

POLICY FOR
**CORPORATE
SOCIAL
RESPONSIBILITY
(CSR)**

Danish Crown – Policy for Corporate Social Responsibility (CSR)

CSR PURPOSE

Danish Crown is among the largest meat processing companies in the world and thus holds an important corporate social responsibility. We strive to live up to this responsibility throughout the Group by managing our business in a profitable and sustainable way and by integrating social, environmental and ethical considerations in our production and processes.

We are committed to lead a sustainable development of our business and ensure high food safety, high quality products, limited resource consumption, continuous sustainable development throughout the value chain and in dialogue with our stakeholders.

Danish Crown is signatory to United Nations Global Compact and fully support the United Nations Guiding Principles on Human Rights. Through our Supplier Code of Conduct, we aim to implement these principles within our business and supply chains.

CSR STRATEGIC GOALS

Our CSR ambition is to contribute to the fulfilment and promotion of the UN 2030 Sustainable Development Goals (SDGs). We believe that Danish Crown is in a position to positively influence the realisation of the SDGs and are guided by this framework in determining our CSR goals.

The 2021 CSR goals form an integrated part of the business strategy and pursues five strands:

- Feeding the world
- Sustainable farming
- Sustainable food production
- Good jobs for everyone
- Together with customers and consumers

To achieve these goals, we will work actively with the SDGs, targets and indicators identified in the SDG Compass Business inventory.

CSR EFFORTS

The CSR efforts of Danish Crown support the CSR Strategic Goals and ensure compliance with the Danish Financial Statement Act § 99 a and b. All efforts are aligned with the UN Global Compact Principles and the UN Guiding Principles for Human Rights and Business, and underlying international standards on human rights, labour rights, environment and climate, and anti-corruption.

HUMAN RIGHTS

In all Danish Crown operations and activities, we respect human rights and avoid infringing the human rights of involved individuals.

As part of this effort we identify the actual and potential negative impact on human rights activities in our business units and facilities, and seek to prevent or mitigate any adverse impact that is directly linked to our operations and to the services of our business partners.

We ensure compliance with human rights related legislation and have particularly focus on privacy and data protection throughout the Group.

The focus on hunger, food security and nutrition in our CSR strategic goals **Feeding the world, Sustainable farming** and **Together with customers and consumers** give us an opportunity to actively respect the human rights to health, well-being and access to adequate food for all. This endeavour encompasses our own operations and our business partners.

LABOUR RIGHTS

Danish Crown is committed to ensure healthy and safe workplaces for our employees and thus respect their right to just and favourable conditions of work.

This includes compliance with legislation and collective agreements on fair wages, rest and leisure, equal remuneration for men and women, anti-discrimination and equal opportunities in access to employment and career.

In our supply chain and with other business partners we are particularly committed to identify and mitigate or eliminate any risk for infringing the right to freedom of association and to collective bargaining. We are also committed to eliminate all forms of forced and compulsory labour and to effectively abolish child labour, and as part of this effort we comply with the UK Modern Slavery Act.

Our CSR goal **Good jobs for everyone** form the basis for Danish Crown to contribute to sustained, inclusive and sustainable economic growth, to full and productive employment and decent work for all.

CLIMATE AND ENVIRONMENT

Danish Crown pursue a sustained and systematic approach to environmental challenges and is committed to take action to combat climate change and protect the environment. It forms an inherent part of this effort to comply with national legislation and integrate expectations from our stakeholders to a sustainable production.

We focus on minimizing our negative impact on the environment through reduction of consumption of resources and actively consider the impact of our products on environment and climate attributable to the company's activities and products. Our endeavor is to reduce the use of unnecessary packaging and ancillary materials in dialogue with the company's customers, so that the least environmentally harmful products are used whenever possible.

To ensure a continuous improvement of our climate and environment matters, we develop and implement management tools to optimize and document our resource consumption, activities and impact. All tools are adapted to the needs of each business unit.

Greater environmental responsibility and usage of environmentally friendly technologies internally in the Group and among business partners is promoted via tools, training and involvement of all relevant employees and stakeholders in the day-to-day environmental efforts.

Through our CSR goals **Sustainable farming, Sustainable food production** and **Together with customers and consumers** we create a new platform for setting targets for our environment and climate substantial efforts to reduce our impact, especially through reduc-

tion of waste and efficient use of natural resources. Also, we will use the CSR goals to address the need to ensure sustainable consumption and for sustainable farming through protecting, restoring and promoting sustainable use of terrestrial ecosystems.

ANTI-CORRUPTION

Corruption has a significant negative impact on society and on individual's enjoyment of a healthy and decent living, access to adequate food, and to fair and safe working conditions. We see anti-corruption as a precondition for the full enjoyment of the rights and freedoms we support as part of our CSR efforts. Participation in corruption may also impact our economic sustainability, as it generates a company risk for sentences, fines and reputational damage. Risk assessments and mitigations plans therefore form an integrated part of our business planning and operations, especially when establishing new facilities in countries with a high corruption risk.

As a responsible company, Danish Crown work against corruption in all its forms, including extortion and bribery and operates in compliance with international standards and the UK Bribery Act. In our Supplier Code of Conduct suppliers and business partners are requested to support and respect anti-corruption principles.

PARTNERSHIPS AND DIALOGUE

Dialogue and cooperation with business partners and stakeholders form an integrated and vital part of Danish Crown since the formation of the cooperative more than 125 years ago.

Danish Crown aims at establishing an open and constructive dialogue with the public about relevant environmental protection, climate and social impact, e.g. in areas affecting our neighbours and immediate surroundings.

We actively participate, through membership of various organisations, in developing ways of reducing the inevitable environmental and social impacts of our production activities. As part of this effort, we engage in and promote effective public, public-private and civil society partnerships, and aim at contributing to a harmonized and balanced approach to legislation relevant for a sustainable development.

We also encourage other links in the value chain to consider social responsibility and sustainability in relation to our products, and to contribute to social, environmental and economic sustainable development.

CSR ORGANISATION AND MANAGEMENT

A CSR Board is established by the Group Executive Board to own the Danish Crown Sustainability strategy and ensure that the CSR efforts form an integral part of how the business operates. The CSR Board supports the development and strategic implementation of the CSR strategy. The Board consists of Group CFO, CEOs from two business units, SVP HR, VP Communication, and at least Director Group Sustainability.

The management of CSR in Danish Crown is based on the UN Global Compact Management Model and its focus on executive management commitment, CSR risk assessments, definition of CSR goals and policy, implementation through activities and adjustment of practices, measuring and monitoring achieved progress and impact, communication and reporting.

The CSR policy is implemented through procedures and guidelines that ensure compliance with the Danish Financial Statement Act § 99 a and b, the UN Global Compact and UN Guiding Principles, the chosen UN Sustainable Development Goals, the UK Modern Slavery Act and UK Bribery Act, and the EU General Data Protection Regulation.

CSR related risk assessments are carried out as an integrated part of business relevant risk assessment schemes and procedures, or as specific CSR due diligence processes.

CSR REPORTING AND COMMUNICATION

The Director Group Sustainability as part of the Communication department is responsible for reporting and communicating on CSR achievements to executive management and employees.

Data on CSR related results and achievements is reported by relevant business areas based on a set of indicators and CSR KPIs adopted by the CSR Board.

The annual CSR report demonstrates how the CSR policy is transformed into activities supporting the

fulfilment of the CSR goals, including the results of risk assessments and steps taken to prevent, mitigate or eliminate CSR related risks, as well as applied indicators (KPI's), achieved results and expected progress. Main results are also integrated in the Group annual financial report.

The CSR policy is communicated internally to the employees and externally to other stakeholders, via internal communication channels and Danish Crown's corporate website, and in the annual report.

DOCUMENTATION

In implementing our CSR efforts, we use and develop management tools which are intended to optimise and document the employment of resources, social and environmental efforts and performance to ensure continuous improvements.

Systems are selected and optimised with reference to the particular needs of individual business units.

We apply KPI's and other indicators to document the results and achievements of our CSR efforts and activities. The indicators are inspired by the Global Reporting Initiative Standards, GRI 2016, and supplementary GRI indicators for the food processing sector.

GRIEVANCE MECHANISMS

Danish Crown has informal grievance mechanisms to provide accessibility for internal and external stakeholders to confidential reporting of illegal or unethical behaviour, including behaviour and practices that do not comply with the social responsibility of Danish Crown to respect human rights and labour rights, protect the environment and work against corruption.

Employees have the possibility to file complaints regarding CSR issues as part of the formalised health and security system, through managers or trade union representatives in the workplace.

Date: 20 September 2017


Jais Valeur
Group CEO

This policy for corporate social responsibility was considered and approved by Danish Crown's Board of Directors on 20 September 2017.