2021
ESG REPORT

nature energy

Pioneering a sustainable future by turning waste into value

Contents

About this report This Environmental, Social and Governance Report from Nature Energy covers our sustainability activities for the financial year 2021, from 1 January 2021 to 31 December 2021. In accordance with the Danish Financial Statements Act, section 99a and 99b, our reporting is described separately in the Nature Energy Financial Report. We welcome any comments, suggestions or questions you may have with respect to this report. Please send an email to: sustainability@nature-energy.com

At a glance

On a mission to turn waste into green energy.

Renewable energy is key to solving our global climate challenges without compromising our modern lifestyles. At Nature Energy, we are leading the development of one of the most sustainable renewable energy alternatives: Biogas.

As one of the world's largest producers of CO_2-neutral* biogas, we make energy from other people's waste. We take organic waste from households and industry, as well as manure from farming, and transform it into biogas. This is used to heat homes and energy-intensive industries or transformed into fuel for transportation. Any residual waste is made into green fertilizer for farms.

As a hybrid biotech company, we design, build and operate our plants ourselves. We combine advanced molecular biology with traditional engineering and are working continually to make biogas more scalable and efficient. Our goal is simple: to have a positive impact on the world by making biogas a widely used global source of renewable energy.

Founded in

1979

Employees

300+

Biogas plants in Denmark and France

13

Plants opened each year since 2015

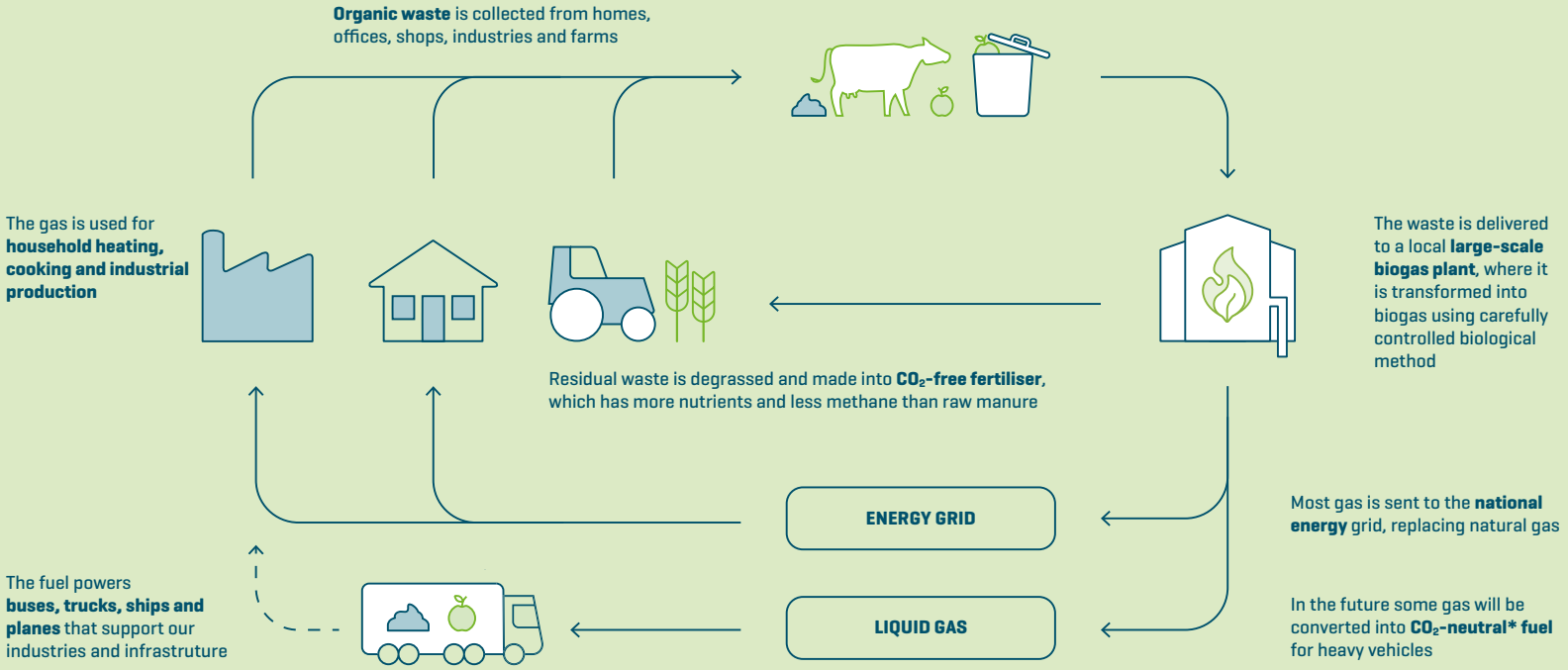
2

Most plants are part-owned by local farmers

Local ownership

* CO_2 = Carbon dioxide equivalents (CO_2e)
** Neutral according to "Directive (EU) 2018/2001 - Renewable Energy – Recast to 2030 (RED II) – Article 29".

We delivered **158,3 million m³** of biogas in 2021. That is enough to heat **140,000** households or fuel for **8,000** buses.



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Business model

Our business model follows a closed loop circular economy, converting waste into green energy.

We have proven that our business model of turning waste into energy can work in Denmark, and we are preparing to expand internationally.

Letter from the CEO

By 2035, biogas could supply 15% of Denmark's energy, replacing natural gas altogether.

Source: Energistatistik, EnergiStyrelsen 2021

As a large-scale producer of CO_2-neutral* biomethane, Nature Energy is pioneering a new green energy business, that will play an important role in the green transition. We have proven that our business model of turning waste into energy works in Denmark, and we are expanding internationally. So, this is an exciting time for our company. It is also a time of transition, as we are ready to embark on a journey to become more sustainable in our own operations.

The world needs biomethane
Biomethane has many advantages. As well as being CO_2-neutral* and removing waste, it can be distributed using existing gas infrastructure, which makes it very quick to scale. In just four years, Nature Energy has helped take biomethane from almost nothing to supplying more than 25% of the need for gas in Denmark. The potential is much bigger. Even before 2030 biomethane can replace all, natural gas in Denmark.

As the world looks to reduce the global CO2 emissions and reliance on natural gas, Nature Energy has a responsibility to help expand and scale biomethane production globally. This is our priority – and an achievable goal. Our business model is global by nature; our plants are designed for large scale production, and they can be located and operated anywhere.

Acting on our commitment, we are expanding our operations into France, the Netherlands, Canada, and the US. In addition, we are working with national governments and local decisionmakers to realize the potential of biomethane and we played a role in putting biomethane on the agenda at COP26 in Glasgow last year.

As we are strengthening biomethane as a viable green energy solution, we must at the same time reduce our own CO2 emissions in our own operations. Currently, our biogas plants operate om non-renewable energy sources and the trucks run on diesel fuel. This is something that we are determined to change.

A circular economy
A biogas plant is an excellent example of the circular economy. It takes waste from local homes, farms, and industries, and supplies clean energy and organic fertilizer in return. This is a unique service of great value, which can ultimately help communities move towards energy self-sufficiency by reducing reliance on energies like coal, oil, and natural gas.

For a biogas plant to succeed, the local community must feel engaged in its success. That is why we ensure our plants are co-owned by the local farmers. And as a responsible neighbour, we are working hard to minimize the impact from the operation such as odours and transport of biomasses.

Setting the standards
In many ways, biogas is a new field. It has been produced for years, but only on small scale, at farm-based plants. The industry is therefore still underregulated. As one of the first companies to industrialize and upscale biogas production, we believe our experience can be helpful in setting standards. Therefore, we are in ongoing dialog with governments, local authorities, and industry to help establish realistic and practicable standards, for instance, for safety in operation around plant safety and methane emission from the plants. We also played a role in putting biomethane on the agenda at COP26 in Glasgow.

In 2021 we applied for membership of the UN Global Compact and are committed to following its principles on human rights, labour, the environment, and anti-corruption.

A pioneer in the biogas industry
Biomethane has a huge potential. As a pioneer in large-scale biogas production, Nature Energy is determined to drive the industry forward, not just in terms of technology and production, but also within ESG. We are starting with our own company, by being ambitious in our goals and transparent in our progress. This report marks a key milestone in that transition.

Ole Hvelplund, CEO

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Our approach to sustainability

Governance of sustainability

Sound sustainability governance is a prerequisite for ensuring accountability and transparency in decision-making and risk management. Therefore, we have built a new governance structure to lead our strategy and implementation process going forward.

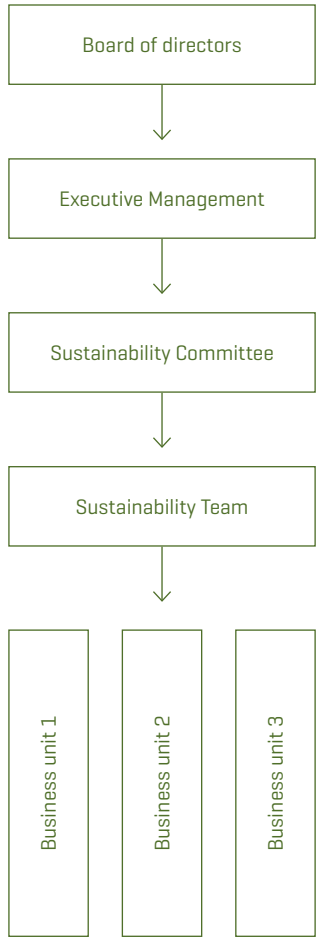
Our new Sustainability Committee will start in 2022. Led by the CFO and with the participation of functional leaders from procurement, HR, sales, Legal and production, the Sustainability Committee oversees our corporate sustainability strategy and reports directly to the Executive Management Team. It updates the Sustainability Committee on targets and progress, and ensures the strategy is developed and implemented.

Our sustainability foundation
We are in the process of building a foundation for sustainability governance, including risk management, structures and measurements. The table below shows the foundation in 2021 and our ambitions for 2022. We will continue to strengthen this area of our organization in the coming years.

HOW WE BUILD OUR SUSTAINABILITY FOUNDATION

	Commitments	Ambition & strategy	Policies	Management processes	Reporting
2021	Application sent for membership of UN Global Compact	We aim to be a world leader in transforming waste and residues into green energy New sustainability strategy under development	Policy for working environment & safety	Environmental and health & safety management systems in Denmark Certifications? 9001 45001 ESG baseline on basic KPIs	Our first ESG Report
Planned 2022	Signature of UN Global Compact ESG targets and commitments set	Launch group sustainability strategy	Code of Conduct ESG policy Supplier Code of Conduct including policy for supplier ethics	Double materiality assessment ESG baseline on strategic KPIs	ESG Report (including Global Compact Communication on Progress)

SUSTAINABILITY GOVERNANCE STRUCTURE



Our Code of Conduct was prepared in 2021, ready for approval and implementation in 2022. It provides an internal framework for how we grow our business based on our company values and lays out what is expected of our internal organization in terms of responsible behavior. Our Code of Conduct will include high level guidance in the following key areas:

- Employee conduct
- Health & safety
- Product quality
- Sustainability
- Dealing with customers
- Business ethics and anti-corruption

"It is our ambition to reach the highest level of transparency and integrity wherever we operate, regardless of what is considered acceptable in local business practice".

In 2022, we will develop a ESG policy that addresses the high risk areas of our business and builds upon our Code of Conduct and the principles in the UN Global Compact . The purpose of the policy is to guide, report and document the way in which we handle sustainability issues in the organization.

On our pathway towards a sustainability strategy

In recent years, we have had full focus on developing the best biogas technologies, pioneering the market and becoming one of the first companies to scale up biogas production. We are fully aware that we now need to increase focus on improving standards within our own operations.

Our organization is maturing. To ensure success in this strategy period, it is essential that we recruit relevant competencies and implement a more structured approach to internal development. At the same time, we have the ambition to develop a strong sustainability strategy that addresses our material issues. We expect this strategy to be ready for implementation in the second quarter of 2022.

I It is our ambition to reach the highest level of transparency and integrity wherever we operate, regardless of what is considered acceptable in local business practice.

Materiality
In 2019, we prioritized resources in order to apply the UN Sustainable Development Goals (SDGs) as the starting point for prioritizing our material sustainability topics and focus areas.
In 2021, we identified a list of material ESG topics for our company, based on desktop research and considering the industry-specific ESG risks covered by the Value Reporting Foundation's SASB Standards or the MSCI Materiality Map. The table below shows our material topics along our value chain.

We will validate our list of material topics in 2022. We will then engage relevant stakeholders to help further expand our materiality assessment and assess the financial effects from a double materiality perspective.
Our ambition is twofold: To address the ESG risks that our business may pose to people and the planet; and to address risks that may expose Nature Energy to increased operational cost, supply chain disruptions or reputational damage.

Preparing data
As part of our upcoming ESG strategy in 2022, we will develop KPIs and metrics to support and measure our progress. For this first EGS Report, we have developed baseline KPIs for the core ESG figures recommended by FSR, the Danish Association of Certified Public Accountants.

As a green energy producer, we are aware that the EU taxonomy is relevant for our company. We will further investigate how to align our business with the detailed classification of sustainable activities in the taxonomy.

OUR MATERIAL ESG TOPICS

Environment	Social	Governance
Climate change & energy management	Employee health & safety	Socio/environmental impact of project & plant design
Ecological & biodiversity impact	Product quality & safety	Business ethics
Air quality	Community relations	Supply chain management
Water management & water efficiency		Management of the legal & regulatory environment
Waste management		Critical incident risk management

Climate change

A green future with biogas

Climate change is the biggest challenge of our time. Solutions that deliver green renewable energy with reduced CO_2 emissions are vital to ensuring high life quality for people around the globe.

Biogas is a promising example of one such solution. At its core biogas is a mixture of gases, primarily consisting of methane and carbon dioxide, produced from raw materials such as agricultural waste, manure and food waste. It is a renewable energy source because its production-and-use cycle is continuous, and it generates no net carbon dioxide.

Biogas contributes to solving two of the world's biggest challenges:

- **Climate change:** To solve the global climate challenge, we need more sustainable green energy sources to supplement traditional renewables, such as wind, solar and hydropower. Biogas is an excellent solution as every country has the necessary raw material and it results in highly efficient energy performance.
- **Waste reduction/circular economy:** There is an urgent need for circular solutions to deal with the increasing volumes of waste. Biogas turns waste into value, as it is made from waste taken from households, businesses and farming.

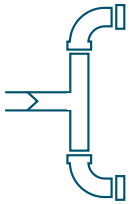
Operating large-scale production of biogas
Biogas has been made for many years, but only on a small scale. Through our build, own and operate business model, we are pioneering large-scale production of biogas. This has enabled us to significantly increase output while lowering costs. By 2029, we expect to halve production cost compared to 2019.

To achieve these results, we combine advanced biotech, classic production and logistics in two dimensions:

- **Biotech & R&D:** We apply advanced biotech to biogas, so we can better understand the potential of the waste we receive and extract the maximum amount of energy from every molecule.
- **Logistics & engineering:** We own and control the entire value chain, from waste collection to production and distribution, which means we can fully optimize every aspect of production.

Our circular business model
We make biogas using organic food waste from households and businesses, as well as manure and residues from farming. Using unique production technologies, we are able to deliver three different categories of products to our customers. All three products can be stored and saved for later use.

Biogas for the national energy grid
All of the biogas we produce is cleaned and delivered to the national gas grid, as a direct replacement for natural gas. It is used as fuel for household and municipal heating, cooking and energy-intensive industrial processes.



Fluid and compressed biogas for transportation fuel
Some of our biogas is converted into CO_2-neutral* compressed fuel (CBG) or fluid fuel (LBG) for heavy vehicles, such as buses, trucks and ships.

Degassed fertilizer for farming
Organic waste from the biogas plant is degassed and used as green fertilizer for farming. As the fertilizer has been degassed, it contains less methane (a potent greenhouse) than traditional fertilizer, making it a more sustainable alternative than manure taken directly from livestock.

* CO_2 = Carbon dioxide equivalents (CO_2e)
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Applying advanced technology

Producing biogas is a complicated process that works a little like a stomach. By refining and adjusting the biological system that digests the raw materials, we have created an advanced process that can deliver a range of sustainable, and very useful, products from a wide range of organic waste.

Local waste to local value

We take organic waste that people, businesses and farmers no longer want and turn it into energy that they can use to heat their homes, cook their food, power their vehicles and drive their businesses. Our organic waste is used to fertilize local crops.

DEVELOPMENT IN PRODUCTION AND RAW MATERIAL CONSUMPTION

	2019	2020	2021
Biogas production (mio. m^3)	86.2	127.6	158.3
Waste converted to biogas (t.tonnes)	492.2	751.1	945.8
Manure converted to biogas (t.tonnes)	2,207.2	2,947.5	3,352.4
Degassed fertilizers for farming (t.tonnes produced)	2,519.9	3,385.9	4,160.0

Reducing the environmental impact of our operations

We are aware that we still have work to do in order to become sustainable in our own production. We still use fossil fuels for our plants and our own vehicles, for example, even though we deliver biogas to gas stations, which is used to fuel third-party heavy-duty vehicles and busses in Denmark.

In addition, we are investigating how we can use our own products for our logistics. We are committed to integrating circularity in everything we do, and this includes converting waste into fuel for our own operations. Unfortunately, we have not yet identified a feasible way for our heavy trucks to transition to biogas. However, we continue to monitor market developments closely and are working with relevant stakeholders to accelerate the development of infrastructure for green fuels.

Our climate ambitions

- We will become climate neutral in our own operations by 2030 (scope 1+2)
- We will report our scope 3 emissions and set targets in 2023
- We will find new solutions to fuel our own trucks with biogas from our production
- We will investigate how to convert to green energy in our own plants and offices
- energy in our own plants and offices

Closing the loop on the circular economy

In Holsted and Midtfyn, organic food waste used to be sent to incineration. Now it is being used to power the local economy.

As a waste management service provider, Ragn-Sells collects and processes waste from supermarkets, small farms and other businesses. Since 2015, we have been working with Ragn-Sells in Holsted and Midtfyn to turn all the organic food waste it collects into energy.

Under the partnership, Ragn-Sells delivers organic food waste directly to their purpose-built sorting facility located at our biogas sites in Holsted and Midtfyn. Any plastic, metal, paper or other non-organic waste is separated and taken for correct disposal; the rest is pumped directly into our local biogas plant. Here, a carefully managed biological process converts the waste into CO_2-neutral* biogas. This biogas is sent directly to the national energy grid, where it is used to heat homes and power businesses. Any organic waste from the biogas plant is de-gassed and used as organic fertilizer on local farms.

The partnership has proven a significant success. When it began in 2015, around 18.000 tonnes of organic waste was collected by Ragn-Sells in Holsted and Midtfyn and converted into biogas. In 2021, this rose to 149.000 tonnes, providing enough biogas to heat more than 8.000 households.

Fast facts

The waste management partnership with Ragn-Sells has been running in Holsted since 2015 and Midtfyn since 2016.

As part of the partnership, Ragn-Sells leases buildings from Nature Energy in which they operate their organic waste sorting facilities.

The arrangement with Ragn-Sells cuts down on transport costs and emissions as food waste is taken directly from the sorting facility into the biogas plant.

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** Neutral according to "Directive (EU) 2018/2001 - Renewable Energy – Recast to 2030 (RED II) – Article 29".

Focus on our people

Focus on our people

Biogas production is an up-and-coming industry with strong opportunities for job creation in rural areas where plants are located. We employ local workers to operate our plants and to transport raw materials and products.

We are working to further develop our products, refine the production process and build scale and capacity. To drive this, we are hiring very skilled people, including process engineers, biologists and biochemists. We will continue to expand our resources and capabilities in the future as we explore the possibilities of this new and expanding industry.

The recruitment of skilled people is critical for our company, as we need many well-educated people to support our innovation and development as a biotech company.

As we build our organization, we are building on our company's pioneering spirit and culture. However, we are also aware that, as we expand and mature, we need to implement a more structured approach to company culture and people development, as well as policies to guide us on our growth journey.

Therefore, we hired a new Head of People & Culture in 2021 to help us find the best balance as we expand our staff, locations and business complexity.

Ensuring safe working conditions
Working with biogas production can be dangerous. The raw waste and manure must be handled carefully and correctly to avoid health risk, and there are also a number of manual processes required for plant operation. We therefore have very strong focus on health and safety in our plants.

We saw an increase in sick leave in 2020 and 2021, mainly due to Covid-19, which affected our company as well as all other areas of society.

Development in sick leave and accidents at work
We have the following policies defined within health & safety:

- Working environment
- Work safety
- Stress

Our ambition:

- We strive for zero accidents
- We want to reduce our sick leave to below 1% as before Covid-19

Employee engagement
We conducted our employee engagement survey again in 2021, with a participation rate of 89 %. This year we saw strong improvement in cross-functional collaboration; 78/100 (+4).

To support our growth ambitions, in 2021 we decided to initiate a mandatory leadership training program for all managers at Nature Energy.

We also welcomed the second class of graduates in our Nature Energy Graduate Program. Designed for technical employees, the program requires participants to work in various parts of our business, from operations to construction and engineering. This variety gives participants a broad understanding of the business and

DEVELOPMENT IN ACCIDENTS AND SICK LEAVE

		2021	2020	2019
Sick leave	Days/FTE	1.97 %	1.36 %	0.99 %
Accidents at work	Incidences	2	2	N/A

Biogas production is an up-coming industry with strong opportunities for job creation

enables them to better match their skillset and interests to future work opportunities.
As well as being valuable for participants, we believe the program adds value to our company as a whole. Having rotated to several functions during the program, our graduates are uniquely positioned to improve the way we work together across functions.

The program is important for attracting and retaining the best young talent in a competitive job market. During 2022, we will explore options to expand the program by establishing a new commercial track.

As we grow as a company and expand into new markets, we are able to offer attractive opportunities for our people while championing the Nature Energy way of doing business wherever we work.

Diversity & inclusion
At Nature Energy, we consider diversity a strength. Nature Energy is an equal opportunity employer, and we strive to create an open, inclusive and engaged culture where our employees can fully enjoy their work and trust their colleagues. This begins with providing equal opportunities for people of all ages, genders, nationalities, religions, political opinions and abilities.

Our sector has traditionally been a male-dominated industry, which poses a challenge for the industry and for our company. The starting point for improving gender diversity in our workforce is to monitor the demographics of our employees, with the aim of tracking and improving the gender balance over time. As of 31 December 2021, the underrepresented gender was female, constituting 16 % of our workforce.

People are encouraged to apply for Nature Energy positions, irrespective of their gender, age, nationality, sexual orientation, religion or ethnicity, and decisions regarding recruitment, promotion and dismissal are not influenced by these factors. Our employees have equal opportunities for career development and management positions.

We believe that the tone set at the top is important, not least when it comes to diversity and inclusion. In 2021, women comprised 15 % of our management. Nature Energy has as ambition to increase the representation of women in management.

The Board of Directors wants to ensure relevant board composition regarding qualifications and experience. The Board of Directors consists of six members, currently all men. Our goal is to increase the share of the underrepresented gender in the Board of Directors.

Ensuring responsible business practices

Anti-corruption

At Nature Energy, we have a zero-tolerance policy towards corruption and bribery in any form, and we are committed to the highest standards of ethics and integrity in all our business operations. Nature Energy's reputation for integrity is key to our business.

As a company operating in the energy sector, we are aware that our main business ethics risks lie in our collaboration with third parties. Working against corruption, especially given our business model of close engagement with local communities, is simply part of Nature Energy's license to operate.

In 2021, we worked to establish our first Code of Conduct and, in 2022, we plan to establish our first ESG Policy. Both of these cover business ethics. We also laid the foundation for an Ethics Screening Policy, which will be rolled out in 2022 and sets the framework for how we screen our business partners.

While we focus on establishing the right policies to guide our efforts, we also acknowledge that those policies must be integrated in our processes to have an impact. To this end, we plan to integrate core compliance training programs into our onboarding process for new colleagues, which will include topics such as anti-corruption, bribery, conflicts of interest and hospitality.

We have committed to establishing a whistleblower system to ensure that our employees and other stakeholders have the option to raise any concerns or complaints with us, at any time and from anywhere.

We comply with the law and regulations in the countries in which we operate. We did not identify any cases of corrupt practices in our organization during 2021.

At Nature Energy, we consider responsible business practice to be foundational to a transparent, efficient and prosperous business environment, and we continually strengthen our understanding of business ethics risks throughout our organization and in our collaboration with business partners.

We have no confirmed cases of corruption or unethical behavior during 2021.

Human rights and labor rights

Nature Energy is committed to respecting human rights and labor rights as set out in the Universal Declaration of Human Rights and the Fundamental Conventions of the International Labor Organization (ILO).

A central element of corporate respect for human rights relates to stakeholder engagement. Ensuring respect for stakeholders – including our employees, customers, suppliers and local communities – requires direct engagement with them. At Nature Energy, we are in continuous dialogue with external stakeholders, including local communities and local and national authorities, to ensure we identify and mitigate any adverse impacts resulting from our plants, at home or abroad.

During 2021, we worked to develop our first Code of Conduct, which reflects our commitment to the UN Global Compact and its principles related to human rights and labor rights, among other areas. We expect to formalize and implement this Code in our organization in 2022 we will also formalize our first ESG Policy.

Nature Energy respects our employees' right to freedom of association and collective bargaining, and our employment relations are based on industry guidance from Dansk Industri.

Going forward, we will begin working with our suppliers and subcontractors to promote sound working conditions and protect human and labor rights throughout our value chain.

Our ambitions

- Set up an Ethics Screening Policy in 2023
- Explore setting up a whistleblower mechanism in 2022
- Establish core compliance training, including anti-corruption, bribery, conflict of interest, hospitality and gifts, etc. as part of onboarding (starting 2022)
- Launch Code of Conduct for employees and third parties, including provisions on environment, human rights, labor rights and anti-corruption

Sustainable sourcing

In our dealings with suppliers and subcontractors, we require compliance with all current legislation, and we are currently working to establish our first Code of Conduct covering third parties. This is an important step towards anchoring our policies on human and labor

In 2021, we worked to establish our first Code of Conduct and, in 2022, we plan to establish our first ESG Policy

rights, anti-corruption and environmental sustainability in our procurement practices.

At Nature Energy, we negotiate the purchase of key construction material categories directly with leading wholesalers, which centralizes a large portion of our procurement and promotes long-term relations with key material suppliers. With this approach, we consider the risk of business ethics breaches to be somewhat mitigated. Additionally, substantial purchasing decisions are made at the relevant authority level, and approval processes are in place. During 2021, we had special focus on working with suppliers to increase our use of certified or certifiable biomass. Key initiatives include improving the traceability of products and working with key food waste suppliers to improve the quality of biopulp through heat treatment.

In the coming years, we will work to further formalize our procurement processes and Code of Conduct, as these form the basis of our engagement with suppliers and subcontractors on sustainable products and responsible business practices.

Our business is a vital part of local communities. Every plant is part owned by local farmers and other members of the community; they benefit from its success and have an added incentive to make it work.

Stakeholder engagement

We are a pioneering company with a breakthrough technology, operating in an area of the green energy transition that is still immature. Therefore, communication with stakeholders is crucial to creating necessary support as we move forward.

We engage with many different key stakeholders. We are in dialog with local communities, local councils, national governments and other bodies to increase the understanding of biogas and expand the market. At the same time, as a forerunner, we are setting standards for the industry and use our know-how and expertise to help define frameworks/regulations for biogas plants, in collaboration with legislative bodies.

HOW WE ENGAGE WITH OUR STAKEHOLDERS

Stakeholders	Subjects	Engagement format
Owners	Financials Access to funding Risk management Opportunity management	Investor relations
Customers	Inspiration to increase use of biogas	Business operations
Employees	A good place to work Building competences and the organization	Daily operations Employee development dialogues Information meetings Internal communication channels
Farmers/suppliers	Raw material supply to upscale production	Dialogs Closer engagement plans being developed
Communities	Environmental impact of production	Neighbor meetings and dialogues Cooperation with municipalities
Governments	Regulations around biogas production Information about opportunities in biogas	Dialogues Information meetings
External partners, science, R&D, industry influencers, etc.	Opportunities in biogas Partnership solutions Pathways for increased use of biogas	Dialogues Conferences Information meetings

Denmark's first LBG plant

Nature Energy is working with partners to accelerate the green transition by building essential facilities.

A more sustainable ferry-operation is a crucial focus area for Samsø Rederi. Soon we can take a step forward and use LBG produced in Denmark.

Carsten Kruse, Ferry Director of Danish ferry operator Samsø Rederi

Many trucks and shipping vessels in Scandinavia operate on liquified biogas (LBG), a CO_2-neutral equivalent of liquified natural gas (LNG). However, these vehicles are rare in Denmark for a simple reason: no LBG is produced in the country. This is a common issue around the world, as much of the infrastructure and facilities needed for a green economy are not yet in place.

In Denmark, we are working with MAKEEN Energy to accelerate the transition by building Denmark's first LBG-plant. The plant will be located in Frederikshavn and is scheduled to open in 2023.

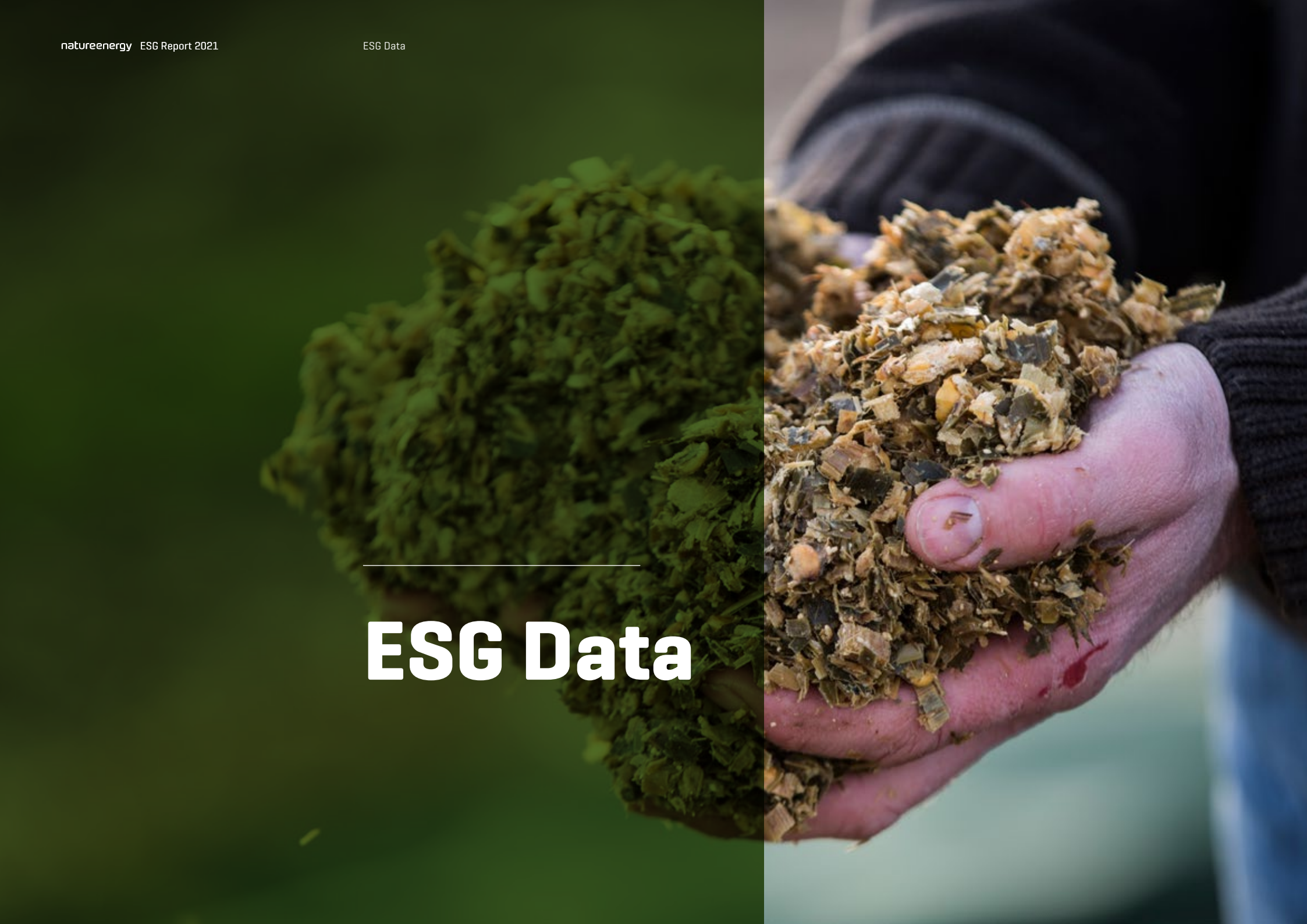
There is clearly high demand for the solution. Between 60,000 and 100,000 ships pass through Port Frederikshavn each year. An increasing number of these run on liquid gas. When the new plant is complete, these vessels will be able to choose the more environmentally friendly LBG. Trucks, buses and other heavy road vehicles will also be able fuel up on LBG from the plant, making it possible for Danish municipalities and companies – including Nature Energy – to run their heavy vehicle fleets on CO_2-neutral fuel.

Fast facts

The plant will have an annual capacity of around 20,000 tonnes, with the potential to expand to 120,000 tonnes. To put this in perspective, Danish ferry company Samsølinjen uses around 3,000-4,000 tonnes of liquified natural gas per year.

MAKEEN Energy is a specialist in developing equipment and projects to cool down gasses. Nature Energy and MAKEEN Energy have established a shared company to drive the project, named Nordic Liquefaction (NORDLIQ).

Bunker One, one of the world's largest suppliers of marine fuels, has already agreed to distribute LBG from the plant to the marine industry.



ESG Data

Accounting principles

Energy

- **Scope of data:** The data is only collected for the primary business area (i.e. biogas plants) and does not include administration or other business areas.
- **Scope 1** includes direct emissions from plants in connection with production. Only CO_2 emissions (and no other greenhouse gases) are included. The scope contains gas consumption and heating oil used for heating in connection with production, fuel for transporting biomass and sales of CO_2 to Strandmøllen. The scope does not include emissions of CH_4, as it is assumed that the amount of CH_4 introduced into the biogas plant is equal to the amount of CH_4 emitted by the plant. Emissions from the head office in Odense and the office in Støvring are not included.
- **Scope 2** includes indirect CO_2 emissions in connection with production (electricity consumption and surplus heat). Only CO_2 emissions (and no other greenhouse gases) are included.
- **Energy consumption** is based on the invoiced amount. CO_2 equivalents are calculated as 36.4% of the consumed amount. The percentage is set by Seas, our energy supplier. The amount of used heating oil, excess heat and natural gas are all based on the invoiced amount. For one of the plants, solar power was used in 2021. The amount is based on meter readings. The total energy consumption is measured in kWh and then transformed to GJ by dividing by 1000 and multiplying by 3.6.
- **Share of renewable energy** is calculated based on the general declaration from Seas. The declaration for 2021 has not been published so an average of 2019 and 2020 was used. In 2020 and 2021, energy certificates were purchased. The amount was based on the invoiced amount. The amount of renewable energy from the use of gas is based on the share of biogas in the gas net, where biogas is assumed to be 100% renewable energy. This information was available on EnergiNet.dk. The amount of renewable energy from the four different renewable energy types was divided by the total consumption of energy to find the percentage.
- **Water consumption** is compiled by combining the amount of purchased water with water used from our private well. The purchased amount is based on the invoiced amount whereas the amount from the private well is based on meter readings. For 2021, the purchased amount is based on the aconto spending, as the actual amount will not be available until the summer of 2022. The amounts are measured in m^3.

Social

- **The data** is collected for all our Danish companies.
- **Accidents at work** are accidents with absence of 1 or more days following the day the accident occurred.
- **Lost time injury frequency** is calculated as the number of lost time injuries that occurred per 1 million hours worked, where hours worked is defined as the number of internal employees (not including temps, student helpers, etc.) multiplied by the number of workdays (excluding public holidays and vacation). The calculation assumes 7.4 hours worked per day. The LTIF is calculated on a 12-month rolling basis and does not include external workers, such as contractors. On average there are 253 workdays per year, ranging from 252 to 254. In 2021, there were 254 days, in 2020 254 days and in 2019 252 days.
- **Leadership training** is calculated as the proportion of managers who had completed a management education at the end of 2021. N/A is specified for 2019 and 2020 as no valid data exists.

ESG DATA OVERVIEW

KPI	Metrics	2021	2020	2019
Energy				
CO_2 scope 1	Kilo tons	43	33	23
CO_2 scope 2	Kilo tons	41	33	23
Energy consumption*	GJ	1,140	920	603
Share of renewable energy*	GJ	242	174	81
Water consumption	m^3	337,584	220,907	138,390
Social				
Full-time employees*	FTE	262	243	228
Sick leave*	Days/FTE	1.97 %	1.36 %	0.99 %
Accidents at work	Incidence	2	2	N/A
Accidents at work	LTIF	6.7	N/A	N/A
Employee satisfaction	Index	71	72	75
Leadership training	%	87 %	N/A	N/A
Gender diversity*	%	16 %	16 %	19 %
Gender diversity, management*	%	15 %	15 %	21 %
Employee turnover*	%	16 %	15 %	23 %
Governance				
Board attendance	%	96.7 %	97.2 %	83.3 %

*The figures are calculated according to the definitions specified in "ESG key figures in the annual report", January 2022 by FSR, the Danish Association of Certified Public Accountants.

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