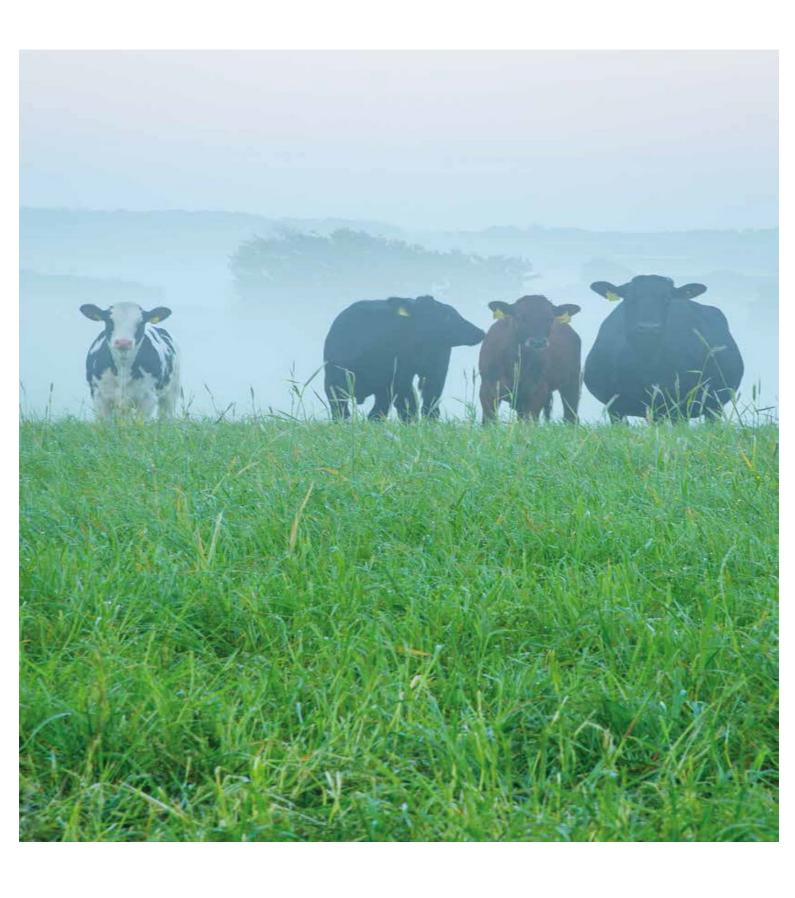
DECENCY

HOW WE TAKE RESPONSIBILITY

2023





CONTENTS

TABLE OF CONTENTS	3	
PREFACE	4 – 5	
OUR FOOTPRINT	6 – 7	
OUR WORK AREA	8	
BUSINESS MODEL	9	
ABOUT THE REPORT	9	
THE AGRICULTURE - INITIATIVES IN 2023	10 – 13	
THE DAIRY - INITIATIVES IN 2023	14 – 23	
THE PRODUCTS - INITIATIVES IN 2023	24 – 27	
WE WILL WORK WITH THAT IN 2024	28	







PREFACE

SOCIAL RESPONSIBILITY AND DECENCY

This report is part of the statutory management's review in the Annual Report 2023 for Thise Mejeri A.M.B.A in accordance with Sections 99a and 99b of the Danish Financial Statements Act.

At Thise Dairy, Decency is one of our core values and we therefore work purposefully and in a structured way to demonstrate decency in everything we do. As in previous years, we have chosen to report on Thise Dairy's corporate social responsibility and our social and environmental initiatives based on three pillars with the following themes:

- 1. The agriculture
- 2. The dairy
- 3. The products

The reporting takes into account the current requirements for reporting on social responsibility, as a result of Section 99a. This applies to the statutory reporting areas: social, climate and environment, human rights, anti-corruption and bribery. These areas are reported on under the three main themes.

As part of Thise Dairy's focus on reducing our overall carbon footprint, Thise Dairy decided in 2022 to join the Science Based Targets Initiative (SBTi), which Thise was among the first 30-40 companies in Denmark with less than 500 employees to do so.

Joining SBTi means that we are committed to working towards the ambitions of the 2015 Paris Agreement. The Paris Agreement is an agreement under the auspices of the United Nations, and its key objective is to limit the global temperature increase to a maximum of 1.5°C.

THISE'S VALUES

- Organic
- Fighting spirit
- Decency



THE FOLLOWING SHOULD BE HIGHLIGHTED IN 2023:

- Increased focus on biodiversity on our cooperative members' arable land with the implementation of Bio Schools at 30% of our cooperative members.
- Increased focus on reducing climate footprint in Scope 3 and the decision to join Climate Check in 2024.
- Responsible feed for our organic farms. Thise Mejeri decided to stop using soya as feed among our cooperative members in 2022. The global demand for soya is leading to the deforestation of the rainforest, which is why all Thise's cooperative members have stopped using soya in the feed for their cows and other livestock.
- Climate-friendly packaging. Thise Dairy uses recyclable
 material in its packaging as much as possible and makes a
 detailed packaging statement. In 2023, we made the decision
 to phase out plastic lids on our entire drinking milk range. With
 effect from Q1 2024, plastic lids will be entirely phased out.
- Reduction of diesel consumption for milk collection and refrigerated transport, as well as the purchase of the company's first 100% electric refrigerated lorry.
- Well-being in the workplace. Once again in 2023, Thise Dairy has worked hard to create a better workplace for everyone, and we are focused on including employees with difficult circumstances, including Ukrainian war refugees.

We are proud that in 2023 we have taken several major steps in our work with Decency, but also consider it an obligation that in 2024, we will put further focus on this area.

Enjoy reading our 2023 report on "Decency".



Arne Bisgaard

Chairman

Thise Dairy



Svend Schou Borch
CEO
Thise Dairy



WE WORK ON OUR FOOTPRINT

SCIENCE BASED TARGETS INITIATIVE

Thise Dairy has committed to the Science Based Targets initiative, which means that we must report according to the guidelines set by SBTi.

SBTi has developed the Greenhouse Gas Protocol (GHGP), which divides emissions between direct and indirect emissions in Scope 1, 2 and 3. In this report we will report according to the GHGP.

The Danish Dairy Board has developed a methodology for calculating the climate impact of the dairy sector in Denmark that fulfils the requirements of the GHGP. The measurement methodology was validated in spring 2023.

The emissions are calculated based on emission factors from international databases, and the emission factors for raw milk products and slaughter livestock¹ based on theoretical values. (¹Source: Knowledge synthesis on life cycle assessments and climate effectiveness in the agricultural sector: Part 1 Food Advisory Report from DCA - Danish Centre for Food and Agriculture)

Table 1 shows the climate impact in tonnes of carbon equivalents (tCO2e) for 2022 and 2023.

The load is divided into Scope 1, 2 and 3.

Detailed Scope 3 loads will be shown where relevant for reporting purposes.

Figure 1 below shows Thise Dairy Scope 1, 2 and the Scope 3 categories that will be addressed in this report.

In our Scope 3, we have included oats under fruit ingredients and slaughter livestock are included to make this part of the business more visible. We actively work to measure and reduce.

	Scope 1	Diesel for milk collection and refrigerated lorries, natural gas, wood chips	2,066	1,937
	Scope 2	Electricity (location-based)	1,030	1,600
	Scope 3 upstream	Raw milk products	196,648	210,792
	Soono 2 unetroom	Claughter livesteek	15.070	11710

Scope 3 upstream	Slaughter livestock	15,070	14,718
Scope 3 upstream	Fruit ingredients and cooking oil	12,073	13,213
Scope 3 upstream	Packaging	3,601	3,951
Scope 3 upstream	Energy source related emissions	1,312	1,459
Scope 3 downstream	Purchased transport	8,770	6,034

Total **240,753 253,815**

183

2022 t CO2e

2023 t CO2e

111

Table 1: Overview of Thise Dairy's climate impact in 2022 and 2023 in tonnes CO2e.

CLIMATE IMPACT

Scope 3 downstream

Waste

FACTS

The Greenhouse Gas Protocol (GHGP) is the leading international standard for how carbon emissions should be quantified and reported as carbon equivalents under three different types of emissions, referred to as Scope 1, 2 and 3. Scope 1 is the direct emissions from the company's processes, while Scope 2 is the indirect emissions from supplied energy, and Scope 3 is the indirect emissions from both the company's upstream and downstream value chain.

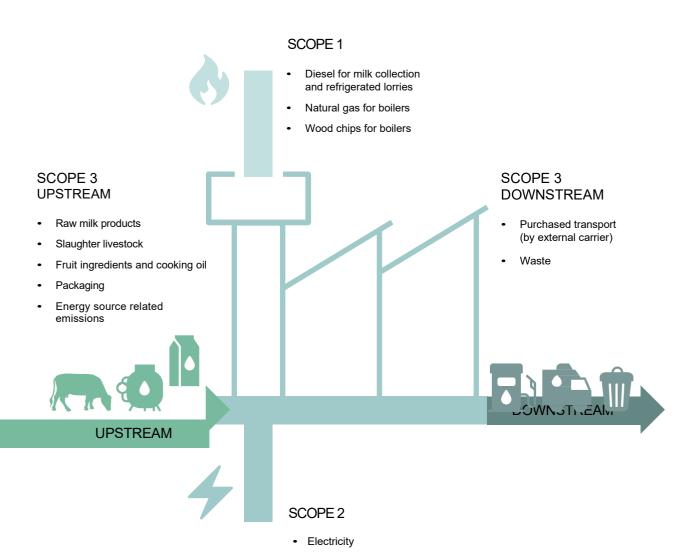


Figure 1 Thise Scope 1, 2, 3.

HOW WE HAVE WORKED WITH DECENCY IN 2023



THE DAIRY

THE PRODUCTS

LESS CLIMATE IMPACT

- Carbon analyses of farmland
- Future use of meadows

MORE NATURE

Bio Schools

THE GOOD ANIMAL LIFE

- Barn Schools: Healthy animals
 - fewer antibiotics.

COOPERATIVE MEMBERS LOCALLY

- Organic day
- Farm visits
- Agricultural shows

ENERGY SOURCE

- Solar panels on the roof of Thise Dairy
- Using wood chips from cooperative members' land for energy at the dairy
- Energy strategy

RESOURCE OPTIMISATION

- Waste sorting, -optimisation and reduction
- Reduce diesel consumption by 5%

EMPLOYEE CONDITIONS

- Focus on workplace safety
- Inclusion in the workplace. Healthy and safe workplace

THISE IN THE LOCAL COMMUNITY

 Active participation in the development of the local community

INNOVATION

- Focus on eating quality and taste
- Whey-based products and the launch of some of them
- Cheese ripening in new dimensions
- More plant-based products

PACKAGING

- Material reduction
- More recycled material
- Increased sortability

BUSINESS MODEL

Thise Dairy is a cooperative dairy and a pioneer company within organic dairy farming where the processing of milk into a wide range of dairy products is the main purpose of the company.

With our willingness to invest, innovative power and relationships, we want to develop and sell unique products that contribute to an increasing demand for organic products.

We thereby enable the continued development of organics for our cooperative members on a good financial foundation. Thise Dairy trades and buys responsibly.

We build our collaborations on long-term relationships and partnerships, in which the idea of spreading organics forms the foundation of the relationship.

ABOUT THIS REPORT

In our responsibility reporting, we focus on the most crucial challenges when it comes to corporate social responsibility. We look at the areas from the perspective of both the Dairy and our stakeholders.

Our activities influence and are influenced by a number of stakeholders. We see the following as stakeholders who in particular contribute to setting the framework for the Dairy.

- Consumers
- Employees
- Cooperative members
- Agriculture

With the report, we want to provide an insight into our priorities and choices to strengthen the dialogue with the outside world.

The report has been prepared in accordance with the applicable rules in the Danish Financial Statements Act and the structure has been adapted to these requirements.

The report will be available electronically on Thise's website: www.thise.dk in the section: About Thise.

The report covers 1 January - 31 December 2023.

PARTICIPATION IN RESEARCH PROJECTS 2023

Grass4food: 2020-2024, supported by GUDP

Replanted: 2022-2025, Innovation Fund Denmark

Organic +: 2022-2025, supported by GUDP

Red algae for reducing methane from organic dairy farming, supported by MAF

LESS CLIMATE IMPACT, MORE NATURE & THE GOOD ANIMAL LIFE

POLICES

We need to think in contexts and holistic terms when we act in relation to climate and nature, because everything is interrelated. This is the essence of organic thinking, and it is the essence of Thise's Climate & Nature Policy.

Our policy for agriculture is based on four main action points: Less climate impact, more nature and the good animal life and support cooperative members' activities in the local area.

The areas have been chosen in collaboration between our cooperative members and the Dairy and are implemented in practice by our 72 cooperative members.

These are biological processes that convert energy from one form to another, giving us food from agriculture, which the Dairy processes into products. Plants grow from the sun's energy and plants get nutrients released by microbial processes in the soil, and when cows eat plants, the cow's rumen metabolises the plants into milk and meat.

The biological processes emit greenhouse gases, and the climate impact from our most important ingredient, **milk**, is included in the Dairy's Scope 3, and as shown in Table 1, represents by far the largest part of the Dairy's total climate impact.





Climate change is currently at the top of the political agenda, and Danes are extremely concerned about climate challenges. Denmark must reduce its carbon emissions by 70% by 2030. In Denmark's overall climate accounts, agriculture accounts for 30%, so Thise must deliver its share of the politically determined carbon reductions.

At Thise Dairy, we have for many years worked purposefully to reduce carbon emissions from stables and fields, and at the Dairy.

However, we would be 'missing the boat' if we do not also include other sustainability criteria in the pursuit of the necessary carbon reductions.

We want to develop food with a low climate impact that also improves animal welfare, animal health, food and nutritional quality, protects drinking water, and enhances nature and biodiversity.

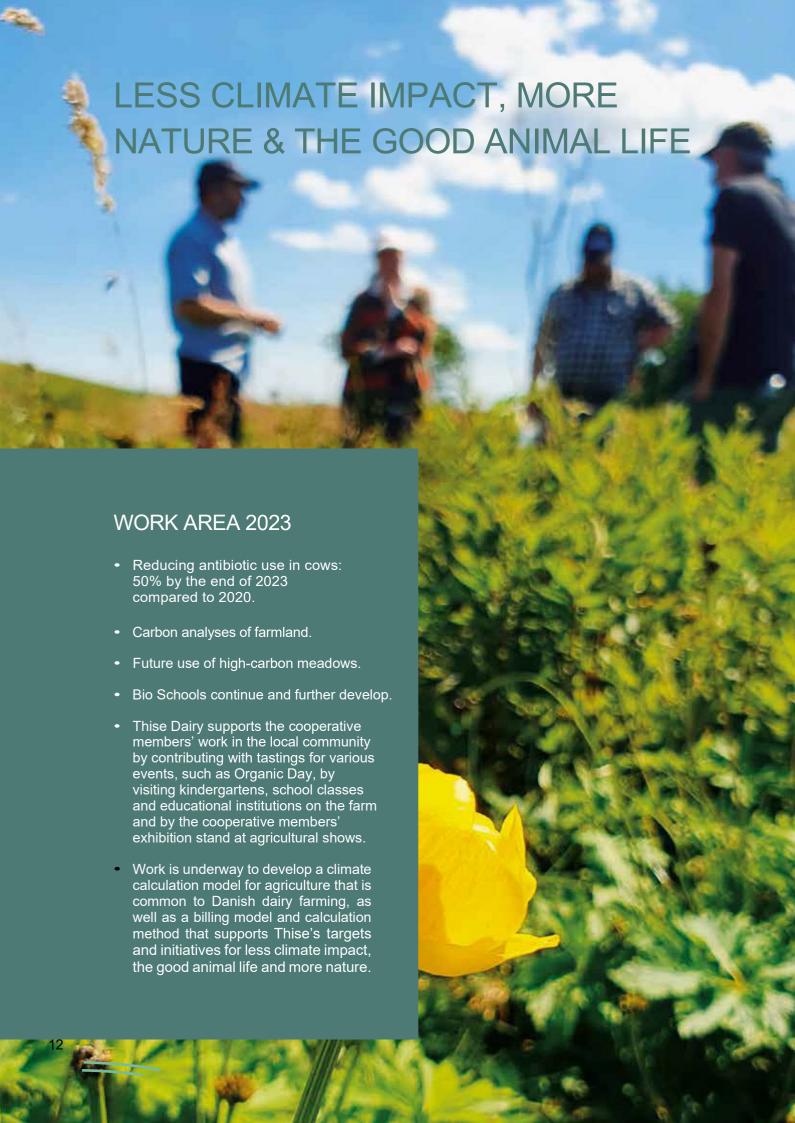
STRATEGY

Cooperative members and the Dairy work together to develop animal welfare and promote animal health, reduce the climate impact and give nature more space. The launch of products based on ingredients from cooperative members, reflecting the diversity of the cooperative community, shows new ways of developing organic farming, such as Grass-fed Milk and Ad Libitum Milk.

RISK

With agriculture, there is a risk of negative impact on nature, the environment, the climate and animal welfare. We focus on minimising the negative impact through collaboration, follow-up and documentation.







RESULT 2023

- First full calendar year without the use of soya in feed after stopping on 1 October 2022.
- Antibiotic consumption increased from 2022 to 2023, measured as an amount of the active ingredient per kg standard milk. The level is the same as in 2022. The causes will be analysed in more detail to reduce the need for processing where it occurs. Five physical Barn School meetings and 15 follow-up meetings were held on Teams The target is maintained.
- Cooperative members analyse for soil carbon when doing soil sample analysis.
- Focused efforts on "Climate-friendly management of carbon-rich lowland soils" with workshops for cooperative members with a high proportion of carbon-rich lowland soils. The project is supported by Promilleafgiftsfonden through "Project 8507 Climate action on carbon-rich farmland".
- Continued focus on biodiversity on the farms with the implementation of Bio Schools for 30% of all cooperative members, which results in many specific initiatives on the farms. Thise Dairy is also participating in the Organic Plus research project, which includes "How to increase biodiversity in organic farming now and in the future" and was discussed at a workshop with 30 participants from the municipality, interest organisations and retailers.

WE WILL WORK WITH THAT IN 2024

- Establishing herds with antibiotic-free milk production.
- Carbon analyses of farmland.
- How to quantify carbon storage from organic dairy cattle farms.
- Roll-out of Bio Schools 2.0. with a focus on establishing a Thise standard.
- Thise Dairy supports the cooperative members' work in the local community by contributing with tastings for various events, such as Organic Day, by visiting kindergartens, school classes and educational institutions on the farm and by the members' exhibition stand at agricultural shows.
- The Dairy Industry Climate Check is being rolled out to farmers to measure the climate footprint of milk production.



ENVIRONMENT AND CLIMATE IMPACT REDUCTION



POLICY

As a responsible company, Thise Dairy wants to reduce the impact on the environment and climate by producing and processing milk and other raw materials to contribute to sustainable development.

STRATEGY

At the Dairy, we want to reduce the use of nonrenewable resources, including the conversion of our energy consumption to renewable energy sources.

RISK

At all stages of the value chain of milk and other raw materials, there is a risk of negative impacts on the climate and environment. We try to minimise the risk of a negative impact with our strategy and our actions. Thise Dairy operates in a very volatile market, where market conditions and supplier conditions can detrimentally affect our work.



WORK AREA 2023

- Solar panels on the Dairy's roof starting on 01.04.2023, and is expected to contribute 5% of the Dairy's power supply in 2023.
- Gas for boilers maintained compared to 2022.
- 30% of the wood chips for the boiler were from cooperative members.
- Reduction of diesel consumption by 5% through the purchase of a total of seven new diesel lorries for inbound transport and refrigerated transport.
- Purchase of two new 40 tonne trailers with an electric pump for milk collection.
- Waste implementation of sorting into 10 waste fractions.
- Reduction of residual waste by 15%.
- Develop a plan to phase out waste going to landfill.

RESULT 2023 ENERGY

ENERGY

Solar panels on the Dairy's roof captured 4.1% of the Dairy's power supply in 2023. The implementation of the solar panels started on 1 April 2023, and the target as an annual target is considered achieved.

During 2023, there have been major and long-term maintenance tasks on the biomass boiler, which is five years old, and therefore the share of gas days has more than doubled. The target has hence not been achieved.

Wood chips from cooperative members for the boiler accounted for almost 40% of energy consumption in 2023. The target has been achieved.

Diesel consumption has been reduced by 2.8%. The reduction target has not been achieved. Replaced seven new diesel lorries and purchased two new 40-tonne trailers with electric pumps for milk collection. The commissioning of the new trailers has taken longer than expected, which is why the full effect of the investments is not expected to be realised until 2024. An electric lorry has been invested in for refrigerated transport, which started delivering goods to Aarhus in November 2023.

ENVIRONMENT AND CLIMATE IMPACT REDUCTION

RESULT 2023

RESULT AND EVALUATION, SCOPE 1 AND 2

As Thise has signed up to SBTi, we report our climate efforts according to its protocol.

According to the Protocol, Scope 2 emissions can be reported either by the location-based methodology or by the market-based methodology. Thise Dairy has chosen to report on the location-based method.

Based on the Danish Dairy Board's methodology to calculate the climate impact for Scope 1 and 2, the results for Thise Dairy for the last five years are shown in Figure 3. Furthermore, the min. target for 2030 is shown.

FACTS

The location-based methodology calculates Scope 2 in Denmark based on statistics. The amount of electricity supplied is multiplied by an emission factor determined based on the average distribution between green and black electricity in Denmark.

The market-based methodology calculates Scope 2 in Europe from trade with green electricity certificates. The amount of electricity delivered is multiplied by an emission factor based on residual values, i.e. the distribution between black electricity and the green electricity not sold on certificates. Certificates can be purchased to reduce market-based emissions from Scope 2.

CLIMATE IMPACT tCO2e

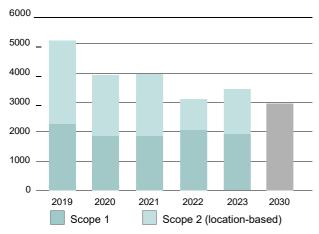


Figure 3: Development in climate impact, Scope 1 and 2.

DEVELOPMENT IN SCOPE 1, 2019-2023

There has been a slight decrease in Scope 1 due to the reduction in diesel consumption as stated above, as well as an increased share of HVO diesel.

DEVELOPMENT IN SCOPE 2, 2018-2022

For Scope 2, we have chosen location-based methodology in connection with the 50% reduction target for SBTi. Our power consumption is very constant, but the proportion of black power to green power in Denmark is not. In 2023, the share of black power in Denmark was significantly higher than in 2022. Therefore, Scope 2 has increased without increasing our power consumption. The increase was due to the commissioning of additional premises at the Dairy, which has been compensated for by the investment in solar panels.

RESULTS AND EVALUATION SCOPE 3

We report on waste under Dairy Scope 3. Sorting, optimising and reducing waste has been a focus point for several years, and in 2022 the work was concretised in a waste sorting strategy. The waste sorting strategy was fully implemented in 2023 with sorting into 10 different fractions. This has significantly increased the recycling rate, which has led to a reduction in the climate impact from waste by 39% from 2022 to 2023.

The development in Scope 3 from waste is shown in Figure 4. Emissions increased from 2021 and 2022 but decreased in 2023. However, we still have a large proportion of biomass boiler ash going to landfill, which contributes to the climate impact of waste with 40%.

CLIMATE IMPACT tCO2e

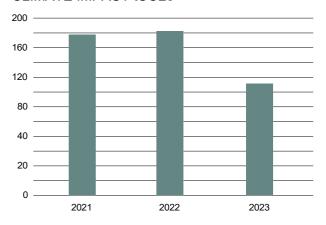


Figure 4: Development in climate impact, Scope 3, waste.

WORK AREA 2024

- Develop a long-term strategy for reducing climate impact and energy up to 2030
- Reduction of diesel consumption by 5% compared to 2023
- Energy source: Phasing out dieselpowered vehicles
- Energy source: Establish our own energy production
- Heat recovery
- Carbon Capture
- 25% reduction of waste to landfill
- 25% reduction of climate impact from waste

SOCIAL AND EMPLOYEE CONDITIONS





At Thise Dairy, we strive to create a healthy, attractive and safe working environment for all employees. We want a strong Thise Culture, a high degree of employee involvement, we prioritise the inclusive labour market, the Danish labour market model and great diversity.

STRATEGY

We create a healthy and safe working environment by actively working to reduce sickness absence and accidents at work. Through surveys, investments and optimisations, we work continuously to ensure that our working environment is as good as possible. We follow the agreements that have been entered into between the social partners and collaborate with various partners around the inclusive labour market.

RISK

We are constantly working to ensure that our employees thrive, and this is followed up by ongoing well-being surveys, a high degree of daily communication and dialogue between management and employees.

WORK AREA 2023

- Increased efforts to prevent workplace accidents. The target is to halve the number of accidents at work.
- We aim for the overall sickness absence rate at the Dairy to be below 4%. Moreover, we aim to ensure that no one is absent from work due to work-related stress.
- The number of staff employed under special conditions is set at min. 2%.
- Ensure and maintain a high level of training throughout the organisation.
- Further reduction of work routines where manual handling, monotonous repetitive work (red workplaces) is involved.



SOCIAL AND EMPLOYEE CONDITIONS

RESULT AND EVALUATION 2023

Workplace accidents have been reduced by 30%, so we are not quite there yet.

General sickness absence is on par with 2022 and below the target of 4%, but the share of long-term sickness absence has increased, but none of these are related to the workplace.

Employees on special conditions are just under 2%, the target is a minimum of 2%. We also have a strong focus on the integration of women from Ukraine.

In 2023, we conducted preparatory education for adults (FVU) screening on 162 employees and organised well-being days with 120 employees participating. Trainees are trained in the Dairy's IT maintenance and warehouse and logistics departments.

In 2023, investments were made in robotics and a wiping machine to reduce manual handling.

Employee turnover in 2023 was 6.6% and the average length of service is just over six years.





Thise Dairy's neighbours are invited, whenever possible, to visit once a year for the purpose of talking about the Dairy's activities. We host open days with guided tours on Thursdays during school holidays, collaborate with educational institutions on visits and work placements, support business, cultural and sporting activities in the local area.

WORK AREA 2024

- Step up action against accidents at work.
 The target is to halve the number of workplace accidents.
- That the overall general sickness absence at the Dairy should be below 4%, and that no one should be off sick with work-related stress.
- To ensure a diverse and inclusive company.
- Ensure and maintain a high level of training throughout the organisation.
- Further reduction of work routines where manual handling, monotonous repetitive work (red workplaces) is involved.

POUL'S FAREWELL RECEPTION

We honoured Poul's work for a Denmark in Balance unfolded locally ...

More than 700 guests from Denmark, and the rest of the world, turned up at Thise Dairy to shake Poul Pedersen's hand and thank him for his lifelong commitment to organics, decency, sustainability and to ... Thise Dairy. Poul was honoured in speeches and songs.

It was a loud, cheerful and moving farewell to Poul Johannes Pedersen, a unique figure in Danish dairy farming.

A worthy end to a truly unique career.



HUMAN RIGHTS, ANTI-CORRUPTION & GENDER REPRESENTATION





At Thise Dairy, we have a policy of zero tolerance regarding all forms of corruption, including extortion and bribery. As a company, we maintain a high standard concerning the fact that our employees do not give unauthorised gifts or other benefits to Danish, foreign and international officials or employees in private and public companies, and that our employees do not without authorisation receive, demand or dictate gifts or other benefits in a work-related context.

POLICY: HUMAN RIGHTS

At Thise Dairy, we work to ensure that we have no direct or indirect negative impact regarding internationally declared human rights. In every relationship, we contribute to ensure that human rights are respected.



PRODUCT INNOVATION

WORK AREA 2023

- Focus on eating quality and taste
- Whey-based products and the launch of some of them
- Cheese ripening in new dimensions
- More plant-based products

POLICY

It is our goal to produce tasty and safe organic food that reflects market demand and consumer expectations. In addition to launching at least one groundbreaking product/concept that adds something to the market that has not been seen before.

STRATEGY

Through innovation and food safety, Thise Dairy is constantly testing the market for new organic dairy products. Launching products that reflect the diversity of the cooperative community is part of this strategy.





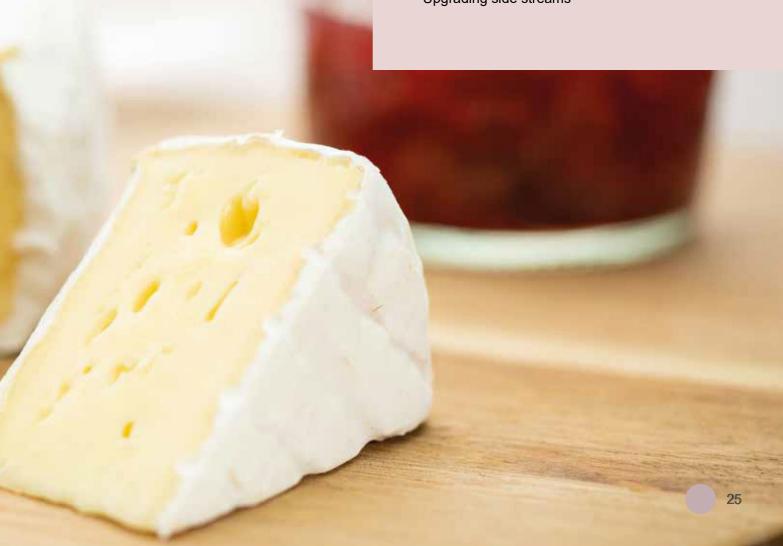
RESULT AND EVALUATION

- We launched new cheeses in the form of a white Cornflower, a red Cornflower and a PGI certified Havarti.
- We did not launch whey-based products and did not develop cheese ripening in new dimensions, so the goals were not achieved.
- · We launched plant-based oatgurt in 2023.



WORK AREA 2024

- Protein-rich products
- Products for people with a low appetite
- Upgrading side streams



PRODUCT PACKAGING

POLICES

At Thise Dairy, the Packaging Policy is part of the Environmental and Climate Impact Reduction Policy. Packaging used for products from Thise Dairy must, as far as possible, be recycled where the product is consumed. This means that the packaging must be adapted to the waste strategy at the location in question.

STRATEGY

Packaging should be designed to be sorted for recycling as many times as possible. The amount of material should be minimised as much as possible in the different types of packaging.

WORK AREA 2023

- · Reduce the amount of material
- Increase the possibility for reusing or recycling
- Increase the share of recycled material
- Select packaging that increases sortability and minimises food waste
- To ensure proper sorting, official waste sorting pictograms are put on our packaging















RESULTS AND EVALUATION SCOPE 3

- We have prepared a detailed statement of all packaging for 2021, 2022 and 2023 broken down into 16 different material fractions. We are now able to create detailed statements that show the outcome of the strategy and the actions we have taken in recent years in the packaging area.
- Figure 5 shows the development of Scope 3, packaging for 2021, 2022 and 2023.
- As can be seen, the climate impact has increased by 9.7%, which is because the total amount of packaging has increased by 9% due to higher sales of product units.
- In 2023, we made the decision to phase out plastic lids on our entire drinking milk range. With effect from Q1 2024, plastic lids will be entirely phased out.

WORK AREA 2023 - 2025

In each packaging category, we investigate and implement opportunities to:

- Reduce the amount of material per unit
- Increase the possibility for reusing or recycling
- Increase the share of recycled material
- Select packaging that increases sorting friendliness and minimises food waste
- Extended producer responsibility for packaging

CLIMATE IMPACT tCO2e SCOPE 3 PACKAGING

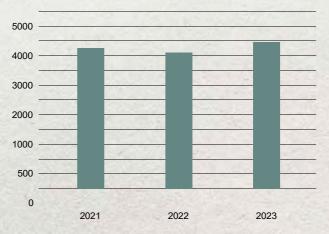


Figure 5: Development in climate impact.



WE WILL WORK WITH THAT IN 2024



THE DAIRY

THE PRODUCTS

LESS CLIMATE IMPACT

- Carbon analyses of farmland
- Carbon storage on organic dairy cattle farms
- Dairy Industry Climate Check

MORE NATURE

· Bio School

THE GOOD ANIMAL LIFE

 Herds with antibioticfree milk production

COOPERATIVE MEMBERS LOCALLY

- Organic day
- · Farm visits
- Agricultural shows

CLIMATE IMPACT

- Strategy for reducing climate impact and energy towards 2030
- 25% reduction of waste to landfill
- 25% reduction of climate impact from waste
- 5% reduction of diesel consumption compared to 2023

EMPLOYEE CONDITIONS

Healthy and safe workplace

THISE IN THE LOCAL COMMUNITY

 Active participation in the development of the local community

INNOVATION

- Protein-rich products
- Products for people with a low appetite
- Upgrading side streams

PACKAGING

- Plastic lids phased out on all drinking milk cartons
- Material reduction.
- More recycled material
- Increased sortability
- Extended producer responsibility for packaging







