Danish Crown Group Animal Welfare Position Statement

July 2021 - Version 1.1
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1. Key Principles

1.1. Our company
Danish Crown Group is a global meat processing company and among the largest in its field. As such we recognise the impact of our global activities – on the animals in our care, on our own workforce, on the environment and on the communities in which we operate – and we recognise our responsibility for seeking to make that impact positive. As a farmer-owned cooperative, we are constantly reminded of our obligations and responsibilities towards our surroundings.

Danish Crown is owned by more than 6,000 Danish farmers. Over the years, we have worked closely with our owners and with more than 13,000 farmers supplying our interests in other markets, as well as with researchers and organisations in the agricultural sector to develop a high-quality and sustainable livestock production with a focus on parameters such as animal welfare, breeding and rearing, and veterinary health. Reflecting its leading market position, Danish Crown is a key driver of welfare advances in many areas, such as market-leading antibiotics control and the development of free farrowing systems in Denmark.

1.2. Sustainable business
We believe that good business is predicated on good animal health and welfare, but this is not just a demand from our farmer owners. A sustainable business requires that we meet and exceed both customer and consumer expectations, and in each of our four home markets – and in many of our export markets – consumer demand for higher welfare standards continues to grow. Meeting these demands is an essential element of our licence to produce. Danish Crown has developed a sustainability strategy where animal welfare, veterinary safety and the use of antibiotics are just some of the elements that fall within our ‘Sustainable Farming’ programme. Specific actions to achieve each of our sustainability commitments are detailed in our Sustainability Report and progress is reported annually.

1.3. Animal Welfare in Danish Crown
The good quality of our products starts on the farm and at the slaughterhouse. Care and respect for the animals and nature are crucial for ensuring that we can produce high-quality products and create value for our customers and for consumers – and, at the end of the day, for our owners. We expect our farmers to comply with all relevant European and National legislation, and our Code of Conduct requires that all animals are treated humanely, their needs are met and the globally recognized Five Freedoms (as defined by the Farm Animal Welfare Council) are respected.

The Five Freedoms
- Freedom from hunger & thirst - by ready access to fresh water and a diet to maintain full health & vigor.
- Freedom from discomfort - by providing an appropriate environment including shelter and a comfortable resting area.
- Freedom from pain, injury, or disease - by prevention or rapid diagnosis and treatment
- Freedom to express normal behavior - by providing sufficient space, proper facilities, and the company of the animal's own kind.
- Freedom from fear & distress - by ensuring conditions and care which avoid mental suffering.
In addition to meeting both the EU and national animal welfare legislation, and reflecting a clear market focus, Danish Crown operates within industry standards such as the Global Red Meat Standard, Danish Product Standard and the Danish Crown Product Standard for UK Welfare Pigs in Denmark, the QS scheme in Germany, and the Grundcertificering Gris in Sweden. In addition, Danish Crown businesses have developed a range of programmes to deliver higher welfare products to meet specific market, customer, and consumer requirements, such as Dansk Kalv in Denmark, Together into the Future in Poland, and many others. Both our farms and production sites are regularly audited by independent parties, such as government organizations, assurance scheme auditors and our customers.

Our markets also demand the highest levels of food safety, and our standards are linked directly to all welfare systems across the business. This can be seen, for example, in the area of antibiotic usage in Denmark, where the national VetStat system and Yellow Card schemes deliver some of the lowest levels of livestock antibiotic usage of all major pig and cattle producing countries.

We are committed to driving up animal welfare standards within the business and with our suppliers. We participate in knowledge sharing programmes, collaborate with the industry and educational institutions, and participate in projects aimed at enhancing farm animal welfare. In addition, we are constantly developing our own animal welfare concepts in Danish Crown, and our farmers are always encouraged to join one of our concepts or any of the independent farm assurance schemes. Farmers participating in higher welfare programmes are rewarded with sustainable pricing and premiums.

1.4. Traceability
Robust traceability systems are demanded by both customers and consumers to ensure that the expected standards of food safety, and animal health and welfare are consistently delivered. All of our supply chains are required to meet levels of traceability as set out in EU legislation, but we also deliver higher levels in order to meet standards set out in national legislation and a range of quality assurance schemes and customer standards. Those standards extend to inputs to the various livestock systems and include, for example, animal feed and its constituent ingredients, and livestock medicines.

For example, Danish beef can always be traced back to the farm where the animal was raised. All cattle have an 11-digit earmark. The first six digits indicate where the animal was born, and the last five digits are the specific number of the individual animal. Earmarking ensures full traceability throughout the food chain from farm to table. The animal carries the same ear tags throughout its life, and the tag on the left ear contains a chip, allowing the farmer to access the information using a scanner.

When it comes to pigs, we can track the meat to the daily production. We always know which group of farms delivered the pigs for slaughter on a particular day, and therefore, we are able to trace our pork to the farm-group level.
2. Scope of the document

Danish Crown is the largest pork processor and the fifth largest beef processor in the EU, and trades with more than 130 markets across the globe. As a group, we have primary processing interests in Denmark, Sweden, Poland, and Germany, and in 2020 we processed some 18.1 million pigs, 749,000 cattle and just over 34,000 sheep. We also have manufacturing operations in the UK, France, the Netherlands, and China, while our DAT-Schaub business has interests in approximately 30 markets.

The proportions of pigs and cattle slaughtered at Danish Crown abattoirs in Denmark, Germany, Poland, and Sweden. All the sheep in Danish Crown’s supply chain are processed in Sweden and that represents <0.003% of total group production.
While the only primary sheep processing operation within Danish Crown Group is based in Sweden and is self-sufficient in locally grown animals, some of our brands include products with lamb, as well as poultry, where animals have been slaughtered externally. A limited number of branded products include lamb and poultry within their ranges, and aside from our Swedish supply chain, the raw materials are processed externally. Our DAT-Schaub business adds value to slaughter by-products, and as such, sources raw materials both within the group and externally and is not within the scope of the document.

Our group animal welfare position applies to all markets, all animal species (pigs, cattle, sheep) processed within the group, and all products for private label use.

### Sheep and Poultry in the DAT-Schaub and ESS-Food supply chains

- Our DAT-Schaub business focusses on adding value to slaughter by-products, and without access to ovine raw materials from our own primary processing, these commodity-traded raw materials are sourced from a number of markets globally. As slaughter by-products, they are outside of the group animal welfare position statement.

- ESS-Foods is a global trading operation that sources products globally to meet the specified requirements of customers across all continents. Within this business, and under the ESS-Foods and DAT-Schaub brands, lamb and poultry products are featured within the range.

- While these lamb and poultry meat products are an integral part of the customer offer, their contribution to total group volumes is limited. Sheep/lamb and poultry represent 0.1% and 6% respectively of pig and livestock volumes.

- As with all products offered by the group, robust traceability systems are demanded of all suppliers to meet the requirements of customers and consumers to deliver the expected standards of food safety. All suppliers are required to confirm adherence to national legislation. Some 88% of lamb meat is sourced from the EU, Australia and New Zealand, and 33% of poultry from the EU, 44% from South America, and 20% from North America.

- Incomplete data precludes clear positions on other elements for lamb and poultry products in these brands, but a project is in place to deliver further information. Initial sample data from the poultry supply chain confirms:
  - 100% pre-slaughter stun
  - 100% cage free
  - No prophylactic use of antibiotics
  - No antibiotics or hormones for growth promotion
3. Management of Animal Welfare

Within Danish Crown group, the Sustainable Farming Board is responsible for the strategic development of animal welfare. A Senior Management Group, comprising senior executives from across the Danish Crown Group, oversees the development of overall welfare policies. Agriculture Supply Chain Teams in each market work to ensure that animal welfare standards are maintained and gradually improved. They are supported by dedicated teams including animal health and welfare and food safety specialists who work with our supply chains, customers, and industry organizations to ensure that prescribed standards are consistently implemented. We have a three-stage audit process which involves a self-audit by highly trained employees at both the farms and the slaughterhouses, thorough veterinary inspection at all stages, and a significant number of third party unannounced visits from the authorities and customers to audit compliance with welfare legislation.

While there may be differences in scope and detail between our various markets, across all our supply chains, a range of health and welfare indicators are measured at each link in the chain. In addition to supporting our aim to seek continuous improvement in animal health and welfare, performance measurement is also a prerequisite to delivering business sustainability through the supply chains in which we operate.

3.1. Sustainable Farming Board

Within the Danish Crown group, a Sustainable Farming Board is responsible for the strategy and governance of the key areas of sustainable farming – climate footprint, animal welfare, biodiversity, and sustainable growth. It takes responsibility for the overall animal welfare improvement within the group, involves relevant subject matter experts, facilitates constant sharing of knowledge and best practice, approves the overall targets and roll-out plans within each of the strategic focus areas and ensures that our business develops to support our sustainability strategy.

3.2. Agriculture Supply Chain Teams

Dedicated Agriculture Supply Chain teams work closely both with colleagues within the businesses and with farmers, industry organisations, and customers to ensure that prescribed welfare standards are maintained and, wherever possible, improved. In each of our markets, the Agriculture Team led by the Agriculture Director is responsible for:

- Establishing, communicating, and monitoring animal health and welfare standards.
- Managing and monitoring independent third-party audit programmes.
- Providing information to the Management Board in the country in which they operate.

While our Swedish operation has a different structure, it is directed at senior level to meet the same objectives. Our Swedish establishments, for example, have animal welfare meetings with participants from animal welfare officers, government (Swedish Food Agency) and Länsstyrelsen (county administrative board), lairage workers, animal transporters, people responsible for transport logistics, quality assurance, and plant management. Meeting frequency is at least quarterly and different topics are discussed, such as findings from the official veterinarians, improvements, KPI’s etc.
3.3. Animal welfare schemes

In terms of animal welfare, Danish Crown adopts a push-pull strategy, working to strengthen basic standards while developing programmes that may initially be demanding and small in scale, but which provide a pathway to wider participation. We are committed to ensuring that across the group, all supplying farms and processing sites comply with legislative standards at both EU and national level (which in some areas, can exceed EU requirements), and in our Danish, Swedish and German supply chains 100% of pigs and 47% of cattle are sourced from producers that are accredited to recognised animal welfare schemes, such as Danish Product Standard and Danish UK Contract in Denmark, Grundcertificering Gris in Sweden, and QS in Germany. These assurance schemes set standards that in many areas are higher than both EU and national legislation.

Besides these widely accepted independent assurance schemes, we have additional animal welfare concepts developed by Danish Crown. This includes Antonius and Bornholmer pigs, Friland pigs and cattle, Dansk Kalv, Danish Beef Cattle, and the Together into the Future programme developed by our business unit in Poland. Most of our internal concepts are further certified by an independent assurance scheme, and this includes all Friland concepts, Dansk Kalv, as well as Antonius and Bornholmer pigs. The table below shows the proportions of animals processed in each country that are covered by different assurance schemes.

<table>
<thead>
<tr>
<th>Assurance schemes that our animals are covered by in each of our primary production countries</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pigs</strong></td>
</tr>
<tr>
<td>Denmark</td>
</tr>
<tr>
<td>Danish Transport Standard</td>
</tr>
<tr>
<td>Danish Product Standard</td>
</tr>
<tr>
<td>Global Red Meat Standard</td>
</tr>
<tr>
<td>Danish UK Contract</td>
</tr>
<tr>
<td>Friland Organic (also 3 hearts)</td>
</tr>
<tr>
<td>Antonius (also 2 Hearts)</td>
</tr>
<tr>
<td>Friland pigs (also 3 hearts)</td>
</tr>
<tr>
<td>Bornholmer pigs (also 2 Hearts)</td>
</tr>
<tr>
<td>Sweden</td>
</tr>
<tr>
<td>Grundcertificering Gris</td>
</tr>
<tr>
<td>KRAV</td>
</tr>
<tr>
<td>Germany</td>
</tr>
<tr>
<td>QS</td>
</tr>
<tr>
<td>Organic</td>
</tr>
<tr>
<td>Poland</td>
</tr>
<tr>
<td>Together into the Future programme</td>
</tr>
</tbody>
</table>

Proportions are based on the total number of pigs or cattle in each country.
Our internal concepts (both those additionally certified by an independent assurance scheme and those with no external certification) are summarized below. The additional animal welfare requirements are in comparison to the national legislation in Denmark and Poland (for Together into the Future programme).

### Friland Organic pigs & cattle
- Animals grown locally in Denmark
- Extended weaning time for piglets (min. 7 weeks)
- Healthy organic feed without unnatural additives
- Always free movement
- Always access to outdoors
- No tail docking
- Lots of straw and space
- Piglets born in open fields

### Friland beef
- Only Danish cattle
- Calves stay with the mother for minimum 5 months
- Stricter rules for medication
- Access to grazing in the warm season
- Loose housing in the winter
- Lots of straw

### Friland pigs
- Only Danish pigs
- All sows are free-range
- Piglets born in open fields
- Increased weaning time for piglets (min. 5 weeks)
- Always access to outdoors
- No tail docking
- Feed contains lots of roughage

### Bornholmer pigs
- More space
- More straw
- Free-range sows throughout life
- No tail docking
- Very short transport times
- Pigs produced on Bornholm
- 70% of feed produced locally

### Dansk Kalv
- The calves are always housed in groups, no single pens
- Dehorning only within the first 3 months of life
- Mortality must be below the national average
- Lots of straw
- More space
- Suckling needs satisfied
- Access to skin care

### Antonius pigs
- Improved general farm management
- Improved feed and health management in the herd
- Free-range sows throughout life
- No tail docking
- More space
- More straw

### Together into the Future
- Increased biosecurity
- Additional health, feeding, marking and hygiene requirements
- Animals required to have a health certificate
- Signs of poor animal welfare not acceptable (scratches and wounds).

### Danish Beef Cattle
- Cattle grown locally in Denmark
- Healthy and natural food without unnatural additives
- Access to grazing in the summer
- Loose housing systems in the winter
- Free movement of calves
- Always free access to water
- No stressors
Danish Crown Group Animal Welfare Position Statement

• For the benefit of both animal welfare and food quality, in January 2018 Danish Crown Beef entered into a cooperation agreement with a large Danish wholesaler to sell cross-bred calves under the Dansk Kalv brand to Danish restaurants and canteens. In doing so, we are addressing a long-standing ethical dilemma in our industry: that non-meat producing bull calves are put down immediately after birth, because it doesn’t pay to rear them.

• The challenge is associated with rearing calves for milk production, which inevitably results in the birth of both heifers and bull calves.

• Dansk Kalv is a so-called crossbred calf where the mother is a milk-producing jersey cow, and the father is a meat-producing bull. This yields veal of a very high quality. The calves have extra space in the sheds with straw bedding. In addition, they are fed both raw milk and roughage, and are regularly inspected by a veterinarian.

• This combination of high eating quality and high animal welfare standards is being sought by the chefs in professional kitchens, canteens and restaurants throughout Denmark, and Dansk Kalv is in turn giving farmers, wholesalers and chefs the opportunity to work together to make the most of available resources. The concept has been welcomed in the market, and sales have been steadily increasing since its introduction.

• Danish Crown Beef wants to help eliminate the problem of redundant bull calves and has become involved in other projects in our value chain which address the challenge to resolve the issue of putting down calves.

Finally, we work closely with customers in all markets to develop tailor-made welfare programmes, a recent example of which is in our Polish market – in May 2020, our Polish supply chain implemented a programme to deliver pig meat to a leading retailer that required non-GMO feed, no antibiotic use in the fattening phase, increased space requirements, and waste and slurry management elements. Initial scale is small, but growth is forecast. The scheme is operated and managed by our Polish business unit.

3.4. Control at the production sites
At each of our primary processing facilities and in all markets, we have animal welfare officers (who are required to receive specialist training), and independent (government) vets to ensure that our welfare standards are implemented. This includes veterinary inspection of all animals upon delivery to the plants. Carcasses are also inspected by official veterinarians and checks include signs of compromised animal welfare.

All our production sites receive internal and independent 3rd party audits focused on animal welfare on a continuous basis. Independent audits can be performed by the authorities, auditors from the industry schemes as well as our customers. An illustration of this independent auditing can be found in the Swedish organic KRAV scheme that has a clear focus on animal welfare and the environment. All our Swedish plants are certified according to KRAV and have 3rd party audits twice a year – one an announced visit for the whole KRAV scheme, and the other, an unannounced audit focused on animal welfare only. And that’s just one of the schemes in which we participate! The table below indicates the number of animal welfare focused audits that the abattoirs are subject to in each of our business units.
# The number of internal and independent animal welfare focused audits at Danish Crown abattoirs in Denmark, Germany, Sweden, and Poland per year

<table>
<thead>
<tr>
<th></th>
<th>Pigs</th>
<th>Internal audits</th>
<th>Independent 3rd party audits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Denmark</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cattle</td>
<td>1</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Pigs</td>
<td>2</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cattle</td>
<td>1</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Pigs</td>
<td>4</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td><strong>Sweden</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cattle</td>
<td>n/a</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Pigs</td>
<td>n/a</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Sheep</td>
<td>n/a</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Poland</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cattle</td>
<td>1 audit per week</td>
<td></td>
<td>2-3</td>
</tr>
<tr>
<td>Pigs</td>
<td>1 audit per week</td>
<td></td>
<td>2-3</td>
</tr>
</tbody>
</table>

All our employees who handle live animals at the abattoirs receive training in animal handling and welfare. In all our countries it is required by law that abattoir workers hold an official certificate indicating their competence of working with live animals. In Denmark, the workers at the pig abattoirs receive an internal refresher course once every 3 years, while in Germany, all abattoir workers receive animal welfare training once a year by an external company SGS. In Poland, all abattoir employees undergo both internal and external training in the principles of animal management. In addition, our Polish business, in collaboration with Intertek, has recently conducted animal welfare training course for their animal welfare officers as well as the employees at the Animal Welfare and CSR department.

### 3.5. Control on farms

100% of our farms are periodically audited by an independent auditor, which could be commissioned by the government, farm assurance schemes or our customers. In Danish Crown we have processes in place to review audit reports from animal welfare accreditation schemes and from client audit visits. In the event of a non-compliance, as set out in the Supplier Code of Conduct, the issue will be investigated, and corrective actions taken where required within an agreed timescale. Periodic review of reports is carried out to identify any structural challenges that may need communication to our supply chains.
4. Animal welfare in Danish Crown supply chains

Animal health and welfare is a cornerstone of our business. To meet both societal and customer expectations, we demand of ourselves that, as sentient beings, all livestock that we process are treated humanely throughout their lives. Reflecting local market demands and national legislation, there will be differences across our businesses, and while EU legislation forms a statutory minimum, in many areas, the standards (whether from national legislation, industry, company and customer welfare programs) exceed this baseline. The welfare schemes that we participate in extend beyond the farm to include transport and processing, and processes for dealing with any non-compliance are set out within these schemes.

4.1. Country standards

86% of our total pigs, 55% of our total cattle and 100% of our sheep are born, raised, and processed in Denmark and Sweden. Scandinavian countries have long been known to have some of the strictest animal welfare regulations and veterinary inspections in the world and they cover the entire process from the rearing of the animals on the farms to the inspection of every single animal at the slaughterhouses. Animal wellbeing has always been a top priority for both Scandinavian farmers and consumers alike, and high animal welfare standards are simply the way things have always been done here. This is reflected in the high health status of animals in Scandinavia – here livestock have some of the lowest antibiotic consumption levels in Europe. The welfare is also reflected in the high meat quality as well as top quality of cattle hides. The skin of Scandinavian cattle is not destroyed by body lesions, insect bites or scratches. This results in supreme leather products, and our subsidiary Scan-Hide now offers completely traceable hides so that customers are guaranteed they receive products from high quality Scandinavian cattle.

100% of pigs and 85% of cattle that come from Germany are certified by farm assurance schemes (QS and organic). In this way, even though we do not have close collaboration with our German farmers, we know that the animals are raised according to higher welfare standards and the farmers are subject to continuous control by independent auditors. Our business unit in Poland, Sokolow (acquired by Danish Crown Group in 2014) has been undergoing integration into the group, which has been a wide-ranging task. In 2018, Sokolow established an animal welfare department and developed its own farm assurance programme "Together into the Future", which has a focus on areas such as animal welfare, nutrition, genetics, environment, biosecurity, and food safety. Currently the program is audited by dedicated employees from the Agriculture Supply Chain department as independent certification is not a common practice in the Polish livestock sector. To add to the programme, Sokolow is developing its own animal welfare policy. Originally, it was planned for approval before the end of 2020, however, pressures resulting from Covid-19, changes in organisational structures, as well as new projects, have led to a delay. The completion and implementation of a new policy is now planned for the end of 2021.

4.2. Key welfare issues

This section clarifies our stance regarding commonly recognized welfare issues in the pig, cattle, and sheep industries as well as performance within our supply chain. The figures below illustrate our performance regarding key animal welfare issues in pig and cattle industries. It is important to note that whenever data could not be obtained or the situation clarified, it was assumed that only the legislative animal welfare standards apply. To illustrate, the issue of environmental enrichment for cattle lacks clear and consistent definition across markets (and access to pasture is not uniformly considered as environmental enrichment), and as a result, reliable measurement (and reporting) is not generally in place. Harnessing Danish Crown’s Climate Track tool, plans are being finalised to record provision of environmental enrichment that will facilitate accurate and consistent reporting in the future.
Danish Crown group performance regarding the key animal welfare issues in the pig industry in 2020

<table>
<thead>
<tr>
<th>% of total supply chain</th>
<th>100</th>
<th>100</th>
<th>100</th>
<th>100</th>
<th>100</th>
<th>99</th>
<th>100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free from sow stalls</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free from farrowing crates</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free from routine tail docking</td>
<td></td>
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<td></td>
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<tr>
<td>Provided enrichment</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>No cloning/genetic modification</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Transported within 8 hrs</td>
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<td></td>
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<tr>
<td>Stunned before slaughter</td>
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</tr>
</tbody>
</table>

The proportions of animals subject to/free from specified industry practices are based on the total amount of pigs in Danish Crown group supply chain.

Danish Crown group performance regarding the key animal welfare issues in the cattle industry in 2020

<table>
<thead>
<tr>
<th>% of total supply chain</th>
<th>89</th>
<th>100</th>
<th>100</th>
<th>33</th>
<th>52</th>
<th>100</th>
<th>93</th>
<th>92</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free from tethering</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Free from individual calf pens</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free from tail docking</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Free from disbudding</td>
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<td></td>
</tr>
<tr>
<td>Provided enrichment</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>No cloning/genetic modification</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Transported within 8 hrs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stunned before slaughter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The proportions of animals subject to/free from specified industry practices are based on the total amount of cattle in Danish Crown group supply chain.
Group positions on key welfare issues are summarized below.

### 4.2.1. Close confinement

**Pigs**
- **Tethering:** Tethering is not permitted in any of our supply chains, and all sows are tether-free.
- **Sow stalls:** Across all our supply chains, the permanent use of sow stalls is not permitted. 100% of our pigs are coming from production systems where sows are free from permanent close confinement. Sow stalls are only permitted for temporary confinement within the first four weeks of pregnancy (gestation) in 53% of our global supply chain. 47% of pigs are coming from production systems where sow stalls are not used at all, namely our Danish UK contract, Friland, Antonius, and Bornholmer supply chains in Denmark, and our pig production in Sweden. Here sow movement can only be restricted under a limited number of proscribed occasions such as when handling the animals for care or treatment.
- **Farrowing crates:** To optimise the welfare of both sows and piglets, the use of farrowing crates is permitted across our pig supply chains in Denmark, Germany, and Poland. They are not used in our Friland scheme (3 hearts), and only limited use is allowed in Antonius and Bornholmer (2 welfare hearts) schemes, where farrowing crates are allowed for 2 days only. Overall, Friland pigs and our Swedish pig supply (which adds up to 11% of total group pigs) are completely free from farrowing crates and a further 1% are only placed in the farrowing crates for a maximum of 2 days.

Denmark was the only country in the world to set a target for loose-housed sows in the farrowing unit, with a target of 10% by 2020, and although this target was not achieved, the elimination of farrowing crates by 2030 in our Danish supply chain is being actively considered. Setting of targets has been delayed as this agenda is also under active consideration. Danish Crown continues to support and participate in research projects that will facilitate an effective transition to free-farrowing systems in years to come.

**Cattle**
- **Tethering:** In Denmark, Sweden, and Poland cattle live in loose housing systems and tethering is not a common practice. The movement of animals can be limited only for short periods (up to 1 hour) when they are fed or in connection with examinations, treatments, milking etc. In Germany, tethering is prohibited in organic production systems. If conventional farmers use such a tethered housing system, they must ensure that tethered animals have sufficient space for their physiological and ethological needs. Tethering of calves is prohibited in all our countries. Currently, we can assure that in our supply chain at least 89% of cattle are tether free.
- **Individual calf pens:** As set out in EU legislation, individual housing of calves in individual pens after eight weeks is not permitted in our supply chains. The individual pens used during the first 8 weeks always allow for direct visual and tactile contact between the calves. In our Dansk Kalv concept, the calves must always be housed in pairs or larger groups, and in our Danish beef cattle supply chain, the calves continue living with their mother until weaning at around 5 months, hence pens are not used at all. In summary, we can confirm that 89% of calves in our total supply chain are not kept in individual pens at all, and the rest may be kept in individual housing where necessary, for a maximum of 8 weeks to manage calf health. This means that none of our calves live in individual stalls permanently.

**Sheep**
- Tethering or any other form of close confinement is not permitted.
4.2.2. Routine mutilations

**Pigs**

Tail-docking and tooth clipping: Routine tail-docking and tooth-clipping or grinding are not permitted across our supply chains and 100% of our pigs are free from these procedures carried out as a routine. They can only be performed following a risk assessment and a recommendation by a veterinarian. Tail-docking is forbidden in our Swedish supply chain as well as Friland quality programme in Denmark. Overall, this amounts to 11% of our total pig supply in Danish Crown group.

Castration: Danish farmers would prefer not to castrate male pigs, but many significant export markets do not accept meat from entire males due to the perceived risk of boar taint. This is the key influencing factor in the current practice of castration in Denmark and many other markets globally. To combat the issue, Danish Crown continues to invest in research to develop solutions that are accepted across all major international markets. This includes research in the fields of genetics, feed, immunology, and online sensory testing.

In Denmark, 7% of our male pigs are intact, while in Germany it is around 10%. Those that are castrated always receive anaesthesia prior to the procedure as well pain medication for post-surgical pain. Our concept of UK Welfare pigs requires that castration is conducted within the first 3 days of life. In Sweden, almost 100% of piglets are castrated. Here castration must be carried out within the first 7 days of life with both anaesthetic and analgesics. In Poland, all male pigs are castrated as well. Here, around 4% of piglets are castrated by the means of immunological castration. If the piglets are castrated when they are older than 7 days, anaesthesia and pain medication are required.

**Cattle**

Tail-docking: Routine tail docking is not permitted across our supply chains.

Disbudding: Disbudding is the removal of horns in calves less than 2 months of age (before the horns have attached to the skull). This reduces the incidence of bruising and potential injury to animals or people. Disbudding is widely carried out in all supply chains, except Poland. Here on average 80% of our cattle are free from disbudding. In Denmark around 9% of cattle are free from disbudding, and in Sweden and Germany it is not allowed to be performed routinely in the organic system (10% and 25% of all cattle respectively). Overall, we estimate that approximately 33% of cattle in our supply chains are free from disbudding.

Whenever the procedure is carried out, pain-reducing measures must be taken. In Denmark, Sweden, and Poland anaesthesia is required immediately prior to the procedure. The QS scheme in Germany requires both anaesthesia and painkillers.

Castration: Castration of cattle is not a common practice within our supply chain. Where prescribed and necessary, it must be carried out by a veterinarian or trained, qualified personnel and with local anaesthesia.

**Sheep**

Routine mutilations are not permitted.
4.2.3. Transport
In Danish Crown group, we always try to minimize the duration of animal transport to our abattoirs. Our abattoirs are placed in strategic locations, where most of the pig and cattle farms are situated and we are very good at ensuring the length of the trip below 8 hours. The only part of the business where some trip durations are occasionally extended is Poland. As a rule, the maximum permitted transport time is 8 hours, however due to the size of the country and geographical location of some cattle farms, it is sometimes extended to 10 hours. However, this is in exceptional cases, and they are only approved if the transport trucks meet additional animal welfare requirements. The table below summarizes the maximum and average transport times for pigs and cattle in our countries. For sheep in Sweden, as for the others, the maximum transport time is 8 hours.

<table>
<thead>
<tr>
<th></th>
<th>Pigs</th>
<th>Cattle</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Max. permitted</td>
<td>% transport &lt;8hrs</td>
</tr>
<tr>
<td>Denmark</td>
<td>8hrs</td>
<td>100</td>
</tr>
<tr>
<td>Sweden</td>
<td>8hrs</td>
<td>100</td>
</tr>
<tr>
<td>Germany</td>
<td>8hrs</td>
<td>100</td>
</tr>
<tr>
<td>Poland</td>
<td>8hrs</td>
<td>90</td>
</tr>
<tr>
<td>Total</td>
<td>8hrs</td>
<td>99</td>
</tr>
</tbody>
</table>

The proportions are based on total pigs and cattle slaughtered in each country in 2020.

4.2.4. Cloning and use of genetically modified animals
Producers across our pork and beef supply bases must ensure that no animals are subject to any genetic modification or cloning. We continue to review scientific developments which may benefit the health and welfare of livestock. If this identifies new techniques to benefit livestock health, this may be considered. However, we would never adopt new techniques without prior discussion with stakeholders. This position applies to lamb in the Swedish operation.

4.2.5. Use of growth-promoting substances
The use of antibiotic growth promoters and hormones is not permitted within our farming systems across the group (including lamb in our Swedish business). It should be noted that their use has been banned in Sweden since 1986, in Denmark since 2000, and in the EU since 2006.
4.2.6. Use of antibiotics

The prophylactic use of antibiotics is not permitted in any of our livestock supply chains.

Danish Crown advocates a responsible use of livestock antibiotics and requires that its suppliers have a special focus on limiting the use of antibiotics to ensure both animal and human health. This requirement applies across all markets and species. This includes limiting the use of antibiotics that are critically important for human health, and in our Danish and Swedish supply chains, their use is either banned or permitted only under exceptional circumstances. Antibiotic use is monitored across all markets.

Denmark and Sweden are among the lowest users of livestock antibiotics of all the major pig producing countries and their well-established antibiotics control systems are held as an example for others. In Scandinavia, we have a perspective that healthy animals do not need antibiotics and Sweden has a long tradition of preventative health work. Unlike many other countries, Denmark separated veterinary advice from sales of medicines back in 1994 and introduced the VETSTAT system in 2000 that records all sales of livestock antibiotics. With this as a foundation, Denmark introduced the Yellow Card scheme in 2010 that sets levels of consumption, above which penalties would be applied. With such continued drive to lower the use of antibiotics, the level has been lowered four times since its introduction.

In Denmark, we have developed a concept of antibiotic free, organic pigs, which accounts for 3% of our total Danish pigs. Our Polish operation, working with a key retail customer, has recently introduced a pork programme, where antibiotics are completely excluded in the fattening phase. We are continuing our work to increase the number of animals in the antibiotic-free concepts.

Antibiotics data in Denmark can be accessed via SEGES Danish Pig Research Centre that publishes the consumption of antibiotics in Danish pig production on an ongoing basis, and the annual DANMAP report. Antibiotics usage in livestock in Sweden is available in the SVARM (Swedish Veterinary Antibiotic Resistance Monitoring) report published by the SVA (National Veterinary Institute).

### Antibiotic use in Danish finisher pigs from 2015 to 2020

<table>
<thead>
<tr>
<th></th>
<th>Grammes</th>
<th>Kilo-doses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>3.08</td>
<td>290</td>
</tr>
<tr>
<td>2016</td>
<td>2.95</td>
<td>283</td>
</tr>
<tr>
<td>2017</td>
<td>2.85</td>
<td>274</td>
</tr>
<tr>
<td>2018</td>
<td>2.74</td>
<td>259</td>
</tr>
<tr>
<td>2019</td>
<td>2.78</td>
<td>261</td>
</tr>
<tr>
<td>2020*</td>
<td>2.83</td>
<td>264</td>
</tr>
</tbody>
</table>

Source: Landbrug & Fødevarer, DANMAP
*An increase in stock was not reflected in pigs produced, due largely to Covid-related issues. A lot of pigs stayed longer on the farms, resulting in heavier slaughter weight for pigs
### Antibiotic use in Danish cattle 2017-2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Kg antibiotics</th>
<th>Kg biomass (PCU)</th>
<th>Mg/kg biomass</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>12379</td>
<td>387000</td>
<td>32</td>
</tr>
<tr>
<td>2018</td>
<td>12865</td>
<td>392000</td>
<td>32</td>
</tr>
<tr>
<td>2019</td>
<td>12350</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Source: Landbrug & Fødevarer, DANMAP

### Antibiotic use in Swedish pigs in 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Kg antibiotics</th>
<th>Mg per pig produced</th>
<th>Mg/kg pig produced</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>2904</td>
<td>1129</td>
<td>12.1</td>
</tr>
</tbody>
</table>

Source: Landbrug & Fødevarer, SVARM
4.2.7. Environment enrichment and access to outdoors

Overall, at least 98% of livestock processed by Danish Crown Group have some form of environmental enrichment.

Pigs

100% of sows, gilts and pigs in all markets must have permanent access to a sufficient quantity of enrichment material to enable proper investigation and manipulation activities, such as straw, hay, wood shavings, or sawdust. In Denmark, rooting materials must be of natural origin. Our Friland pigs in Denmark as well as KRAV pigs in Sweden have as much outdoor access as possible, and the piglets are born outside on pasture. As this agenda is also under active consideration, Danish Crown continues to support and participate in research projects that will facilitate an effective transition to free-farrowing systems in years to come.

Cattle

All organic cattle in Germany spend as much time outdoors as possible. Although not required by law, it is a common practice for conventional beef cattle to graze outside in the warm season in both Germany and Poland.

In Sweden, all cattle have access to grazing outdoors in the summertime. The number of days depends on the geographical location of the farm, with those based in the southern Sweden receiving more outdoor days due to a gentler climate. When the animals are outdoors, they must have access to shade to protect them from the hot summer sun. It is common to have trees and water sources in the fields where cattle graze. When indoors, it is a requirement to provide all cattle with straw or other bedding material in the lying areas. Therefore, 100% of Swedish cattle are provided with environment enrichment.

In Denmark, all beef cattle are grazed on pasture all summer long, and some dairy cattle also have access to outdoors (Friland and 2 Hearts scheme). Just as in Sweden, shade is required when animals are outdoors. All Danish dairy cattle (51% of Danish supply) that live indoors must have access to rotating cow brushes against which they can rub. There is a requirement for dairy cows and calves to have bedding, and calves in our Dansk Kalv concept should be provided with simple brushes to perform skin care. We estimate that at least 90% of our Danish cattle are provided with environment enrichment.

All in all, at least 52% of cattle in our total supply chain are provided with environmental enrichment, although this proportion is likely to be higher.

Sheep

All sheep must have access to pasture in the grazing season, and in the wintertime, when housed indoors, they are provided with straw.

4.2.8. Humane slaughter

Pigs

All pigs across our business must receive appropriate pre-slaughter stunning prior to processing. All pigs across the group are currently stunned using carbon dioxide and stun effectiveness is monitored. The only exception is one abattoir in Sweden where sows are stunned by means of electric stunning.

Cattle

All cattle in our Danish, Swedish and German beef supply chains must receive appropriate pre-slaughter stunning prior to processing. This is delivered through approved captive bolt systems. In our Polish supply chain, reflecting historic trading structures, kosher and halal supply chains represents a minority element of production, and all other cattle must receive pre-slaughter stunning.

Sheep

All lamb in our Swedish supply chain must receive appropriate pre-slaughter stunning prior to processing.

In the last 12 months, there has been no requirement for re-stunning in two of our pig supply chains. In our cattle operations, minimal re-stunning was required in all our supply chains. The tables below show the proportions of animals that received pre-slaughter stunning in 2020 as well as the proportion of animals that needed repeated stunning in 2018-2020.
## Danish Crown Group Animal Welfare Position Statement

### The proportion (%) of all pigs and cattle slaughtered that received pre-slaughter stunning in Danish Crown business units and Danish Crown group in 2020

<table>
<thead>
<tr>
<th></th>
<th>Pigs %</th>
<th>Cattle %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Denmark</strong></td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>Sweden</strong></td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>Poland</strong></td>
<td>100</td>
<td>66.5</td>
</tr>
<tr>
<td><strong>Total Group</strong></td>
<td>100</td>
<td>90</td>
</tr>
</tbody>
</table>

### The proportion (%) of all pigs slaughtered that had to be re-stunned in Danish Crown business units in 2018, 2019 and 2020

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Denmark</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Sweden</strong></td>
<td>n/a</td>
<td>n/a</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Poland</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td>n/a</td>
<td>n/a</td>
<td>0.1</td>
</tr>
</tbody>
</table>

### The proportion (%) of all cattle slaughtered that had to be re-stunned in Danish Crown business units in 2018, 2019 and 2020

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Denmark</strong>*</td>
<td>1</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>Sweden</strong></td>
<td>n/a</td>
<td>n/a</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>Poland</strong></td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td>0.7</td>
<td>0.6</td>
<td>0.6</td>
</tr>
</tbody>
</table>

*Danish data subject to verification and investigation
Besides stunning, a range of welfare outcome measures are recorded at our abattoirs. The veterinarians inspect all the animals that arrive at our sites and record instances of lameness, slips, and falls at unloading and the animals that had to be killed on arrival. The measures taken slightly vary between the sites, depending on the market requirements and on the factory own initiatives. We have committed to increase the number of welfare outcome measures recorded at our abattoirs by 2022. The tables below list the main welfare outcome measures currently recorded at our abattoirs.

### Welfare outcome measures recorded at Danish Crown pig abattoirs in Denmark in 2018-2020 (% of sample)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overnight lairage</td>
<td>0,01</td>
<td>0,07</td>
<td>0,09</td>
</tr>
<tr>
<td>Killed on arrival</td>
<td>0,07</td>
<td>0,07</td>
<td>0,07</td>
</tr>
<tr>
<td>Lameness on arrival</td>
<td>0,03</td>
<td>0,05</td>
<td>0,06</td>
</tr>
<tr>
<td>Slips at unloading</td>
<td>0,08</td>
<td>0,06</td>
<td>0,07</td>
</tr>
<tr>
<td>Falls at unloading</td>
<td>0,02</td>
<td>0,02</td>
<td>0,05</td>
</tr>
<tr>
<td>Skin lesions</td>
<td>1,63</td>
<td>2,83</td>
<td>3,23</td>
</tr>
</tbody>
</table>

The sample size for Overnight lairage and Killed at arrival was on average 10,8 mln. pigs each year. The sample size for Lameness, Slips and Falls was on average 610,000 pigs each year. The sample size for skin lesions was on average 50,000 pigs each year.

### Welfare outcome measures recorded at Danish Crown pig abattoirs in Poland in 2018-2020 (% of sample)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overnight lairage</td>
<td>0,15</td>
<td>0,17</td>
<td>0,2</td>
</tr>
<tr>
<td>Killed on arrival</td>
<td>0,06</td>
<td>0,04</td>
<td>0,12</td>
</tr>
<tr>
<td>Slips at unloading</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Falls at unloading</td>
<td>0,02</td>
<td>0,02</td>
<td>0,07</td>
</tr>
</tbody>
</table>

Polish abattoirs take measures for all animals slaughtered, which is approximately 1,5 mln. per year.
### Welfare outcome measures recorded at Danish Crown cattle abattoirs in Denmark in 2018-2020 (% of sample)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overnight lairage</td>
<td>3,7</td>
<td>4</td>
<td>4,4</td>
</tr>
<tr>
<td>Killed on arrival</td>
<td>0,5</td>
<td>0,5</td>
<td>0,5</td>
</tr>
<tr>
<td>Lameness on arrival</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Slips at unloading</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Falls at unloading</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

The sample for the measures taken was 1200 cattle each year.

### Welfare outcome measures recorded at Danish Crown cattle abattoirs in Germany in 2018-2020 (% of sample)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overnight lairage</td>
<td>6,29</td>
<td>7,5</td>
<td>15</td>
</tr>
<tr>
<td>Killed on arrival</td>
<td>0,44</td>
<td>0,38</td>
<td>0,3</td>
</tr>
<tr>
<td>Lameness on arrival</td>
<td>n/a</td>
<td>0,18</td>
<td>0,47</td>
</tr>
<tr>
<td>Falls at unloading</td>
<td>n/a</td>
<td>n/a</td>
<td>0,28</td>
</tr>
</tbody>
</table>

German abattoirs take measures for all animals slaughtered, which is approximately 100,000 per year.

### Welfare outcome measures recorded at Danish Crown cattle abattoirs in Poland in 2018-2020 (% of sample)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overnight lairage</td>
<td>25</td>
<td>25</td>
<td>15</td>
</tr>
<tr>
<td>Killed on arrival</td>
<td>0,22</td>
<td>0,17</td>
<td>0,13</td>
</tr>
<tr>
<td>Lameness on arrival</td>
<td>0,2</td>
<td>0,2</td>
<td>0,17</td>
</tr>
<tr>
<td>Slips at unloading</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Polish abattoirs take measures for all animals slaughtered, which is approximately 212,000 per year.
5. Continuous improvement

5.1. Priorities and targets
In Danish Crown we believe that it is not enough to keep track of our performance – we need to strive to continuously develop and improve. That is why in 2020 we have set our animal welfare priorities for the next several years. Planned initiatives include:

1. Introduce a sustainability programme Climate Track across our supply chains.
The aim of the programme is to work with farmers to raise the standards of conventional and organic production in Denmark, Sweden, Poland, and Germany so that all livestock supplied to Danish Crown meet several sustainability parameters. At the same time, the certification is intended to help increase the transparency around farming. We have therefore held stakeholder workshops with researchers, farmers, NGOs, customers, chefs, and sustainability specialists to listen to their wishes and recommendations on how a sustainable animal should be reared.

To be certified, the farmer must work in a targeted and systematic manner to ensure continuous improvements. Targets and initiatives must be defined for all the key sustainability parameters such as environmental and climate impact, working conditions, animal welfare and business ethics. Examples of parameters include feed content, medicine use, mortality of sows, piglets and slaughter pigs, and vocational training schemes for employees. In addition, the farmer must continuously monitor and report on performance and progress to Danish Crown. The farms are audited every three years by an independent third party, although internal audits are carried out more frequently.

The initial target was for 100% of Danish pig suppliers as well as Dansk Kalv producers (32% of Danish cattle supply) to be certified by 2021, and the target has been achieved. Now the work is carried out to expand the programme to the rest of the cattle farms in Denmark. Finally, all livestock suppliers in Sweden, Poland, and Germany will be in this programme by the end of 2023.

2. Introduce a new beef concept in Denmark “Nature Care”.
The new concept will be focused on biodiversity and animal welfare, and the plan is to certify the farmers at 2 Hearts level in the Danish Welfare Hearts system. The farmers participating in the scheme will have to work with agricultural practices that increase biodiversity in the Danish grasslands and arable lands as well as provide higher animal welfare standards as required by the 2 Hearts level. The goal is to certify at least 10,000 cattle at the start of 2022.

3. Grow the number of pigs raised without antibiotics.
It is only 2.5 years ago that Danish Crown started its first trial with pigs bred without antibiotics, and growth has been encouraging. The target was for 1.5 million pigs to be bred within the scheme by 2021. While the initial target has not been met, numbers grew by 7% in the latest year.

4. Develop a new animal welfare training programme at pig abattoirs.
We have developed an Animal Welfare training course that all lairage workers at our pig abattoirs in Denmark must attend every 3 years. To date, more than 300 workers have participated. An update to the course was implemented in 2021. The aim of the course is to give participants background knowledge on animal welfare with a focus on pigs. They will obtain an understanding of all procedures concerning live animals at the slaughterhouse and improve their knowledge of why and how to perform these functions. Content of the course includes topics such as the definition and the importance of animal welfare, animal behaviour, Code of Practice for farmers, livestock transport, lairage and stockmanship, gas stunning and sticking, emergency stunning and sticking, and traceability. Consideration is being given to extending this course to cattle abattoir workers as well as the rest of our sites in Sweden, Germany, and Poland.
5. Set specific Animal welfare targets for Danish Crown group by the end of 2021.

In Danish Crown we have committed to setting up specific targets to improve animal welfare in our supplier farms. The targets will be set by the end of 2021. The project will be a part of Danish Crown Group’s initiative to raise the level of animal welfare within all the countries where its factories are located (specifically Denmark, Sweden, Germany, and Poland). At the start of autumn 2021, we will conduct workshops in the whole Danish Crown Group, where we will identify the most realistic animal welfare improvements that can be achieved in our business units. We will set ambitious targets and commit to raising the level of animal welfare within our group and within the industry.

5.2. Knowledge sharing

In addition to setting initiatives and targets, we strive to stay at the forefront of global and local animal welfare developments to identify key opportunities for integration into our own supply chains. This is achieved through local and group knowledge transfer programs, and through active engagement with industry organizations and education institutions.

As an example, in May 2019, Danish Crown formed an Animal Welfare Network Group involving professionals in the business and abattoirs who meet periodically to share information and knowledge. The stated aims of this group are to share best practice and to deliver certification of animal welfare at all slaughterhouses across the group. Recently, the best animal welfare practice across our abattoirs has been established and work regarding certification will be initiated in the autumn of 2021.

5.3. Innovation

Danish Crown seeks to support and deliver continuous improvement across its supply chains and invests in a variety of research projects to drive performance. Reflecting its leading positions in each of its home markets, Danish Crown and its subsidiaries are also actively involved in helping to drive industry improvements in animal welfare. This is achieved through active participation in the work of industry bodies and through partnerships with academic institutions, examples of which are listed below. Just in our outdoor production supply chain, we have more than 30 projects running currently.

<table>
<thead>
<tr>
<th>Examples of educational institutions and industry organizations that Danish Crown business units collaborate with regarding animal welfare and sustainability</th>
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| **Denmark** | • Danish Technological Institute DMRI  
• Copenhagen University, Animal Sciences  
• Aarhus University, Department of Animal Welfare Science  
• SEGES |
| **Sweden** | • Svenska Köttföretagen (The Swedish Slaughterhouse Association)  
• Swedish University of Agricultural Sciences, SCAW (Swedish Centre for Animal Welfare)  
• Görd- & Djurhälsan (an advisory company, Farm and Animal Health)  
• RISE (Research institute of Sweden) |
| **Poland** | • Poznan University of Life Sciences  
• University of Environmental and Life Sciences, Wroclaw Siedlce  
• University of Natural Sciences and Humanities University of Warmia & Mazury  
• University of Agriculture, Krakow  
• University of Sciences & Technology, Bydgosszcz  
• Polish Academy of Sciences |
| **Germany** | • Stiftung Tierärztliche Hochschule Hannover  
• Beratungs- und Schulungsinstitut für Tierschutz bei Transport und Schlachtung  
• SGS |
5.3.1. Farrowing Crates

Farrowing crates are widely used as the most viable system to optimise the welfare of both the sow and piglets. However, Danish Crown has been a key partner in the consideration of alternative systems. Together with SEGES and Danish academics, Danish Crown has been a participant in research into the performance of ten different free farrowing systems. This will provide important information to Danish farmers as they consider adopting these systems. Wider Danish research in this area has also involved a dialogue with organisations such as the RSPCA (The Royal Society for the Prevention of Cruelty to Animals) and CIWF (Compassion in World Farming). In addition, it is recognised that one of the challenges when transitioning from farrowing crates is an increase in piglet mortality, and Danish Crown is active in several projects to mitigate the impacts.

5.3.2. Danish Better Welfare (3 Hearts) scheme

Danish Crown was a key partner and a key driver in the development and launch of the Danish Better Welfare (3 Hearts) scheme (Bedre Dyrevelfærd) that sets out a range of enhanced animal welfare requirements for livestock production systems. The figure below illustrates the main welfare improvements in pig and cattle farms (as compared to the minimum legislative requirements).

Additional animal welfare requirements in 1 heart, 2 heart and 3 heart systems for pig and cattle as compared to the minimum legislative requirements

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**Criteria for pigs with the Animal Welfare Label**

**Better Animal Welfare**
- Curly tails
- More straw
- More space
- Free-range sows (barns)

**Even Better Animal Welfare**
- Even more straw
- Even more space
- Free-range sows (barns)

**Much Better Animal Welfare**
- Much more straw
- Much more space
- Free-range sows (open field)
- Out door space
- Piglets and sows in open field

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**Criteria for beef and dairy cattle with the Animal Welfare Label**

**Better Animal Welfare**
- No killing of calves
- Demands on the quantity and quality of feed
- Shorter transportation time
- Demands on the quality of housing
- More space
- Extra time between cow and newborn calf

**Even Better Animal Welfare**
- Access to outdoors
- Extra demands on the quantity and quality of feed
- Demands on the quality of housing
- Even more space

**Much Better Animal Welfare**
- Access to pasture
- Much more demands on the quantity and quality of feed
- Much more time between cow and newborn calf
- Much more space
5.3.3. PP – the Pig Project
Consumer’s ability to understand animal welfare issues is very important for making a market driven development of animal welfare. Therefore, Danish Crown together with Copenhagen University is completing consumer surveys, in China, Germany, England and Denmark to understand which issues the consumers understand and where we need to inform the consumers more about animal welfare issues.

5.3.4. Crossbred calves
Danish Crown Beef, in collaboration with Aarhus University, SEGES and Viking Genetics, is working on identifying beef cattle breeds most suitable for crossbreeding with dairy cattle. The goal of the project is to find which crossbreeds result in calves with the highest meat quality, lowest carbon footprint and best feed conversion ratio. This in turn will ensure that all the male calves born in the dairy industry are given a chance to a good life without being an economical burden for the farmer.

5.3.5. Center for outdoor pig and cattle production
Our center for outdoor pig and cattle production ensures that development takes place on our free-range production systems. The center has more than 30 projects regarding animal welfare ongoing and all of them contribute to better animal welfare in our conventional and organic production.
Useful links

Danish Crown CSR Report 2019/20
Danish Crown CSR Report 2018/19
Danish Crown CSR Report 2017/18
Danish Crown CSR Report 2016/17
Danish Crown Sustainability Strategy
Danish Product Standard (Denmark)
Danish UK Contract (Denmark)
Danish Transport Standard
Bedre Dyrevelfærd

QS (Germany)
Friland (Denmark)
Danish Calves
Danish Beef Cattle
SVA National Veterinary Institute
KRAV
Bornholm pigs
Global Red Meat Standard
Frilandsdyr