are provided with thorough training in how to use the machinery, and instruction manuals are attached to all machines where appropriate to ensure correct handling. As the noise level in our production facilities may be significant, all employees are offered custom-made hearing protection.

We continuously ensure that our employees use the health and safety equipment provided in the right way. Production supervisors organise information meetings every week where any accidents, near-misses and risk situations are scrutinized and addressed. Every two months, the supervisors and occupational health and safety representatives conduct inspection rounds in the production centres with the aim of identifying and eliminating safety deficiencies and risks.

We have reduced the number of occupational injuries from 20 in 2012 to 14 in 2013 and we work consistently to bring down this number. As a result of a dispute with our insurance company we have furthermore changed our practices for reporting occupational injuries so that we now comply with the reporting guidelines.

As part of our focus on safeguarding the well-being of our employees we have for two years conducted health and well-being surveys and examinations of our night-shift employees in production. The results of this have been positive and we plan to take similar actions in regard to day-shift employees in the future. We offer all employees participation in a collective health care scheme from which they must opt-out if they do not wish to take part. In 2013 almost everyone participated (95%).

All blue-collar workers in production are covered by the current collective agreement for metal workers. 81 (57 %) of our white-collar workers are not covered by a collective agreement, but nevertheless we offer them the same conditions as those who are.

To ensure effective communication and employee involvement across the organisation we actively place informational content on our extensive intranet. In addition, we arrange four informational meetings annually. By doing so we ensure that all employees are well-informed about the development of our business and that there is ongoing, constructive dialogue across the organisation at all times.

We offer all employees a number of benefits which are described in our employee handbook. We have three staff associations – two for white-collar workers and one for blue-collar workers. The primary purpose of the staff associations is to make sure that selected special occasions are celebrated and that social activities are arranged. These are supported by management on an on-going basis.

Good business practices and responsible supply chain management

We run our business in accordance with principles for good business practices, and we work actively and continuously to make sure that all our stakeholders are content, from investors, employees, customers and suppliers to governmental authorities, competitors, business associations and local communities. We do not have a formalized anti-corruption policy but we regard such behaviour as unacceptable and in conflict with our company values.

With regard to customer and supplier contracts we apply the standard terms and conditions provided by our business association, Orgalimes. We do not have any formalised policy in regard to responsible supply chain management but we have initiated a forward-looking sourcing strategy process of which Quality, Health, Safety & Environment (QHSE) measures are a part.

We are very aware of our role as an important employer and tax base in our local community, and we maintain a good and constructive relationship with the local authorities. We listen to our neighbours, we engage in dialogue with our local stakeholders, and we offer guided tours in our production facilities upon request.

We do not yet assess and evaluate the results of these activities but are considering how to do so in the future.

Diversity

All employees in Haarslev Industries A/S are offered employment on the basis of their competencies. This principle applies across the company and at all organisational levels. We maintain an unprejudiced, open-minded culture where, as a principle, all employees are treated fair and equal without consideration of religion, ethnicity, nationality, disability, age or gender. We see diversity as a strength and, for example, employ 28 people of Polish origin. But we have difficulty

attracting female candidates in an industry which traditionally sees an overrepresentation of men. We thus have only 37 female employees (11%), seven of whom work in our production.

Haarslev Industries A/S has 28 managers distributed on seven management levels. Today, none of the managers are female (0%). We are in principle against any kind of positive discrimination but we welcome diversity in the composition of our staff, both at the management level as well as at all other organisational levels.

In 2013 the board of Haarslev Industries A/S comprised eight members voted in by the General Assembly, all of whom were male. We have set a target of 17 % for the underrepresented gender in our board, which will have only six members in the future. This means that over a four-year period, we will aim for one of the six members to be a woman. We consider this to be an ambitious but realistic target. All board members must hold the right competencies and relevant experience, and we strive to identify talented female managers and motivate them to run for the board or apply for other management positions in our organisation.



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MASTER YOUR PROCESS

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