



# Business ethics



# BUSINESS ETHICS



The financial and social impacts from our production are reflected through the operational environment, in the employment of employees, payment of tax, our social responsibility and local presence. As a company, we have many suppliers, more than 500 employees and customers in more than 90 countries.

We respect and work according to international guidelines and legislation. A large part of our responsibility to all these people is to ensure that our relationship with them is based on fairness, honesty and high ethical standards. We have drawn up a code of conduct for our employees. Business ethics is an integral and important part of our value base.

As part of a long value chain, our responsibility as a manufacturer depends to a large extent on how our suppliers and their sub-suppliers act. We are thus responsible for conditions over which we do not have complete control. But we must do what we can to ensure accountability throughout our supply chain. We do this through our code of

conduct for suppliers. Here, we want to oblige all of our suppliers to respect human and labour rights and to act responsibly in relation to the climate and the environment – and finally to work actively to fight corruption.

Read more about our efforts regarding responsible supplier management in the section on Sustainable Procurement.

It is important that we work closely with the municipal authorities and create dynamic local

environments through good dialogue. In both companies, we try to be strongly rooted in the local area, as it is important for us and our employees' well-being. We want to be a visible and active partner and create local communities that benefit both our employees and their families.

## We will achieve our goals by:

- respecting human rights and demanding the same from our partners
- focusing on secure processing of personal data in accordance with GDPR.
- communicating zero tolerance towards any form of corruption, bribery and anti-competitive behaviour
- implementing, maintaining and disseminating Harboe Group's code of conduct for both employees and suppliers

## Our efforts can be divided into three main areas:



### Culture and business

Throughout our value chain, we have developed a "code of conduct" to guide us all through big and small decisions in our daily work life.

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### Sustainable Procurement

We evaluate the sustainability level of all of our suppliers and come up with suggestions on how we can improve together.

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### Local anchoring

Local anchoring is in our DNA – we want to be visible in the local areas that surround our production, our local brands and products.

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## Culture and business

Sustainability is at the heart of everything we do every day. Our products play a major role in the circular economy, both locally and globally.

Therefore, it is part of our core values to ensure high ethical standards in general throughout our value chain. We can only succeed in achieving sustainability if, as a company, we stand together as a team with our customers, suppliers and the surrounding community.

In order to ensure high ethical standards throughout our value chain in general, in 2020 we drew up a "code of conduct" – an internal code of conduct to guide us all through big and small choices in our daily work life. This covers guidelines regarding human rights, bribery and corruption, child labour, good working environment and environmental responsibility.

### Code of conduct for employees

We believe it is important that our commitment to the UN Global Compact is not just a declaration of intent. Our strong foundation must continue to be reflected in real-life actions. Therefore, as part of this code of conduct, we

have described how our guidelines translate into concrete rules and expectations for all of our employees. Our code of conduct for employees is based on the ten principles of the UN Global Compact and thereby supports our compliance with these. The purpose is to help all of us behave properly in our relationships with customers, suppliers, colleagues and society at large.

In the 2021/22 financial year, we have completed training for the entire management group and key functions at Harboe. Other employees have completed online training and a test based on an extract from our guidelines. This was done to examine whether further training was needed. In the future, all employees will have to complete online training and a mandatory test annually.

Our goal is 100% participation in the online training and for 95% to answer the subsequent multiple choice test correctly. The test is based on the individual employee's function so that we ensure relevant knowledge and further training in the right areas. The guidelines will be evaluated annually and communicated via our intranet.

### Statement of data ethics

Pursuant to section 99d of the Danish Financial Statements Act, Harboe has drawn up a policy for data ethics, which describes the framework for the company's data collection and use, in order to ensure good ethical behaviour, accountability and transparency in the processes. At the same time, the policy is intended to ensure that Harboe complies with current legislation and

follows developments in good data ethics. Harboe's data ethics policy is based on the group's code of conduct and includes a data ethics compass, designed in accordance with the recommendations of the Data Ethics Council. The values form the starting point for the daily handling of data and the use of the group's IT systems.

Harboe collects and uses data about customers, suppliers and other partners relevant to the operation and development of the group's activities. All Harboe's customers and suppliers are registered companies, so the amount of personal data from external parties is very limited. Internally, data related to the business is registered, including personal data about employees.

Harboe primarily uses data for operation and development of the group's activities as well as for analysis, statistics, case processing and customer service. There are internal procedures for processing data. Collected data is treated confidentially and is not communicated to external parties. As part of maintaining the group's code of conduct, Harboe carries out recurring information and training activities for employees, which also include confidentiality, handling and protection of data and IT security.





## Sustainable Procurement

### Supplier evaluation and management

Supplier management has been part of our quality management for several years, and the processes are well established in both of our breweries. The process includes our suppliers being evaluated using supplier questionnaires in order to eliminate the risk of food fraud and food scandals and ensure our food safety.

In 2021, Harboe's code of conduct for suppliers was distributed to all suppliers of raw materials and packaging materials. Suppliers who sign this code of conduct confirm that they comply with the 10 principles of the UN Global Compact for the following areas: human rights, labour rights, environment and anti-corruption. Furthermore, they confirm that sustainability is included in their own supplier management.

Our goals for Harboe's code of conduct for suppliers:

- 80% of all suppliers of raw materials and packaging materials must have signed

Harboe's code of conduct for suppliers by the end of 2022, and all must have signed by the end of 2023. Alternatively, they must present and comply with their own code of conduct, which must be deemed to at least meet the same high level as Harboe's code of conduct.

During first half of 2022, 82% of all suppliers had either signed the code of conduct or submitted their own code of conduct already.

All our primary suppliers are established within the EU and are therefore basically subject to the same obligations as Harboe in relation to legislation and ethical behaviour.



## Target for 2023

**All suppliers must have signed the code of conduct.**



Sustainable Procurement is a centralised function and anchored in our company in Skælskør, where the main responsibility for purchasing Harboe's raw materials and packaging materials is located. In 2022, together with an external partner, a major study of the sustainability level of Harboe's suppliers has been initiated. All suppliers will receive an online questionnaire that they must answer.

This results in an evaluation and provides a result for their level of sustainability as well as a proposal for how we can improve this level together.

Within a three-year period, 100% of our suppliers of raw materials and packaging materials, energy and logistics suppliers as well as a significant number of technical/machinery suppliers will be evaluated.

## The sustainability evaluation

The sustainability evaluation assesses the suppliers' performance in the following four areas:

- 1 Environmental impact
- 2 Human rights
- 3 Sustainable procurement
- 4 Fair business practices (ethics)

## Sustainability themes

Harboe will cooperate with the suppliers based on a thorough evaluation of the individual supplier's performance in relation to food safety and legislation, sustainability level, compliance with quality, delivery security and commercial/competitive conditions.

An assessment of the supplier's risk profile within sustainability is carried out on the basis of the raw material's country of origin (production) and where the raw material was grown, i.e. a risk

profile at country level, as well as for packaging materials which are a focus area due to the raw material and process used in the industry to manufacture the products, i.e. a risk profile at the industry level.

On the basis of the individual supplier's sustainability assessment, we will jointly prepare plans for how we can improve the current level together.

Risk analysis	Evaluation	Review of action points from previous meeting	Results
High risk	Harboe's code of conduct – supplier	Dialogue and action plans	Approval
Medium risk	Sustainability evaluation	New sustainability evaluation	Ultimately termination of cooperation
Low risk		Visit/audit	



## OUR HISTORY

Skælskør is home to Denmark's largest local brewery. The Harboe family has brewed beer and soft drink products here since 1883. First for Southwest Zealand, then for all of Denmark. Today, however, Harboe delivers its products to 90 other countries around the world.



## Local anchoring

Local anchoring is in our DNA – we want to be visible in the local areas around our production and our local brands and products. We support local sporting activities, cultural events and charitable causes, which help to make our local communities attractive to live and work in.

## Focus on education, knowledge sharing and culture

We still want our visitorcenter to provide the setting for events. We have adapted our guidelines to focus on visits from local clubs, organisations and associations as well as schools. The pandemic continues to impact our events, but we are happy with the ones we have managed to host.

We look forward to being able to welcome guests to our visitorcenter again. Through this, we hope to be able to provide a better insight into Harboe's history and the values that underlie all our activities as well as demonstrate the many opportunities working at a brewery offers.

We have partnered with our local higher education centre, ZBC. The aim of the collaboration is to ensure greater insight into the opportunities available in the business world and to offer our employees further training.

Every year, we want to take interns into our breweries – primary school children and students in higher education – for shorter or longer periods.

At Skælskør, we have resumed cooperation with several educational institutions and students on several exciting projects.

At Dargun, we are working determinedly to strengthen our ability to attract skilled and passionate young people for training in the company. In the 2021/22 financial year, we therefore prepared brochures which detail all the opportunities we offer, including the possibility to specialize within many different professional areas in the company. This effort resulted in an increased interest in our brewery in Dargun. We look forward to continuing to welcome new students and trainees.







### Sponsorships and local collaborations

As part of our local anchoring, we have a tradition of supporting local clubs, associations and initiators who help create a good base for leisure activities and a cultural life in our local community

We prioritise providing our support locally, and again this year, we have supported a number of sporting activities, where the pandemic has not prevented this. Cultural events that support the business create positive publicity for both our company and the local community and make a difference for our employees and their families.



All initiatives focus on making a difference for the residents of the local area, our employees and their families.

In the 2022/23 financial year, Harboe will participate in several local events. Harboe wants to strengthen cooperation with the local business community and will therefore initiate local events, where there will be a focus on presence and visibility as well as development of products with input from relevant stakeholders.

All initiatives focus on making a difference for the residents of the local community, our employees and their families.



### Business ethics

#### Results for 2021/2022

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- All employees in Dargun and Skælskør have received training in relation to Harboe's code of conduct for employees
- All suppliers have received Harboe's code of conduct for suppliers
- First round of questionnaires sent to suppliers to evaluate their level of sustainability
- Establishment of a whistleblower scheme
- Adapted guidelines for visitors for better utilisation of the Harboes Visitor Centre
- COP report to UN Global Compact

#### Planned activities for 2022/2023

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- Development of procurement policy
- Development of anti-corruption guidelines
- Work actively to increase the level of sustainability of the suppliers that have been evaluated
- Send out second round of questionnaires to suppliers to evaluate their level of sustainability
- Participate in local events
- Identify local clubs or initiatives to support together with employees