



# UNÍ

## GLOBAL COMPACT

PROGRESS REPORT  
2013/14

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## 1. CEO statement

# It is All About Decency

Danish Crown is one of Europe's leading food companies. Throughout our value chain, we ask ourselves whether the production conditions are decent for animals, humans and the environment. Danish Crown has many years of experience reducing the number of accidents at work and absence due to illness, improving processes for the benefit of the environment, developing healthy and safe foods as well as setting animal welfare standards. Today, the Danish Crown Group has some of the most modern production facilities in the world and, while taking into account considerable cultural diversity, we are continually striving to ensure best practice at all our factories.

Danish Crown's CSR policy must ensure that the company lives up to internationally recognised principles regarding corporate social responsibility. Danish Crown joined the UN Global Compact in 2011, and the policy is based on the UN Global Compact's ten principles in the areas of human rights, labour rights, environment and anti-corruption. The CSR policy is an important tool for integrating the principles in the daily working routines across the group (the CSR policy is attached as annex).

Both the CSR policy and CSR strategy were updated in 2013 and during 2013/14 all units within the Danish Crown Group have been working on how to translate the CSR policy and CSR strategy into concrete initiatives. We did not initiate as many CSR activities as planned because some areas have required our focus: Redundancies caused by the closing of plants, improvement of our internal procedures on food safety, dialogue with our customers on animal welfare and acquisition of Sokolow in Poland.

The progress being made to fulfil the strategy's objectives is described in this progress report. More case stories exemplifying our effort can be found on our website [www.danishcrown.dk/csr](http://www.danishcrown.dk/csr).

***Kjeld Johannesen, Group CEO***

As Danish Crown during the financial year has acquired full ownership of Sokolow, it has been decided that Sokolow will be included with 100 percent. This is a change compared to former CSR-reports where only 50 percent of Sokolow numbers have been reported. In order to make it easier to compare our progress with former years, we have chosen to account for 100 percent of Sokolow for former years as well in this CSR-report.

## 2. Approach

# Local Embeddedness and Open Dialogue

Danish Crown has a principle of decentralised management. This means that all managers of the group's companies are responsible for implementing the CSR policy in their business units and adding their own guidelines for CSR areas when required by local production and market conditions or by local legislation. Danish Crown is present in many countries around the world, which are characterised by considerable cultural diversity and widely diverse labour market conditions. Our governance structure is tailored to local conditions and needs, and as a result some business units have made more progress in implementing CSR in their operations than others.

Danish Crown is highly visible in local communities. Consequently, we make a point of engaging in an open dialogue with society at large about our social responsibility, and we try to make a positive difference, both locally and nationally. Among other things, we collaborate with public authorities, educational institutions and business partners to ensure that our production is sustainable, and our employees are closely involved in various social projects.

### **Case: Danish Crown makes a difference**

Grant a wish Foundation in the UK, Martin Gordat's basketball Camp and The Great Christmas Charity Orchestra in Poland, Children with cancer, DanChurch and Red Cross in Denmark, the victims of the typhoon in the Philippines in November 2013 and many other worthy causes have received help from companies or employees from the Danish Crown Group during the past year.

Especially children in need have received support from the projects which has been supported by Danish Crown companies.



Besides the big projects, which have been supported from companies within the Danish Crown Group, a number of smaller donations have been made from individual employees or departments across the group.

### **Read more case stories on our website**

Danish Crown makes a difference (DC Pork)

### 3. Food safety

## Top-Class Food Safety

The quality and safety of the group's products are given extremely high priority. We impose strict requirements in regards to cleaning, own checks and traceability, and are continually working to improve our internal procedures. More than 95 per cent of production takes place at facilities certified by independent third parties in accordance with the requirements and rules applicable in the countries where the products are marketed. Danish Crown's facilities are primarily certified on the basis of the following standards: GRMS (Global Red Meat Standard), SQF (Safe Quality Food), IFS (International Food Standard) and BRC (British Retail Consortium). In addition to our own checks and external auditing in connection with the certifications, our products are checked by local authorities as well as by our customers. Danish Crown requires that our European suppliers meet EU food safety requirements. We are also working to ensure that non-EU suppliers meet these requirements.

An important aspect of food safety is identifying any product contamination/defects before products leave production and are shipped to customers. This principle is guarded by a strict own control system that identifies potential food safety issues. If a potential food safety risk is discovered the product will be deemed unfit for human consumption and either used for animal feed or destroyed. Should the product have left the production sites, Danish Crown has established a procedure for recalling products and informing the public about the risks if a product presents a potential risk to the consumers.

In the 2013/14 financial year, Danish Crown recalled a total of 865 ton of finished products, which was mainly due to one big recall of 857 ton recalled by DC Pork concerning the finding of a very small amount of hormone in a urine test on one pig slaughtered in Sæby. Subsequent tests showed no traces of the hormone in meat. All in all, the group had four recalls during the financial year 2013/14, which is an improvement compared to former years. Thus, we find that our efforts to meet our objectives are satisfying.

Objectives 2013-2018:

- To keep product recalls at the lowest possible level.
- To register and follow up on complaints.

### Case: Lots of testing in Tulip

Product and machinery tests are crucial to food safety. This is also the case in Tulip Food Company where 11,143 tests regarding listeria were carried out last year, while 3,046 samples were taken regarding salmonella.

While all samples regarding salmonella came back negative, the tests regarding listeria gave one result which called for action, and Tulip Food Company therefore chose to call back a batch of products, suspected of containing listeria.

Tulip Food Company's thorough testing means that all products were recalled before the bacteria could grow to critical levels in the products, and as a result consumer safety was at no point jeopardized.



### Read more case stories on our website

Consumer safety is top priority (Tulip Food Company)

Full traceability at Danish Crown (DC Pork)

A lot of tests at Tulip (Tulip Food Company)

New test keeps salmonella away from the stores (DC Pork)

## 4. Health

# Healthy Food on the Shelves

Danish Crown wishes to play our part in improving consumer health, and every year we launch new products where focus is both on flavour and on fat and salt content. It is entirely up to the individual consumer, which food he or she wishes to eat, but we will ensure that our products carry nutritional labelling so that consumers have a genuine choice. Consumer preferences and demands vary at different markets, and we therefore supply products tailored to different tastes and economies. In the 2013/14 financial year, we concluded 147 projects regarding nutrition and/or reducing content of salt and fat in our products. 90 new projects were initiated in the same period.

Many of these projects aim at developing products which are in line with the official nutritional guidelines set out by governments or international organisations. Official nutritional recommendations are increasingly becoming stricter, and therefore, despite our efforts to reduce fat and salt content, there has been a fall in the volume of products which live up to the recommendations from 95,735 ton in the 2012/13 financial year to 80,186 in 2013/14. However, due to failure in the reporting these numbers only cover Tulip Food Company, Plumrose USA and Sokolow. DC Pork, DC Beef and Tulip Ltd have further 773 products that comply with nutritional standards such as the keyhole or others, which means that the volume of products in compliance with nutritional standards will be higher than reported.

All in all, we find that our efforts in relation to meeting our objective are satisfying.

Objective 2013-2018:

- To offer products that meet the official nutritional recommendations within as many different product categories as possible.

### Case: Tulip Food Company reduces salt content of pulled pork

Tulip pulled pork has been a huge success among consumers, and because a lots of Europeans enjoy the product, Tulip decided to lower the content of salt.

This has been a huge success. The salt content was lowered from 1.8 to 1.5per cent, which means that Tulip has saved 4,2 ton of salt since the reduction was carried through.

The changes were made strictly to save salt, as Tulip pulled pork even before the changes had a salt content below 2.0 percent, which means that Tulip Pulled Pork is allowed to use the Nordic nutrition claim called the Keyhole, which is administered by the governments of Denmark, Sweden and Norway.

#### Read more case stories on our website

Tulip reduces content of salt (Tulip Food Company)  
Low fat products for Polish kids (Sokolow)



## 5. Animal welfare

# High Animal Welfare Requirements

How animals are treated on the farms, during transport and in the slaughterhouse is strictly regulated by the authorities. Danish Crown meets all statutory animal welfare requirements and also sells a wide selection of products that meet special consumer requirements with respect to quality and animal welfare. Together with the retail trade, we have developed a wide range of concepts that define the production of special pigs, for example “Antonius”, “Den Go’e Gris” and “Bornholmergrisen”. Our Danish pig suppliers must comply with a Code of Practice for animal welfare on their farms. Similar schemes are found in the UK, and we continuously investigate the possibility of introducing similar schemes in other slaughtering units. Moreover, we support third-party audits based on national schemes, for example QS in Germany and ‘Danish’ in Denmark. 87 per cent of the slaughtered animals are subject to the Code of Practice or other schemes imposing strict animal welfare requirements. The Code of Practice for animal welfare can be downloaded from our website [www.danishcrown.dk/csr](http://www.danishcrown.dk/csr).

Danish Crown has a special responsibility for ensuring that the collection, unloading and slaughtering of animals are carried out as gently as possible and performed within reasonable time limits. Employees engaged in handling live animals therefore receive special training so they understand the animals’ behaviour and physique. Danish Crown also strive to make the time of transportation from farmer to slaughterhouse as short as possible. Especially in Denmark the last trip of the pigs does not take very long, as the slaughterhouses are placed throughout the country but not too far from each other.

Our efforts in 2013/14 have focused on dialogue with our customers on improving the animal welfare in our existing concepts as well as strengthening our advisory service to farmers in animal welfare. All in all, we find that our progress is satisfying.

Objectives 2013-2018:

- To increase the number of special pigs subject to higher animal welfare requirements.
- To initiate the development and implementation of certification schemes for groups of cattle suppliers.
- To extend animal welfare training to staff working in the pens at all the slaughterhouse units and to enhance animal welfare through equipping the pen areas accordingly.

### Case: Luckiest pigs in the EU

Most pigs are marked by a tattoo hammer before being sent to the slaughterhouse in order to be able to identify the pigs from different suppliers.

However, a number of Danish pigs are now spared this process, as Danish Crown has been allowed to test a new system where farmers delivering their pigs in groups to Danish Crown in Horsens do not have to use the tattoo hammer before loading their pigs on the truck.

This has been a positive experience for the farmers as well, as they are happy not to cause the pig unnecessary harm by using the tattoo hammer.

The tests have been so succesfull that Danish Crown is working on implementing the system at two other Danish slaughterhouses as well.



**Read more case stories on our website**

Danish Crown advices on animal welfare (DC Pork)

The luckiest pigs in the EU (DC Pork)

The final walk has been improved (DC Beef)

New animal welfare standards in pig production (DC Pork)

Gentle Group stunning for better meat quality (DC Pork)

All animals stunned before slaughter (DC Pork)

## 5.1 Organics and free-range

# Organics and Free-range Still Developing

Danish Crown wants to help promote the sale of organic products and products meeting particularly high animal welfare requirements. In Denmark, many of these activities take place in Friland, a subsidiary for farmers who produce organic pigs and cattle as well as pigs and cattle meeting special animal welfare requirements. Friland is Europe's biggest organic meat company and has considerable exports. Danish Crown also produces, slaughters, processes and markets products from organic animals or animals, which have been reared outdoor in Sweden and the UK. In the UK, Tulip Ltd's subsidiary Dalehead produces organic pigs as well as free-range pigs and lambs at 250 farms. The meat is sold via a major British supermarket chain, which imposes a number of strict animal welfare requirements. Sale of organically produced and free-range animals is seeing constant growth, but organic animals still only accounted for 0.9 per cent of the total number of slaughtered animals in the 2013/14 financial year, while the number of free range animals slaughtered accounts for 1.3 percent which has been stable for a number of years.

### Case: Increased demands strengthens organic production

It has been a good year in Danish Crown subsidiary Friland in charge of organic and free range products in Denmark.

The sale of organic products has increased by 15 percent based on increased demand for organic meat on a number of markets.

It is especially the sale of organic pig meat which has increased by 24 pct. and as a result Friland could recruit new organic suppliers to the company for the first time in a number of years thereby increasing organic pig production in Denmark.



### Read more case stories on our website

Increased demands strengthens organic production (Friland)

Happy pigs are healthy pigs (Tulip Ltd)

Pigs enjoy life in the woods (Friland)

## 6. Environment

# Systematic Environmental Efforts

The most important environmental factors associated with Danish Crown's production are water and energy consumption, CO<sub>2</sub> emissions, the consumption and discharge of cleaning chemicals, the production of animal waste as well as noise and odours. Individual companies in the group have drawn up environmental strategies setting out targets of continuously cutting resource consumption and reducing the environmental impact of their activities. The pig slaughterhouses in Denmark are certified according to the ISO 14001 environmental management system. In 2013/14, the newly inaugurated Danish cattle slaughterhouse in Holsted implemented ISO 14001 but is not yet certified. Of the remaining Danish factories, the majority are covered by green accounts where the consumption of water, energy and cleaning chemicals and wastewater handling are registered and reported to the local authorities. All factories have employees responsible for implementing environmental initiatives. The green accounts can be downloaded from our website [www.danishcrown.dk/csr](http://www.danishcrown.dk/csr).

We collaborate with the public authorities, educational institutions and other enterprises in the value chain to reduce the environmental impact from all parts of the chain. We pay close attention to resource efficiency, the climatic impact of the products and water consumption in the life cycle, the acreage allocated to feed production, biodiversity, production waste as well as packaging.

One plant implemented an environmental management system in 2013/14, and a number of plants are expected to be certified in 2014/15. The two remaining objectives are still subject to consideration by management.

Objectives 2013-2018:

- To implement environmental and energy management according to internationally recognised standards at all factories in the group.
- To map the resource efficiency of fresh pork from a farm-to-fork perspective.
- To develop a method for mapping the water footprint of fresh pork.

### Case: DC Pork recovering heat

Slaughterhouses within the Danish Crown Group has managed to reduce consumption of energy through a number of projects. Among others Danish Crown in Horsens has been able to reduce energy consumption considerably through heat recovery and improvement of the ventilation system.

Danish Crown in Herning has made significant energy savings as well obtained by heat recovery and installing new air compressors.

The projects in Horsens and Herning have resulted in combined energy saving of 5,576 MWh/year.

### Read more case stories on our website

DC Pork recover the heat (DC Pork)

Sustainable building (Plumrose)

Certified environmental management (Group)



## 6.1 Energy and climate

# Focus on Overall Impact on Climate

Danish Crown focuses on the overall climate change impact of our products. We are therefore working to reduce the environmental impact of the group's activities. This happens in cooperation with industry organisations, the authorities, educational institutions and other enterprises in the value chain. Efforts being made to reduce energy consumption at our plants are concentrated on the most energy-intensive processes. The temperature at Danish Crown's factories is critical to food safety, and consequently process cooling for rooms and for freezing products is the primary source of energy consumption. Our strategy regarding climate change can be downloaded from our website [www.danishcrown.dk/csr](http://www.danishcrown.dk/csr).

Our efforts in 2013/14 have focused on reducing our energy consumption and we have made progress reducing the consumption of energy by 2.3 per cent. The energy consumption will still have our full attention in the coming years, but we will also strive to achieve our other objectives.

Objectives 2013-2018:

- That all factories reduce energy consumption to the group's best practice level. At Company or division level, the aim is to reduce energy consumption by 3 per cent per year per ton of finished products.
- To explore the possibilities and savings potential of investing in renewable energy or selling surplus energy from production.
- To implement carbon footprint projects within key product categories in partnership with the retail trade.

### Case: New boiler house retains heat

New boiler house and insulation of pipes retains heat thereby reducing consumption of natural gas in Sokolow.

This has among other initiatives been achieved by building a new boiler house at Sokolow's biggest factory at Sokolow Podladski. A boiler house which regenerate heat from the chimney and reuses it. Besides the new boiler house all pipes have been insulated reducing the amount of heat lost from the system.



Besides the efforts at Sokolow Podladski energy consumption is an important part of all other engineering projects at Sokolow as well, which has resulted in a significant reduction in the consumption of natural gas in the company.

### Read more case stories on our website

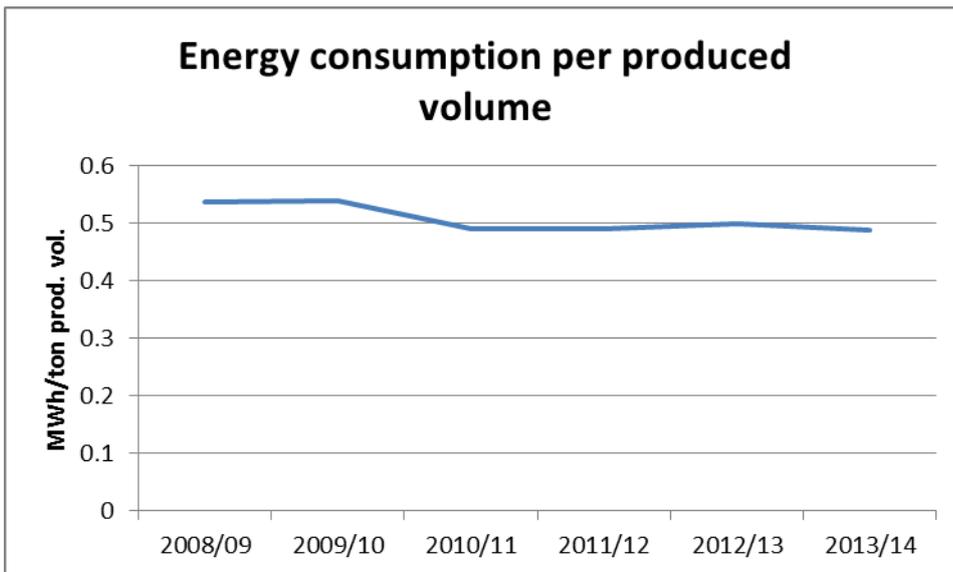
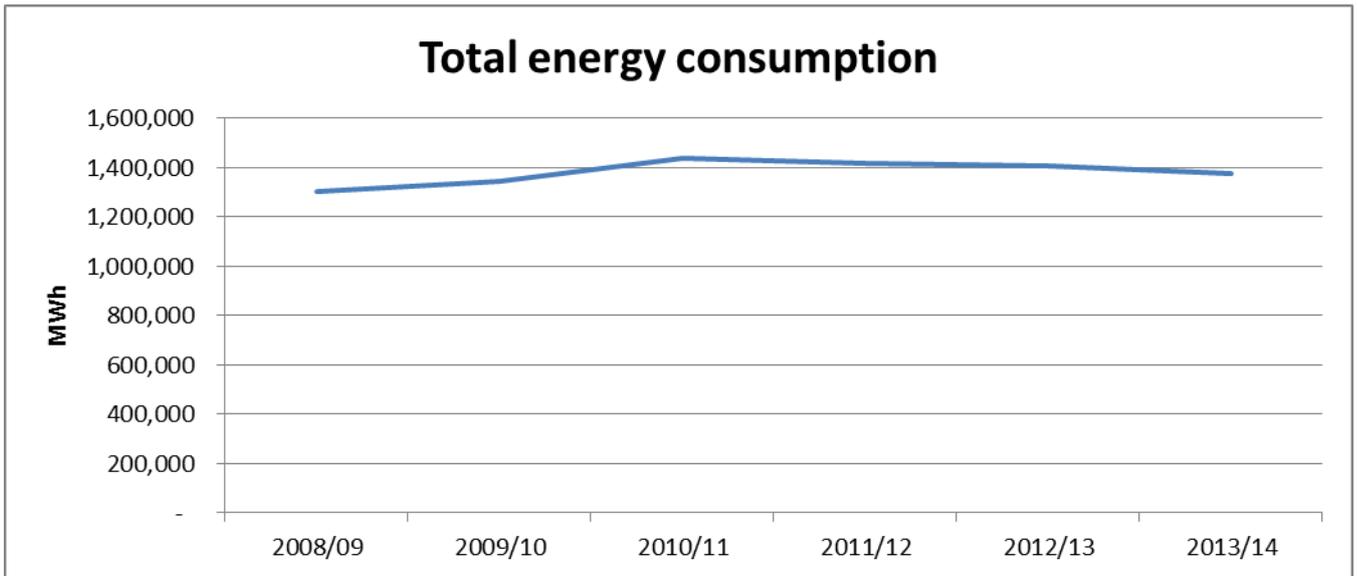
New boiler house regenerate heat (Sokolow)

Focus and progress with energy champions (Tulip Ltd)

Danish Pork has a low climatic impact (DC Pork)

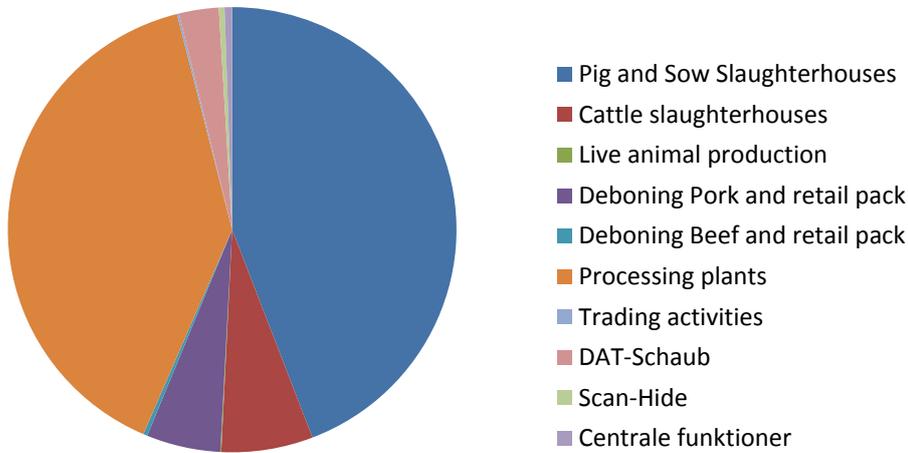
Minor adjustments – big effect (DC Pork)

Insulation leads to big saving (DC Pork)



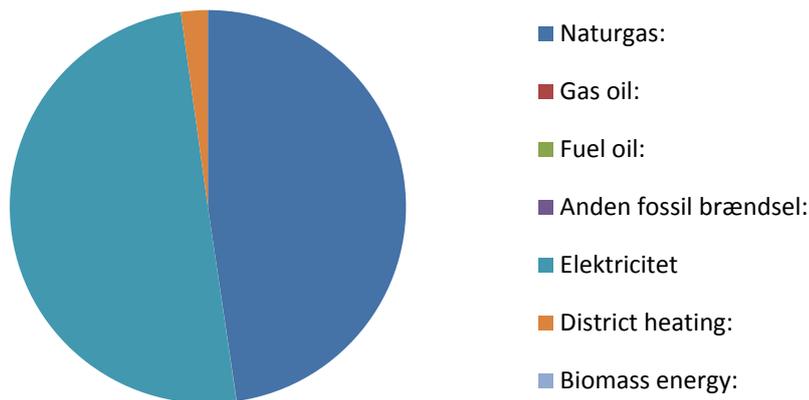
The energy consumption per produced volume has decreased by 2.3 per cent from 2012/13 to 2013/14 which is slightly below the group goal of reducing energy consumption by at least 3 per cent each year. The reduction in consumption of energy is the result of the systematic efforts done by a number of companies within the group.

### Energy consumption 2013/14 per activity

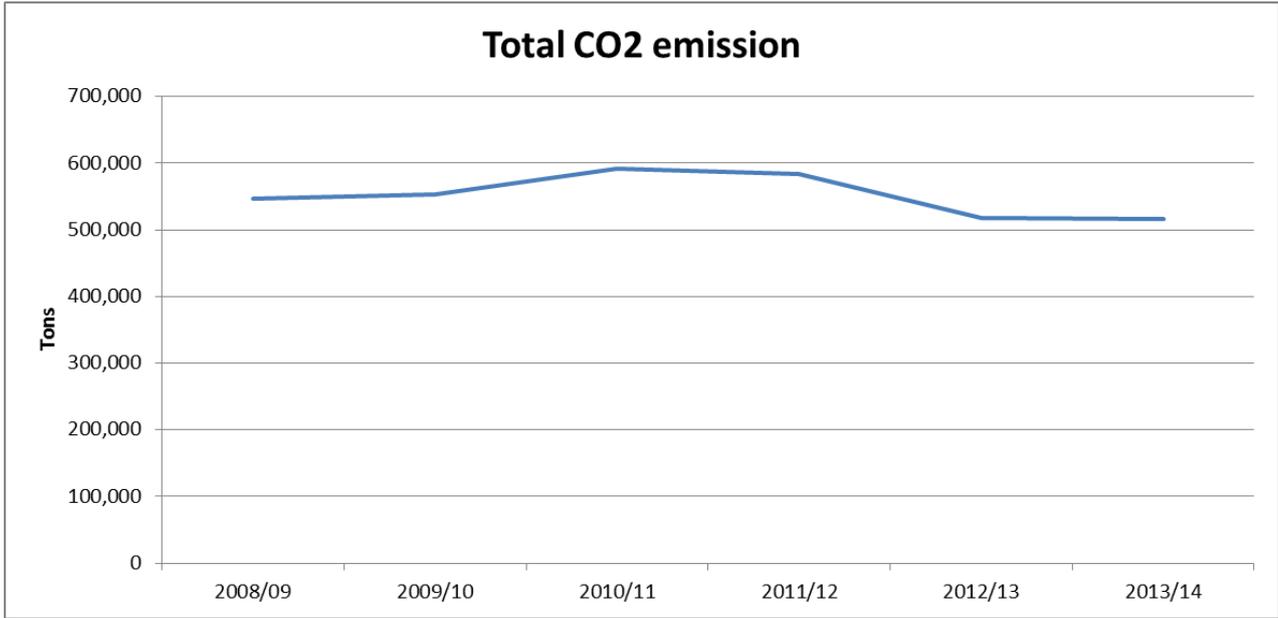


The pig and sow slaughterhouses consumed 44 per cent of the total energy consumption in Danish Crown, followed by the processing plants consuming 40 per cent of the energy consumption. The energy consumption per produced volume is higher in the processing plants, because of many energy intensive processes, compared to other activities in Danish Crown. The processes include curing, smoking, roasting, deep-frying and cooking. The energy consumption in relation to deboning, cutting and retail packing is low, both in total and per produced volume, compared to the slaughterhouses and processing plants.

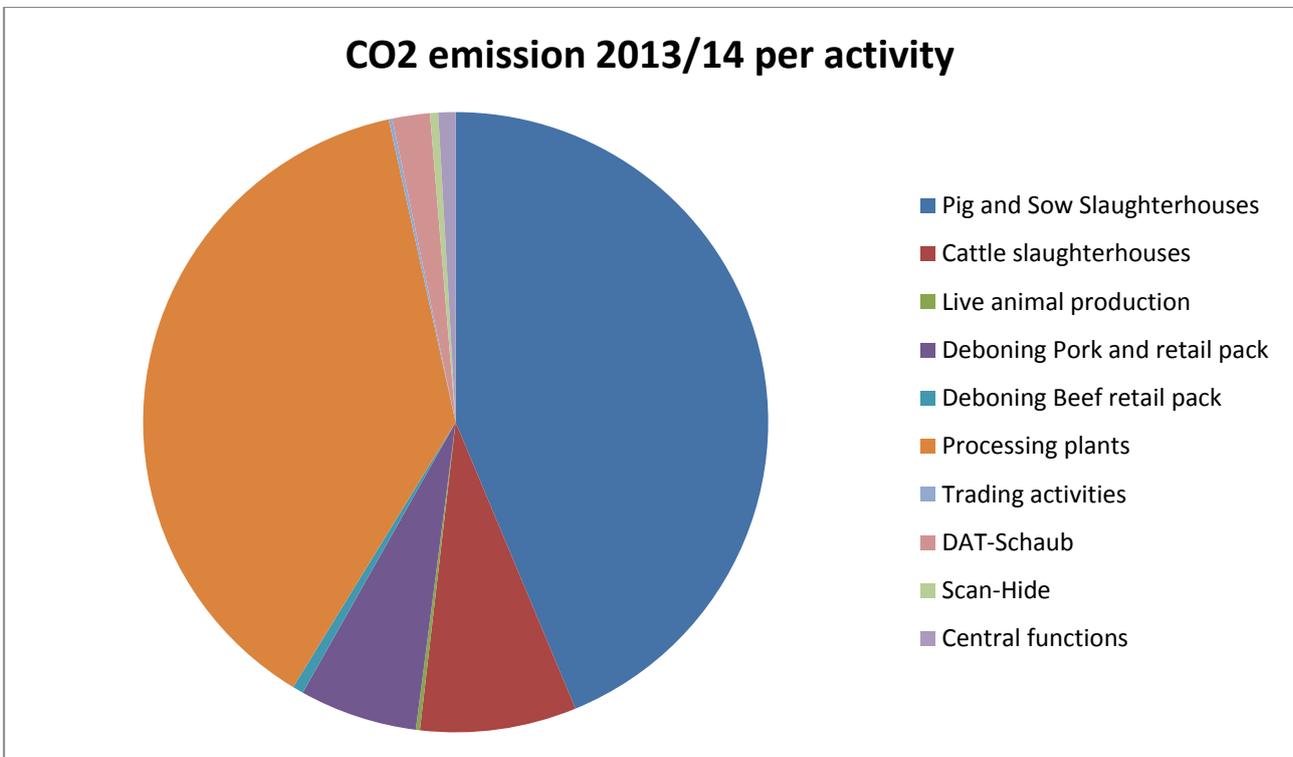
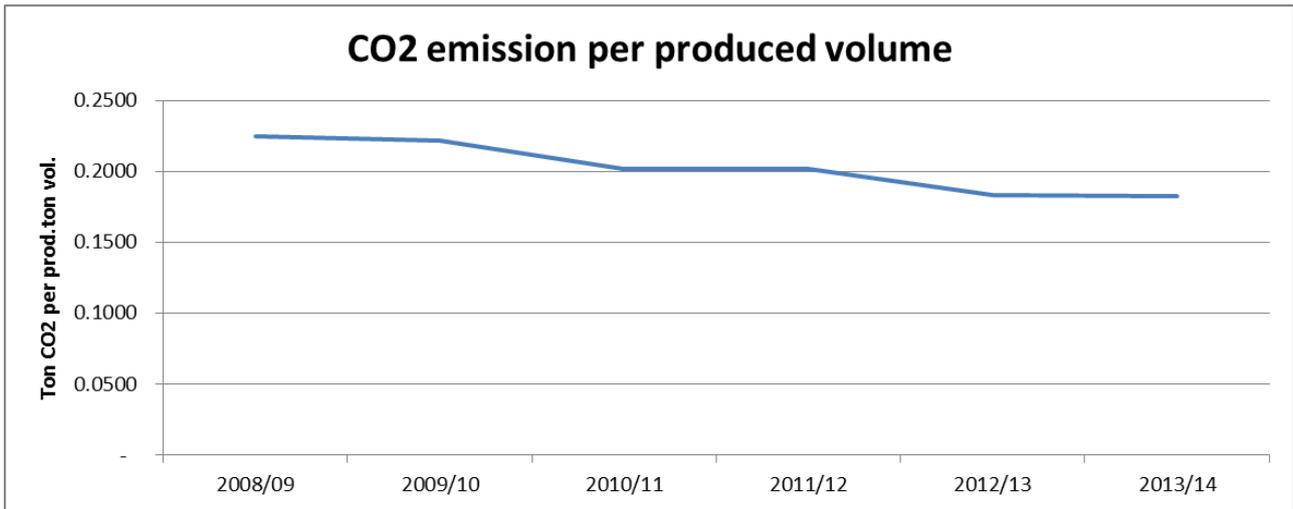
### Energy consumption 2013/14 per energy source



On the Danish, German and the majority of the pig slaughterhouses in Poland and the UK, natural gas and electricity is the main energy source. The main energy source in Sweden is electricity and district heating. Almost all cattle slaughterhouses and processing plants use natural gas and electricity as the main energy source. 50 per cent of the total energy consumption in the Danish Crown Group is electricity, while 48 per cent is natural gas.



CO<sub>2</sub>-emissions depend on the energy consumption and energy sources. Emissions are low from energy sources like water and nuclear power, while emissions especially from coal based energy are high – even when compared with the emission from natural gas.



The CO2 emissions are closely connected to the production activities. The pig and sow slaughterhouses including deboning, cutting and retail pack activities cover 50 per cent of the CO2-emissions, while the processing plants cover 38 per cent. The cattle slaughterhouses including the deboning, cutting and retail pack activities cover 9 per cent of the CO2-emissions.

## 6.2 Water and waste water

# Water Consumption a Constant Challenge

Danish Crown uses water to clean our production facilities, for disinfection, scalding pigs and cook our products. Some of the water evaporates in connection with cooling, cleaning and drying, but most is discharged as wastewater. We are continually making efforts to reduce the company's water consumption and the volume of organic material, which is discharged to the drains. These efforts include changing behaviour as well as implementing technical solutions.

Beside a satisfying reduction in the volumes discharged to the drains, we have not made satisfying progress in 2013/14 on our objectives considering the combined water consumption of the whole group. This is mainly caused by increased consumption of water resulting from running in the new cattle slaughterhouse in Holsted. However, further initiatives on water consumption and water reuse will have our attention in the coming years.

Objectives 2013-2018:

- That all factories reduce water consumption to the group's best practice level. At company or division level, the aim is to reduce water consumption by 3 per cent per year per ton of finished products.
- That all factories reduce the drain discharged volume to the group's best practice level. At company or division level, the aim is to reduce the volumes by 10 per cent per ton of product produced.
- To explore the possibilities for and savings potential of reusing water for other processes.

### Case: Tulip turns down the tap

Throughout a number of years Tulip Food Company has been able to reduce the amount of water used for production and cleaning, and this development continued during the latest financial year.

This is the result of increased focus on water consumption and a number of new projects.

Within the last year Tulip Food Company has replaced the automatic nozzles used for smoking ovens cleaning in Vejle and Svenstrup, this has resulted in significant reductions in the amount of water used for cleaning.

Tulip Food Company has also installed water meters at all the company's factories in order to monitor external cleaning companies as well as increase general focus on water consumption.

All in all the Tulip Food Company initiatives have resulted in a reduction of water consumption of 6.4 per cent.

### Read more case stories on our website

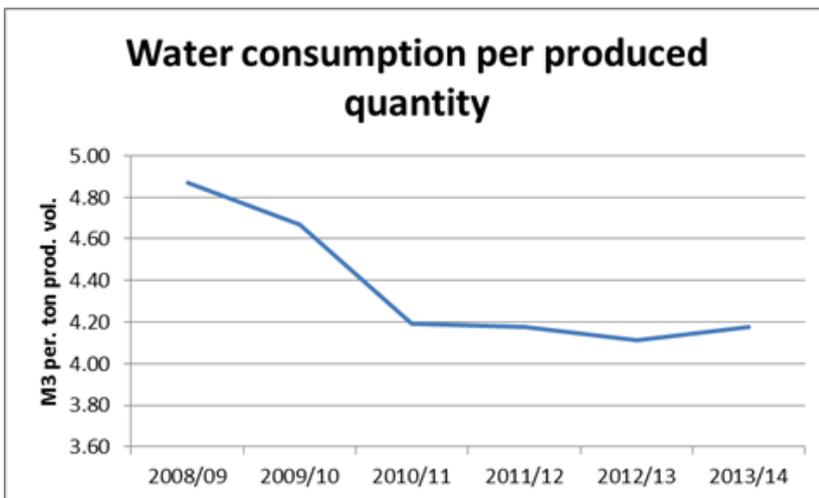
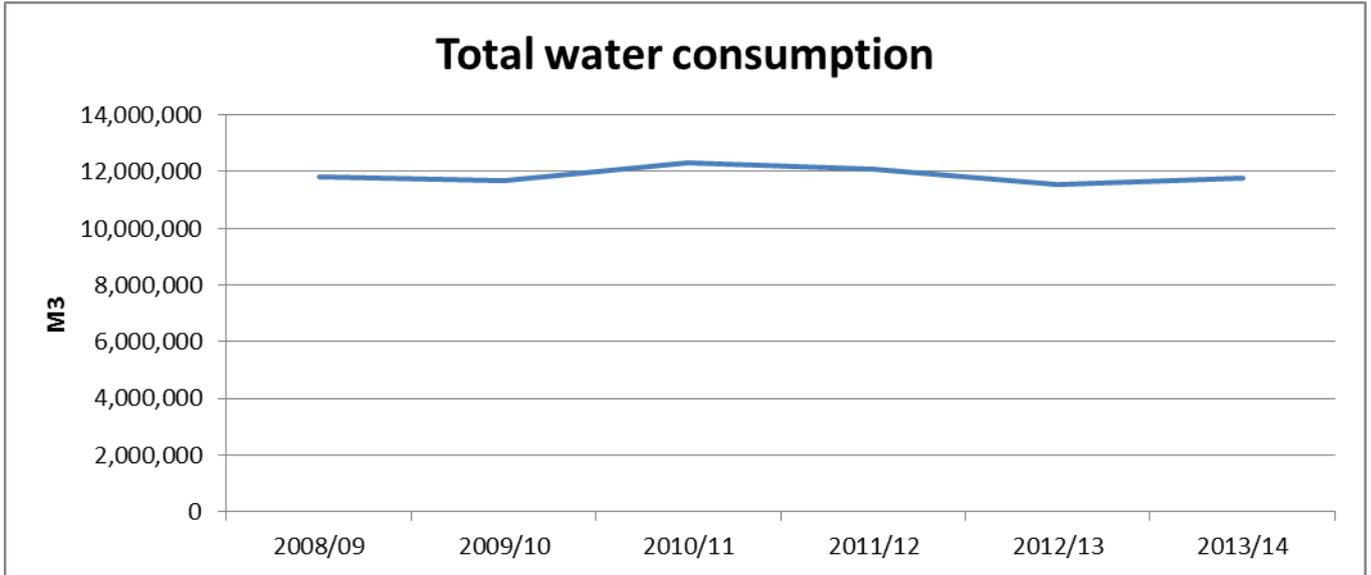
Tulip Turns down the tap (Tulip Food Company)

Environmental benefits of a closed cooling system (Sokolow)

New processes reduce discharge of organic material (Scanhide)

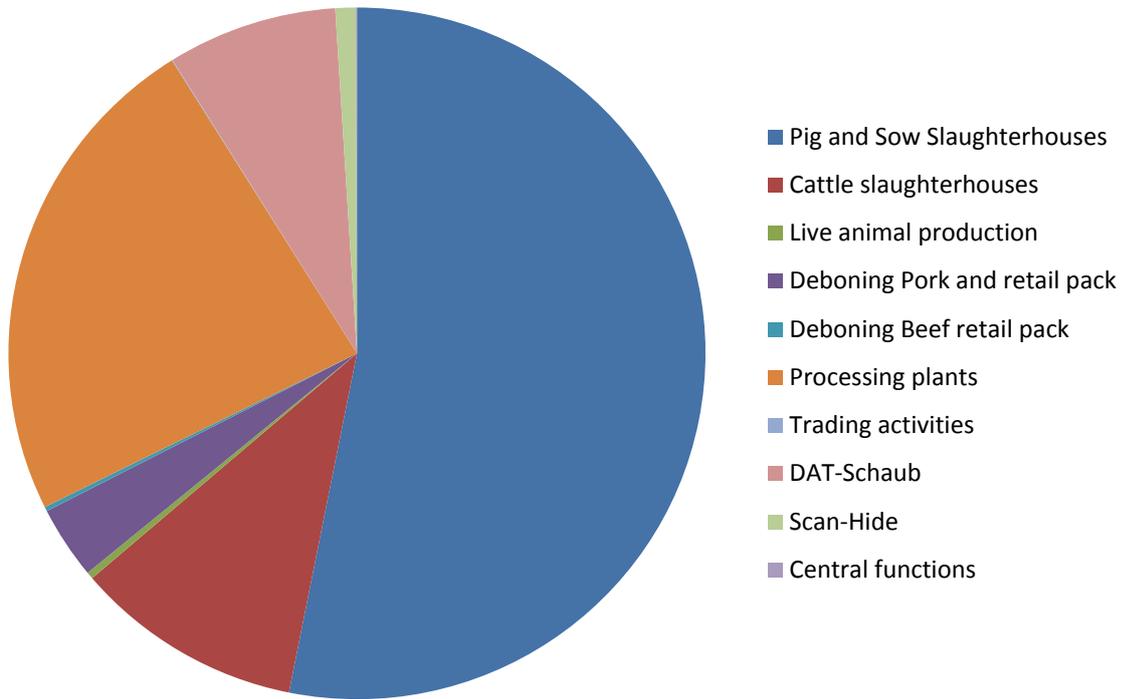
New equipment saves hot water for cleaning (DC Pork)



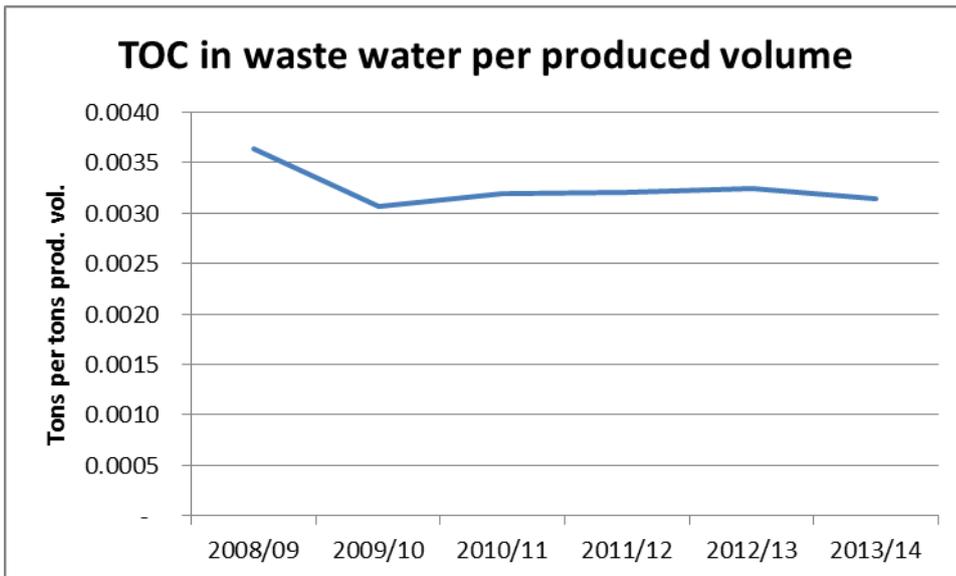
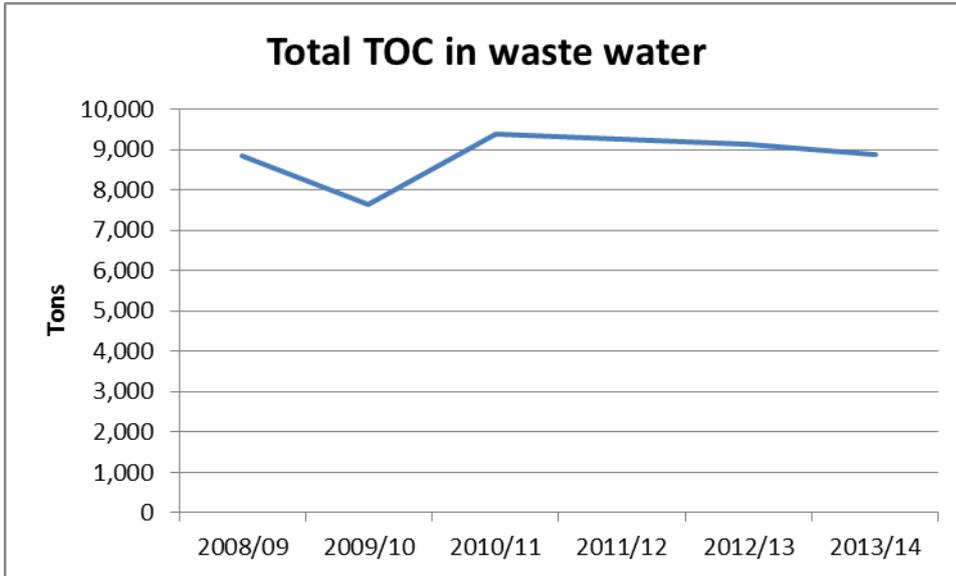


The water consumption per produced volume has increased by 1.6 per cent from 2012/13 to 2013/14, despite the fact that all companies have worked hard on reducing consumption of water. The main explanation for the increased water consumption is the new cattle slaughterhouse in Holsted where extra cleaning and other special circumstances have increased the water consumption by app. 260,000 m3. However water consumption in Holsted is expected to be reduced as production at the Holsted facility normalises.

### Water consumption 2013/14 per activity

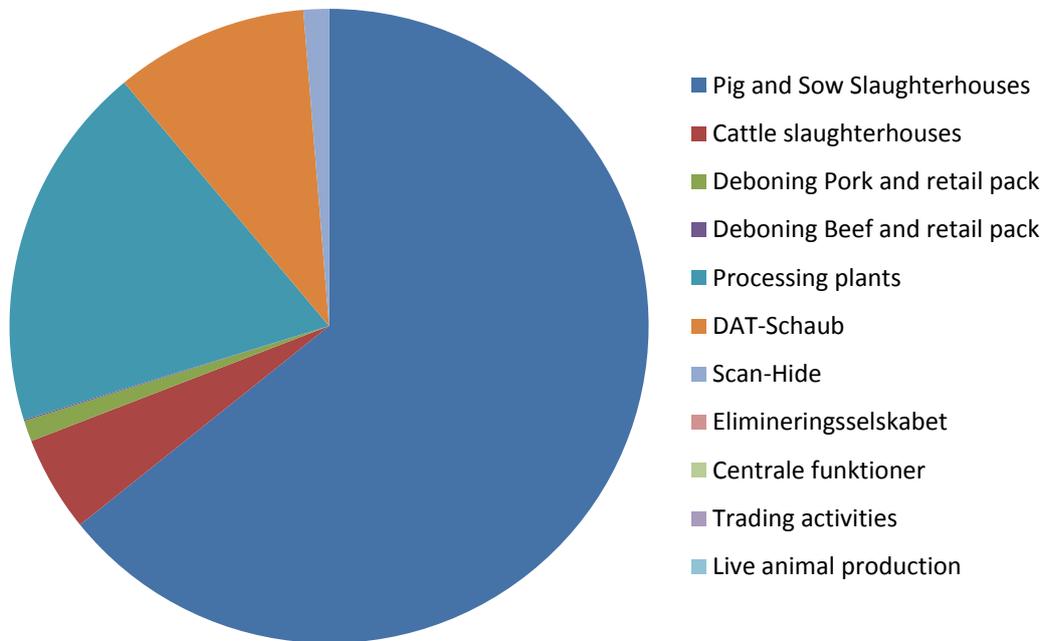


The pig and sow slaughterhouses consume 53per cent of the total water consumption in the Danish Crown group, followed by the processing activities consuming 23per cent. Water consumption per produced volume, however, is lower in the slaughterhouses than in the processing plants. The processing plants not only use water for cleaning according to meet high safety and sanitation standards. They also use water in the product processing such as cooking and curing. The percentage of water consumed by cattle slaughterhouses has increased from 8.5 to 10.6 per cent of the total water consumption as a result of the running in of the new slaughterhouse in Holsted.



TOC (Total Organic Carbon) per produced volume in 2013/14 has decreased by 3 per cent compared to last year which is in compliance with the overall objective of the group to reduce the TOC volume in wastewater by 10 per cent from 2013 to 2018.

### TOC in waste water 2013/14 per activity



64 per cent of the emission of TOC is related to the pig and sow slaughterhouses, while the share related to the processing plants is 19 per cent. The DAT-Schaub share is 10 per cent.

## 6.3 Chemicals

# New Ways to Fewer Chemicals

Most of the chemical products are used for cleaning at the plants, which is crucial for food safety. Danish Crown is continually working to reduce the use of cleaning chemicals and to replace environmentally harmful substances with more environment-friendly alternatives, where this can be done without compromising food safety. Another focus area is refrigerants. In Denmark, Danish Crown almost only uses ammonia as a refrigerant, because it has a very limited climatic impact. The experiences from Denmark are shared with other plants still using synthetic refrigerants, which are powerful greenhouse gases.

There has been a lack of progress in reducing the consumption of classified substances in 2013/14, and achieving our objectives will have our full attention in the coming years.

Objectives for 2013-2018:

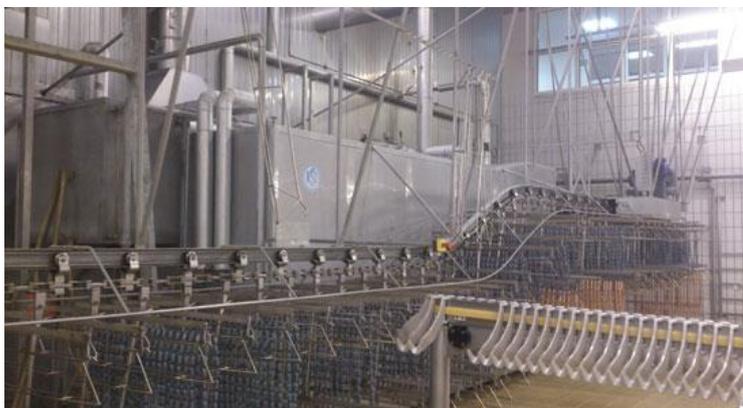
- That all factories reduce the consumption of classified substances (excluding refrigerants) to the group's best practice level. At company or division level, the aim is to reduce the use of classified substances by 20 per cent.
- That all factories reduce the emission of refrigerants to the atmosphere to the group's best practice level. At company or division level, the aim is a 50 per cent reduction.

### Case: Reduction of consumption of cleaning detergent in Vejle

A reduction in the consumption of detergent for cleaning, and cleaner ovens as well.

This is the result of a project carried through at Tulip Food Company in Vejle. The idea was to add the detergent in an earlier stage of the cleaning process, which has reduced consumption of detergent by 26 per cent, cleaner ovens and a reduction in water consumption as well.

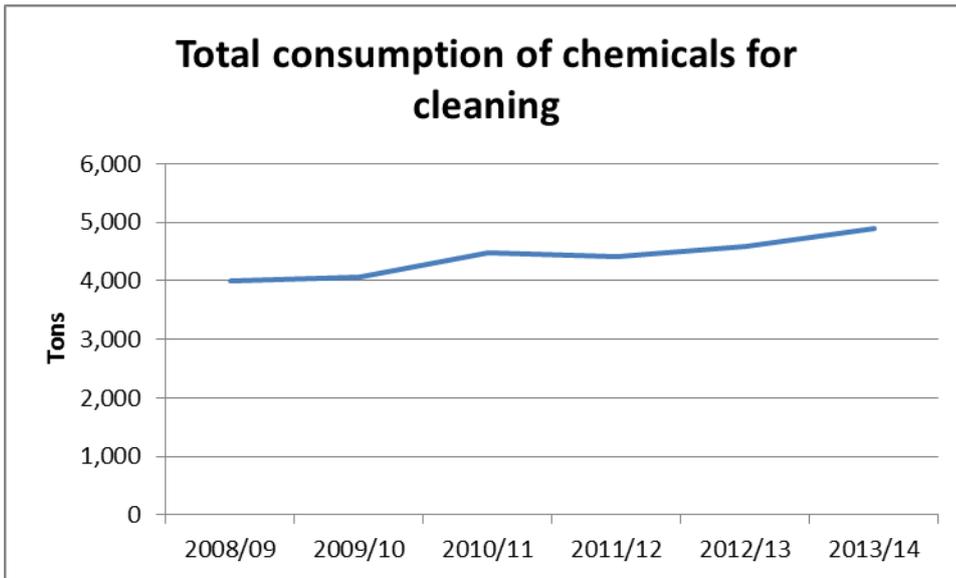
Finally the reduction of detergent used reduces the amount of chemicals used for making sure that the PH-value of the waste water leaving the factory is at a satisfactory level as well. The project has so far been used for one oven, but the plan is to use it for other ovens as well.



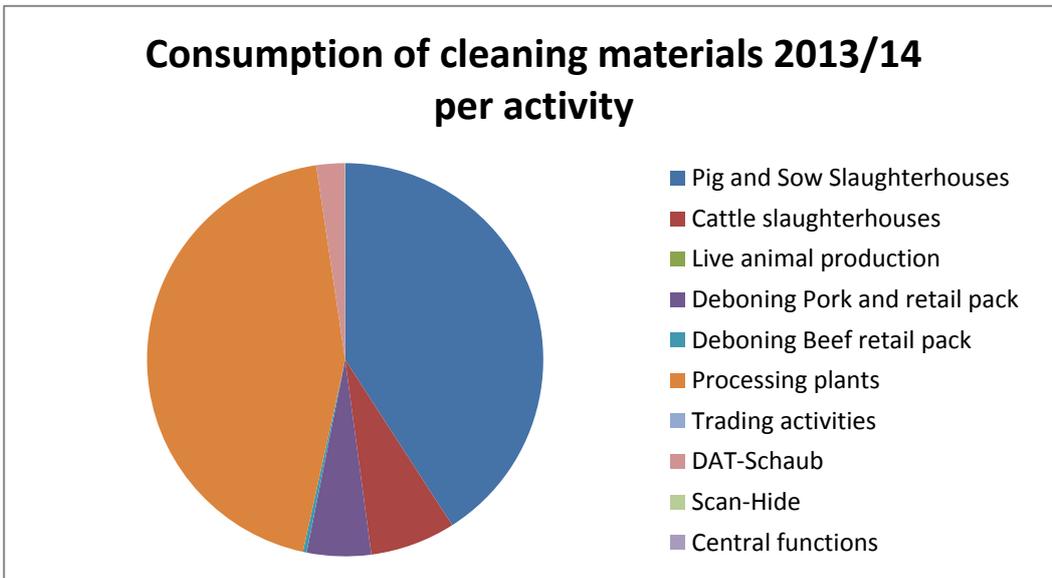
#### Read more case stories on our website

Reduction of consumption of cleaning detergent in Vejle (Tulip Food Company)

Allmost drip-free oil cuts cleaning (DC Pork)



Total consumption of cleaning chemicals increased by 6 per cent in 2012/13 to 2013/14. This is caused by a general increase in the use of cleaning chemicals across the group. This is an unsatisfying development, and all companies in the group will have to look into how a reduction of the use of classified substances can be achieved within the strategy period.



Cleaning chemicals are mainly used at the food processing plants and at the pig and sow slaughterhouses in regards to food safety. 46 per cent of the consumption of such chemicals are used in the pig and sow slaughterhouses including deboning, cutting and retail pack activities, while 44 per cent is used in the processing plants.

## 6.4 Waste

# Waste is a Resource

Waste is a resource, and the method of handling it largely determines whether it can be recycled. Danish Crown is focusing our efforts on increasing the degree to which waste is sorted into recyclable waste fractions. This applies to plastic and cardboard as well as iron and other metals. We also want to use as much of the slaughtered animals as possible for food. By strategically exploiting the differences that exist in global food cultures, we can sell more of the pig and the cattle for consumption thereby reducing the loss of animal proteins.

Our efforts in 2013/14 have focused on increasing the use of animal byproducts and minimising food waste and packaging. We find that our progress is satisfying, as we have reduced the amount of byproducts for destruction while increasing the amount of byproducts for feed and will continue to implement new projects on food waste and packaging within our strategy period.

Objectives 2013-2018:

- To increase the use of biological waste, including the use of animal byproducts, sludge and fertilizer.
- To increase the proportion of waste which is reused, while taking account of the collection systems and recycling options in the various countries.
- To implement two to three projects on food waste per company per year.
- To implement two projects on minimising packaging each year for the slaughterhouses and five projects per year for the processing companies.

### Case: From waste to food

Danish Crown is very focused on making sure that no part of the slaughtered animals is wasted. As a result a new company was created in Danish Crown Group, to work further on utilising the whole carcass.

The goal of the new business unit called DC Ingredients is to create new and more valuable products from the part of the animals, which was formerly send for disposal. This changes a number of products from waste into edible products either for human or animal consumption.



### Read more case stories on our website

From waste to food (DC Ingredients)

No waste sent for landfill (Tulip Ltd)

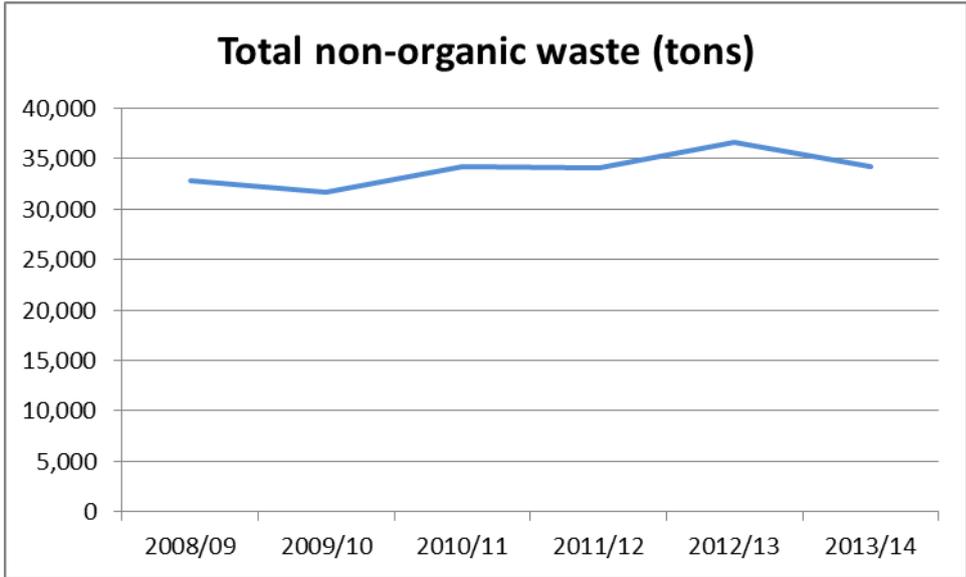
New energy from waste (Plumrose)

Tulip in Faaborg saves cardboard and money (Tulip Food Company)

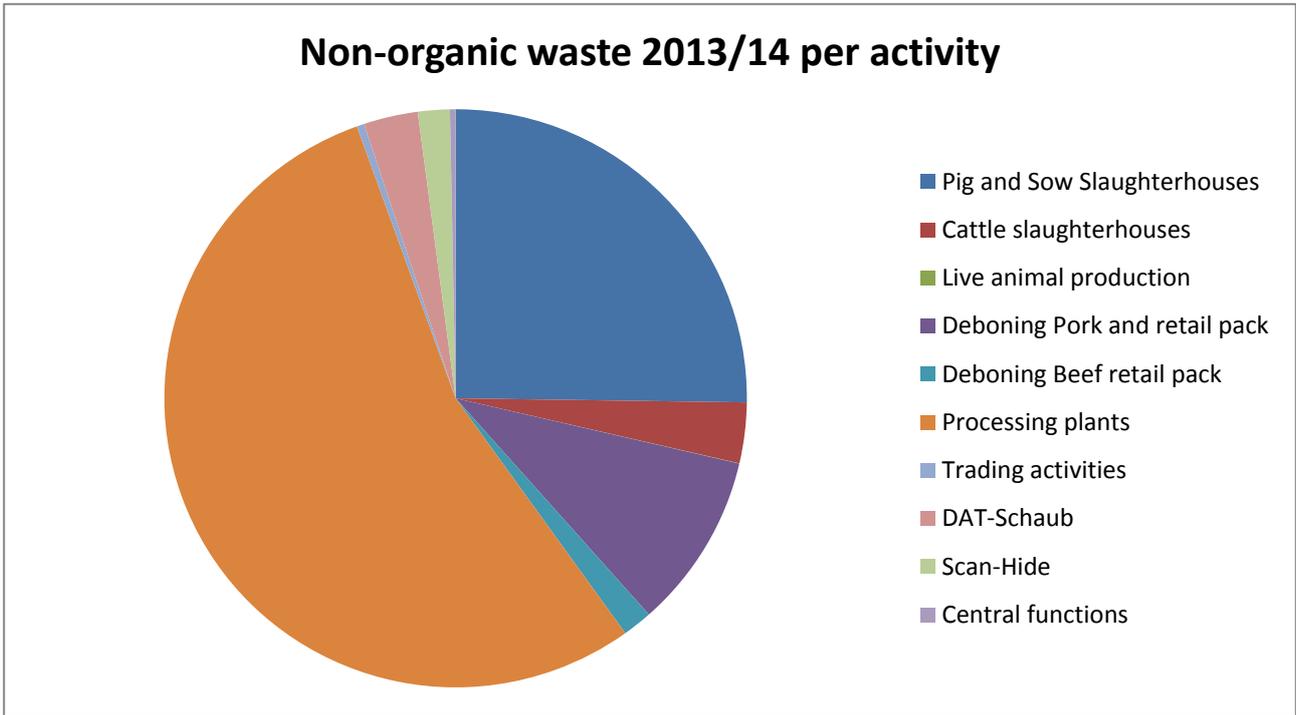
Packaging today, waste tomorrow (Tulip Ltd)

Using the head (DC Beef)

Pork casings have many uses (DC Beef)

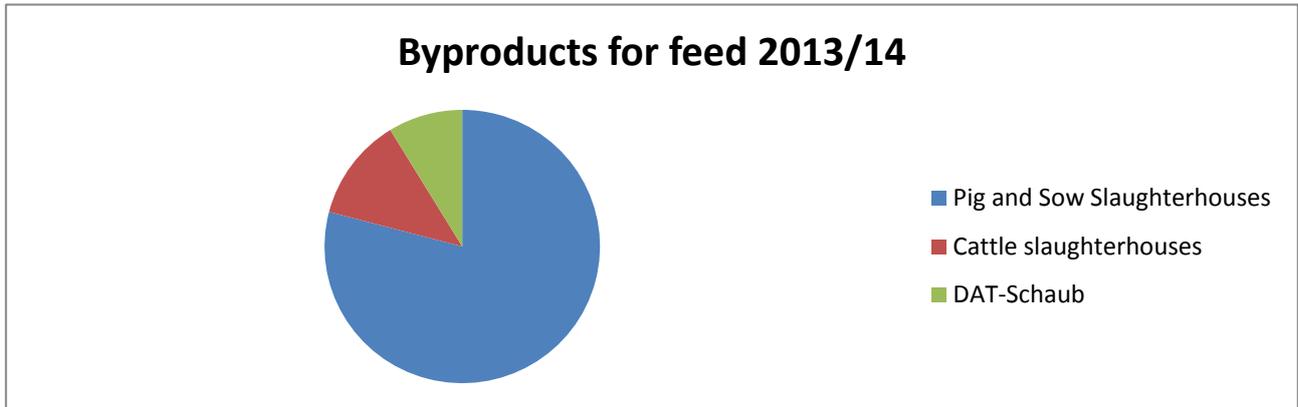


Total volume of non-organic waste decreased by 7 per cent from last year. Fluctuations in the volume depend on various specific events resulting in such types of waste in excess of the usual volume. This could be renovation projects on buildings and plants, scrapping of packaging and other unusual events.

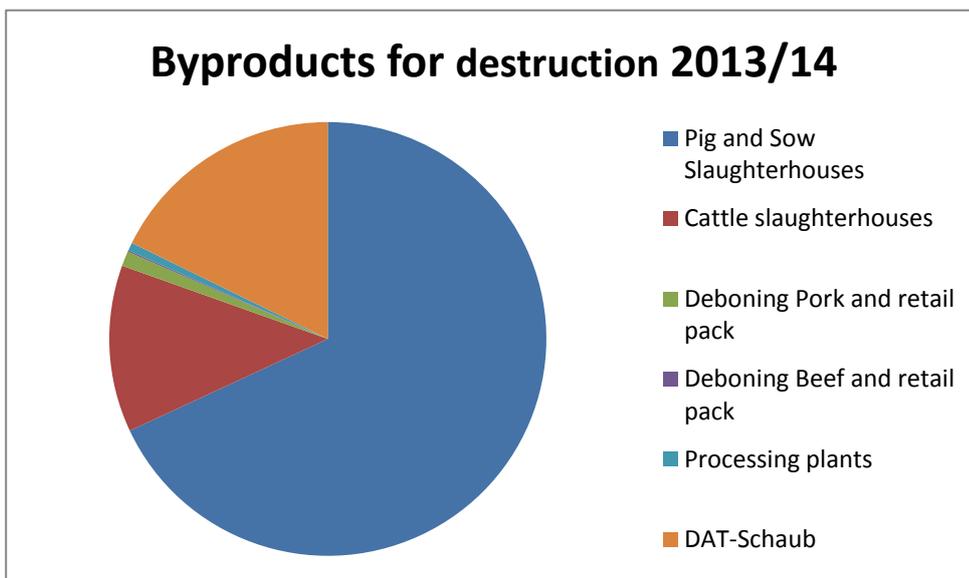


The processing plants cover 54 per cent of the non-organic waste volume, while the pig and sow slaughterhouses including deboning, cutting and retail pack activities cover 35 per cent.

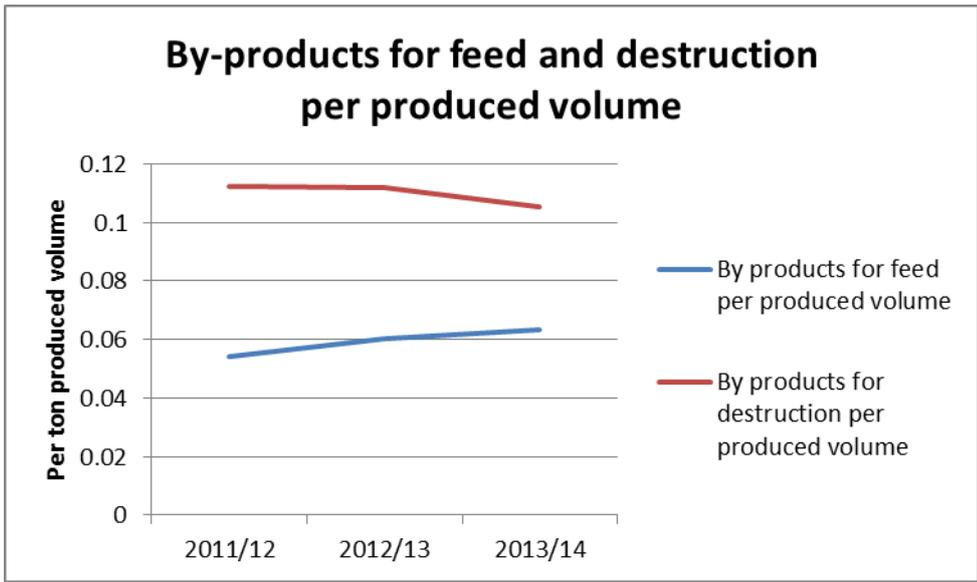
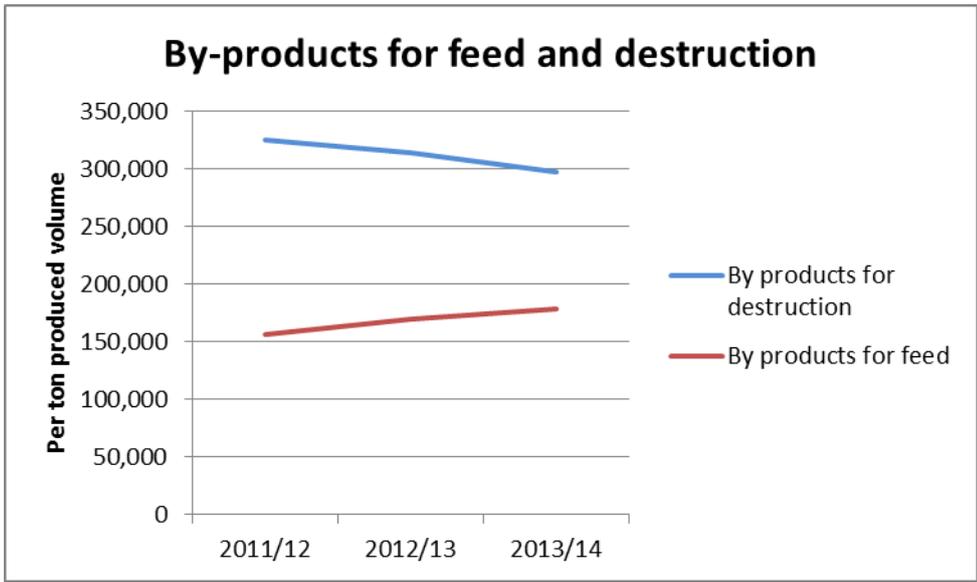
## Byproducts for feed and destruction



Byproducts for feed come from the slaughterhouses, 79 per cent from the pig- and sow slaughterhouses, 12 per cent from the cattle slaughterhouses and 9 per cent from DAT-Schaub.



Byproducts for destruction mainly derive from slaughterhouses. The pig- and sow slaughterhouses deliver 68 per cent of the total volume, while 18 per cent comes from DAT-Schaub and 12 per cent from the cattle slaughterhouses. The remaining 2 per cent is from the deboning and processing activities.



The volume of byproducts for destruction is still higher than the volume of byproducts for feed, but the difference in volume between the two categories has been reduced as Danish Crown companies have taken new initiatives in order to improve utilisation of raw materials.

## 7. The workplace

# The Good Workplace

The health and safety of our employees is a high priority for the Danish Crown Group. The company is committed to prevent accidents at the workplace and to reduce the number of repetitive strain injuries. We do so by ensuring the expedient layout of workplaces, by providing correct instructions and by introducing new technology, for example automation. Job satisfaction and the development of employees' competencies are also important focus areas.

The group's companies in Denmark, Germany, the UK, France and the USA have implemented health and safety management systems. These management systems ensure that the companies follow uniform procedures for handling health and safety issues and continuously improve the working environment. The pig slaughterhouses and casings cleaning facilities in Denmark are certified according to the OHSAS 18001 health and safety standard. Danish Crown's employees are involved in the work via occupational health and safety organisations and groups that are continually being trained and updated on the latest working environment know-how.

Our efforts in 2013/14 have focused on strengthening the health and safety organisation through training and education. This will still have our full attention in the coming years, but we will also strive to achieve our other objectives.

Objectives 2013-2018:

- To implement health and safety management according to internationally recognised standards at all large factories in the group.
- To strengthen the efforts being made to ensure high job satisfaction, including measures to prevent stress and bullying.
- To strengthen the health and safety organisation through training and education.
- To monitor technological developments and explore the benefits of introducing new technology.

### Case: Annual measurement of job satisfaction

Engaged and motivated employees are crucial to the success of Danish Crown. As a result Danish Crown has decided to increase the frequency of the employee survey, DC CHECK, from once every second year to once a year.

The employee survey was carried out for the first time in 2007 in Denmark and since then the number of companies included in the survey has spread to almost all companies within the group.

The reason for increasing the frequency of the survey is to make it easier to follow-up on the necessary actions carried through as a result of the survey thereby improving working conditions of the employees within Danish Crown.

#### Read more case stories on our website

Annual measurement of job satisfaction (Group)

On the road to a healthier Plumrose (Plumrose)

Well-being a shared responsibility (DC Pork)

Health and safety activities put in a system (Sokolow)

Exercises improve emergency preparedness (DC Pork)

Employees in Vejle improve skills (Tulip Food Company)



## 7.1 Accidents at work

# Targeted Efforts to Prevent Accidents at Work

For several years, Danish Crown has been working actively to reduce the number of accidents. Positive results have been achieved through continuously focusing on improving the workplace, for example by installing screening and fall protection measures etc. We ensure that all employees have the best possible personal protection gear at their disposal, and they are instructed in how to perform the work in a safe and responsibly manner while receiving regular training and instruction. New technology that can completely remove the risk of accidents for the individual employee is tested, tried and introduced where practically and financially possible.

Even though some factories have reduced the number of accidents, the progress on group level in 2013/14 is unsatisfactory. However, a number of new initiatives have been taken towards the end of the financial year expected to result in a reduced number of accidents in the future. Furthermore, initiatives on improving workplace safety and learning from best practices will have our full attention in the coming years as well.

Objectives 2013-2018:

- That all factories reduce the number of accidents at work that lead to a full day of absence to the group's best practice level. At company or division level, the aim is to reduce the number of work-related accidents by 20 per cent.
- That all factories reduce the absence due to illness percentage to the group's best practice level. At company or division level, the aim is to reduce absence due to illness by 30 per cent.

### Case: Intensified focus on safe working environment

After a number of years with a significant reduction of accidents in Danish Crown, the number of accidents stabilised. As a result Danish Crown has taken new initiatives in order to further reduce accidents.

The new initiatives are based on the fact that most of the accidents at Danish Crown sites are behavioral accidents caused by employees not following the instructions on how to act in different situations or operate special machines. Therefore all foremen working at DC Pork, Tulip Food Company and DAT-Schaub in Denmark have attended two days of training in order to increase their focus on how to reduce the number of accidents.

Each foreman has had an assignment as well, where they have solved a specific problem thereby reducing accidents at their site.

The new initiatives have already through the first year resulted in a reduced number of accidents, and it has therefore been decided to implement the safety initiatives at DC Beef in order to reduce the number of accidents at the cattle slaughterhouses as well.

### Read more case stories on our website

Intensified focus on safe working environment (Group)  
Putting safety first gains results for Tulip (Tulip Ltd)  
Health and safety prize for project slash (Tulip Ltd)  
Common sense to prevent falls (DC Pork)  
Video recordings prevent future accidents (DC Pork)



## Accidents

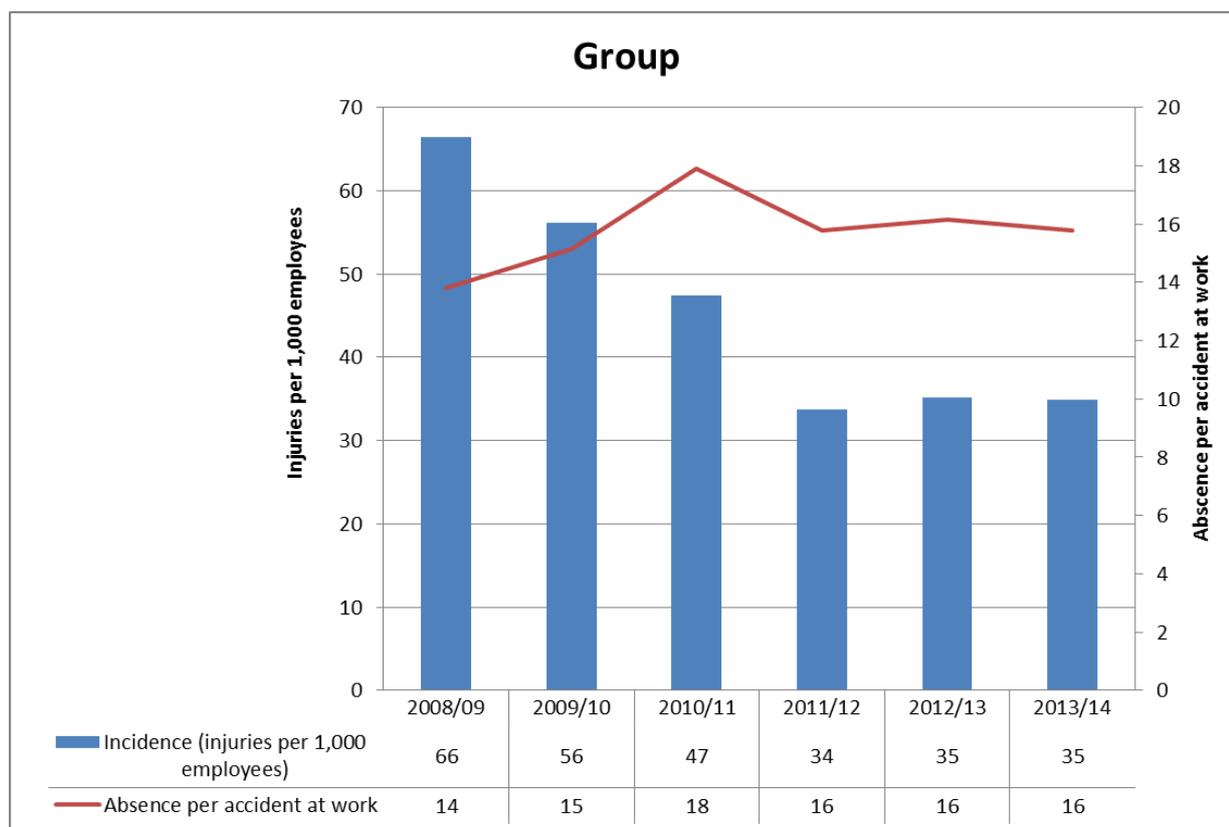
### Definitions

**Incidence (injuries per 1,000 employees):** Incidence expresses the frequency of accidents that result in work-related injuries that are serious enough to result in a whole day absent from work. Incidence is calculated as:

number of accidents \* 1000 divided by number of employees

**Absence per accident:** This is an estimated average value where the total absence resulting from work-related accidents at the individual company is divided by the number of work-related accidents. The value indicates the seriousness of the accidents.

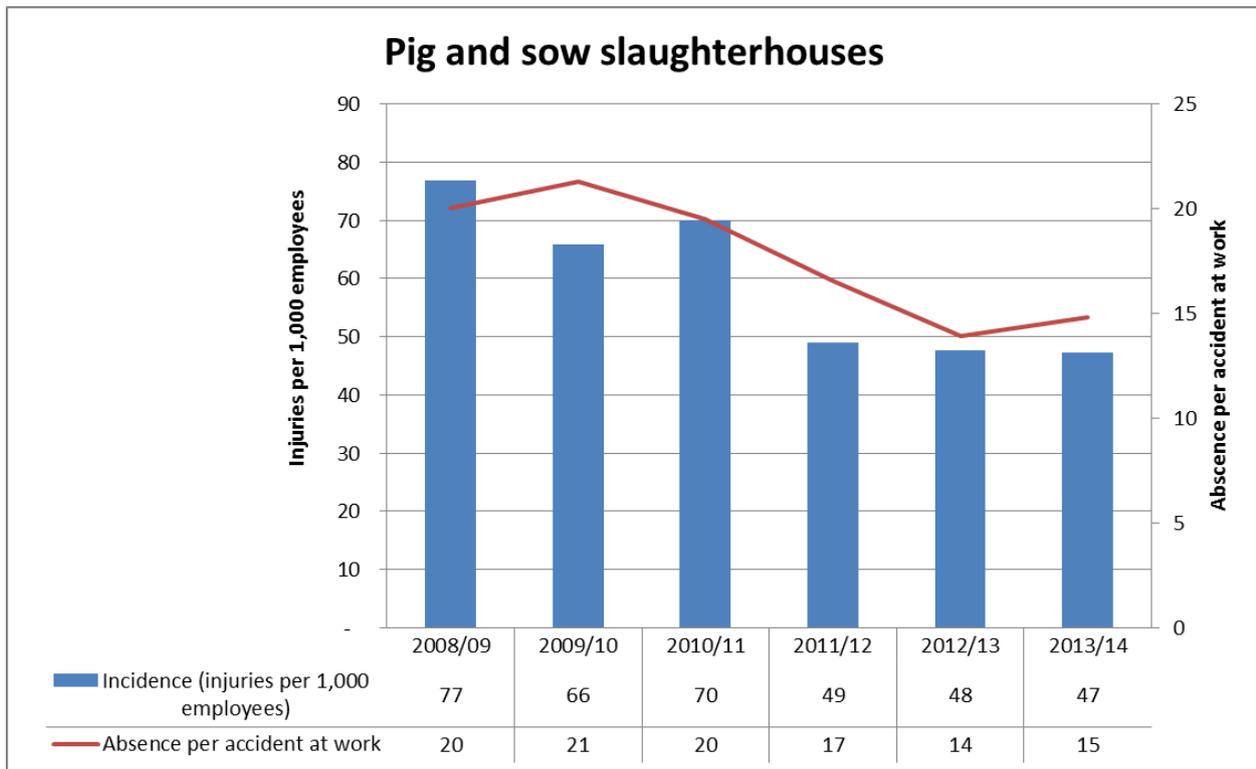
### Danish Crown Group – Total



Since the 2008/09 financial year, there has been a general reduction in the incidence of work-related accidents throughout the entire group of 39 per cent. However, the development has been very different concerning the different divisions. The average absence per accident has increased from 14 to 16 days, which indicate that the work-related accidents have not become any less serious.

Within the latest financial year there has not been a change in the number of accidents per 1,000 employees, but a number of initiatives have been made in order to reduce number of accidents within the current financial year.

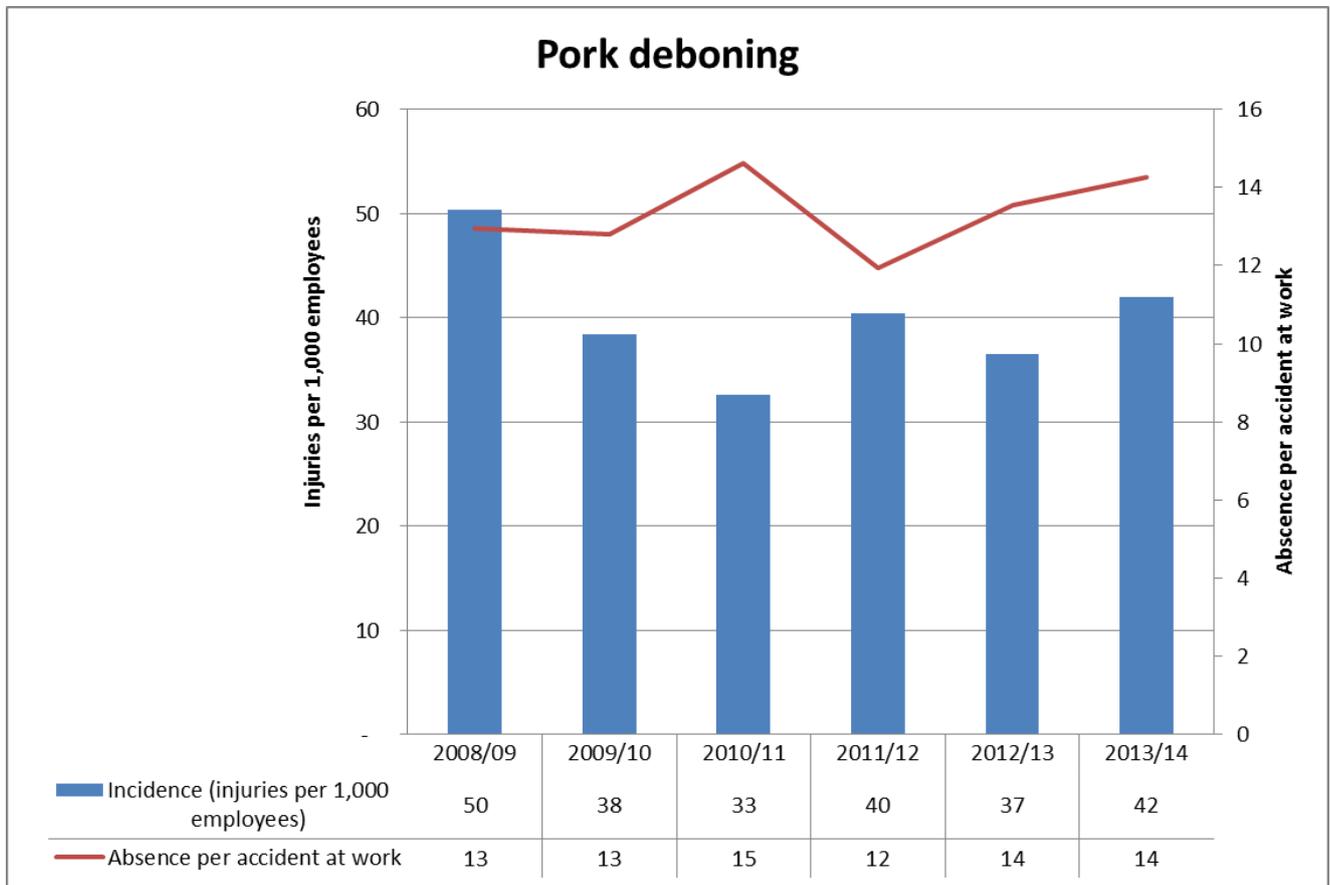
## Danish Crown Group – Pig and sow slaughterhouses



The total reduction in the incidence of work-related accidents per employee at the slaughterhouses since 2008/09 is 39 per cent.

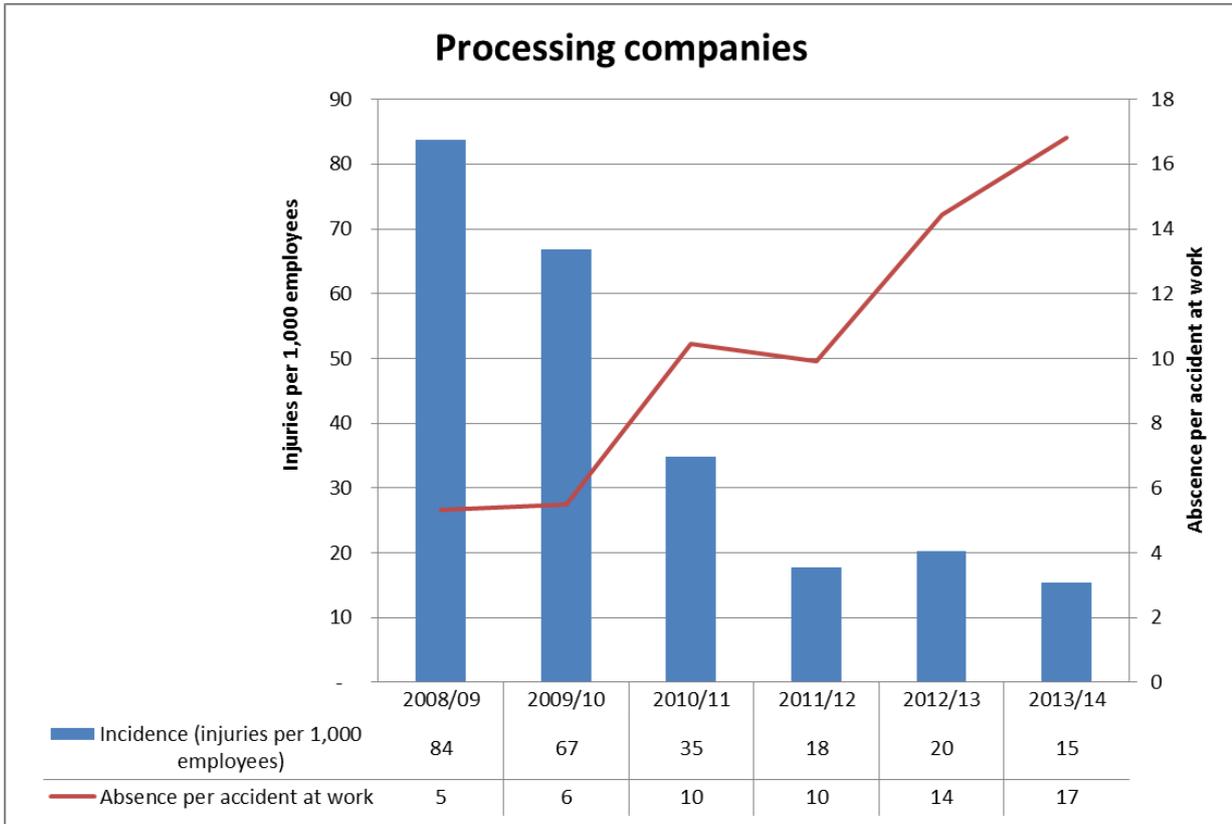
Absence per accident has also been reduced, which indicates that the work-related accidents have become less serious. However, the seriousness of accidents has not been reduced within the last year.

## Danish Crown Group – Pork deboning



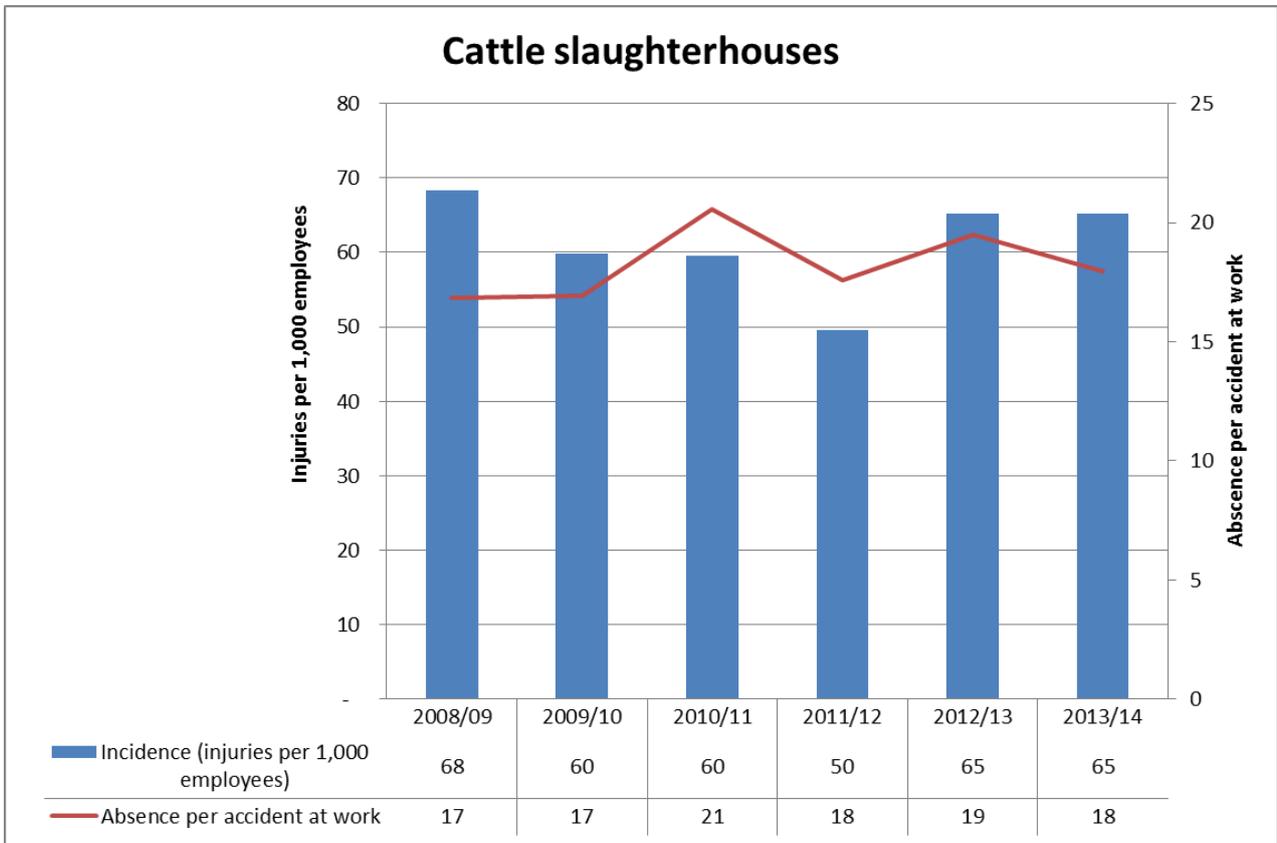
At the deboning and cutting plants, the number of accidents per employee has decreased by 16 per cent since 2008/09, which is an unsatisfactory result. The number of lost workdays per accident remains stable, indicating that the seriousness of the accidents at work has not been reduced.

## Processing companies



The number of work-related accidents per employee at the processing companies has been reduced by 82per cent from 2008/09 to 2013/14, and by 25per cent in the latest financial year. In the same period, absence per accident has increased, which indicates that it is mainly the number of less serious accidents that has been reduced.

**Danish Crown Group - Cattle slaughterhouses including deboning**



The incidence of work-related accidents per employee at the cattle slaughterhouses has been reduced by 4 per cent since 2008/09. Average absence per accident has increased from 17 to 18 days. There has not been any development in the accident rate within the latest financial year.

## 7.2 Repetitive strain injury

# Focus on Preventing Repetitive Strain Injuries

Danish Crown is continually working to identify and minimise physical strains that can lead to repetitive strain injury. The company is focusing in particular on manual processes that involve lifts and many repetitive movements. We are also working to improve employee health and the possibility of returning to work after an injury or long-term illness. We see healthy exercise and eating habits as a key element in preventing repetitive strain injury. This is the reason why we encourage employees to take responsibility for their own health while offering health initiatives at our workplaces. In addition, we are making the workplaces more ergonomic, providing advice on ergonomic working positions for employees and involving ergonomic assessments when assigning employees to new job functions. Thus, we find that our efforts in relation to meeting our objectives are satisfying.

Objectives 2013-2018:

- To minimise the number of daily lifts for employees by introducing new technology, expedient workplace design and correct working instructions.
- To ensure that all work functions are performed as ergonomically correct as possible.
- To motivate and inspire employees to adopt healthy exercise and eating habits and to ensure health initiatives at all workplaces.

### Case: New equipment reduces repetitive strain injuries

Sokolow has carried through a number of initiatives focusing on preventing repetitive strain injuries. Amongst others Sokolow Podlaski has installed an expansion of the system for unloading meat, and 15 new electric trucks have been rented as well in order to minimise the number of assignments requiring repetitive physical work.

Also the working conditions at the slaughtering line have improved by making changes at the lines where cattle are parted. This means that more work is carried out while the animals are hanging from a hook which is a significant improvement of the working conditions.



### Read more case stories on our website

New equipment reduces repetitive strain injuries (Sokolow)  
Support for healthier lifestyles (Tulip Ltd)  
Personal health goals (ESS-Food)  
Robots take the strain (DC Pork)

## 7.3 Noise and acoustics

# Less Noise and Better Acoustics

Noise is a challenge at the factories. Increased automation has led to increased noise levels at several locations. The strict food safety and hygiene standards also include requirements relating to the choice of materials for floors, ceilings and walls, which also causes problems with noise and acoustics. We are committed to reduce the total impact of noise and poor acoustics on the individual employee. At the Danish factories, all employees' daily noise exposure levels have been mapped, and action plans have been made to reduce noise levels. We are continually investing in reducing noise from existing equipment and machinery, but also in the research and development of quieter equipment in collaboration with research institutes and suppliers. In addition, we maintain equipment and limit any unnecessary man-made noise from handling operations. Thus, we find that our efforts in relation to meeting our objective are satisfying.

Objective 2013-2018:

- To minimise noise levels through the introduction of new technology, the effective maintenance of production equipment and noise-reducing work routines and behaviour.

### Case: Less noise gives loud results

Hearing preservation has been an important focus in Plumrose USA for a number of years.

As part of the efforts to reduce noise pneumatic mufflers were installed on machinery to reduce noise, and all employees who work in areas where the sound exceed 85 decibels are part of the hearing program, which includes training on the effects of noise on hearing and how to protect themselves from hearing loss.

Of course hearing protection is provided to all employees at no cost, and additionally Plumrose USA has audiometric exams conducted on its production employees by certified audio technicians to monitor potential hearing loss.

As a result of the continued efforts to reduce noise there has been no work related recordable hearing loss at any Plumrose USA facility for more than five years.



### Read more case stories on our website

[Less noise gives loud results \(Plumrose\)](#)

[New pipe solution halves exhaust noise \(DC Pork\)](#)

[Joint efforts reduce behavioural noise \(Tulip Food Company\)](#)

## 7.4 Job satisfaction and competencies

# Competencies and Well-being

A precondition for Danish Crown's business development is committed, quality-conscious and result oriented employees who meet customer demands and wishes. This requires the continual development of the employees' competencies and constructive cooperation across the organisation. Competence development is also an important element in implementing Danish Crown's policy of ensuring a more equal distribution of men and women at all management levels.

Our efforts in 2013/14 have focused on conducting managerial development and to promote more female managers as well as developing a group intranet to strengthen knowledge-sharing across companies and national boundaries. Thus, we find that our progress is satisfying.

Objectives 2013-2018:

- To ensure the positive development of staff motivation and commitment throughout the entire group.
- To gear the organisation for the future with respect to business succession and to attract and retain competent employees while also increasing diversity in the filling of management positions throughout the group.
- To increase focus on internationalisation while increasing knowledge-sharing and exploiting synergies across companies and national boundaries.

### Case: DAT-Schaub educates for the future

In Denmark the lack of job for apprentices is a huge problem, but DAT-Schaub is one of the companies which takes the responsibility for future workers very seriously.

As a result the company always employs about 40 apprentices which is a high number considering the size of the company. As an extra bonus most of the apprentices trained at the company are able to get a position at DAT-Schaub afterwards.

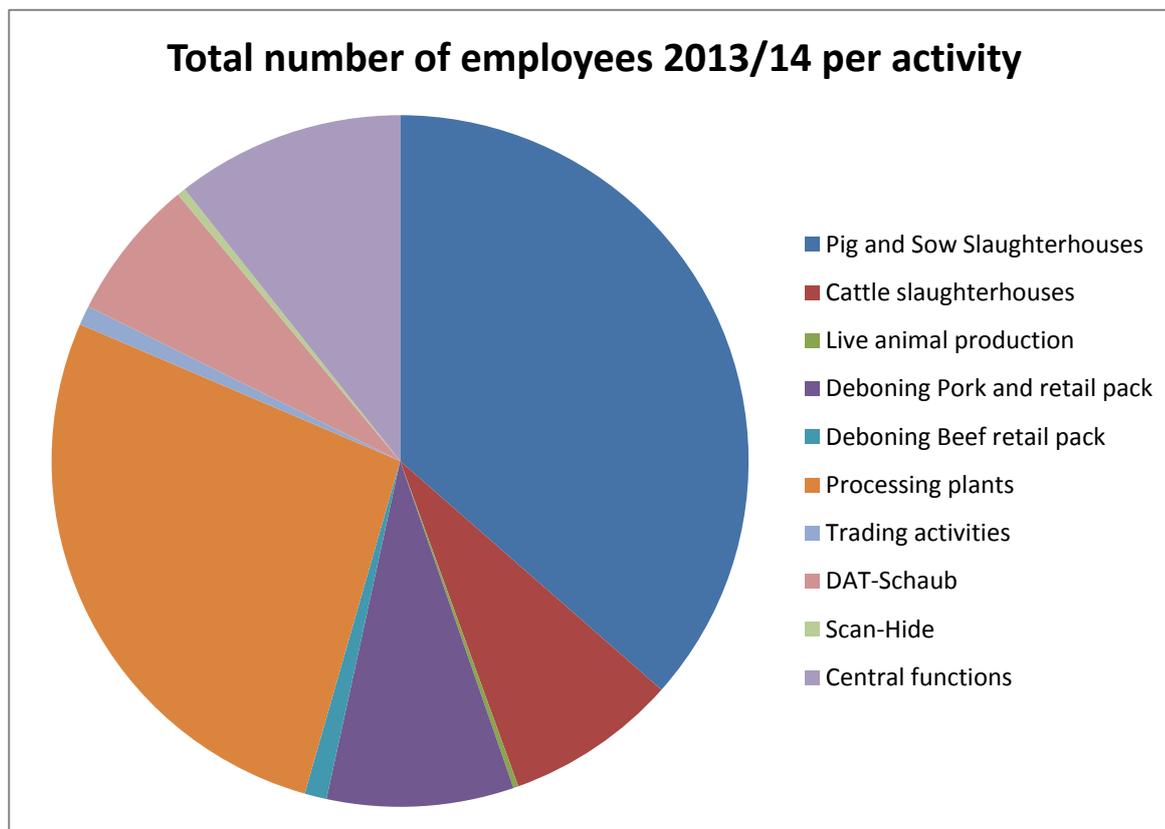
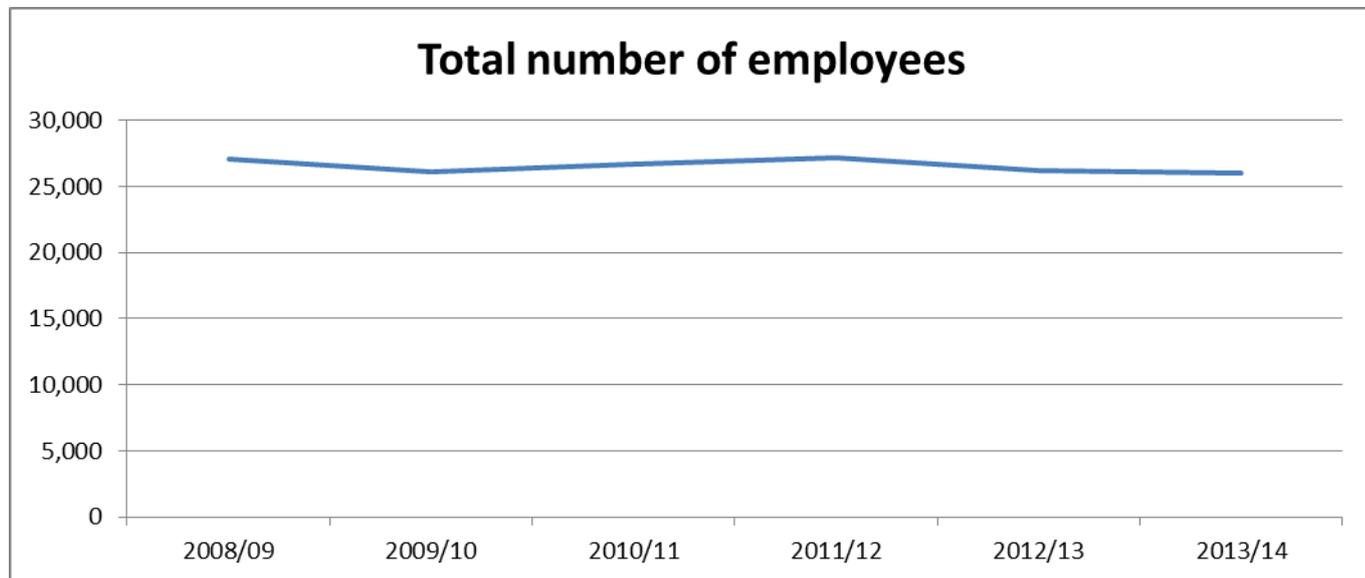
This is an advantage for both the apprentices and the company, because DAT-Schaub gets well educated employees trained at the company while most of the apprentices can look forward to working for DAT-Schaub when their education is complete.



### Read more case stories on our website

Dat-Schaub educates the future (DAT-Schaub)  
New skills for Vejle employees (Tulip Food Company)  
Training is good business (Tulip Ltd)  
Management development for women (Group)  
Social plan helps employees (DC Pork)  
KLS Ugglarps educates young people (KLS Ugglarps)

## Employees and employee turnover



45 per cent of the employees in the Danish Crown Group are employed in the pig- and sow slaughterhouses including deboning and retail-packaging activities for pork. 27 per cent of the employees are employed in

the processing plants, and 7 per cent are employed in the DAT-Schaub Group.

Please note that for CSR purposes the number of employees are sub-consolidated according to their function and not to legal entities. This means that the number of employees in the CSR sub-groups may be different from the sub-groups in the legal accounts.

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Total number of employees (FTE) - Average	27.113	26.138	26.655	27.178	26.231	25.980
Total number of employees leaving Danish Crown Group (FTE)	5.663	4.941	5.025	4.945	4.738	4.771
Number of employees leaving the Group - in %	21%	19%	19%	18%	18%	18%

The production and administrative capacity in the Danish Crown Group is continuously adjusted. The average number of employees has decreased during 2013/14 by 251 persons.

## Gender composition of management

	<u>Women in man. in %</u>
Denmark	19,6%
Sweden	18,4%
Germany	9,8%
Poland	39,4%
UK	26,1%
USA	22,1%
Others	<u>17,9%</u>
DC group	<u><u>26,68%</u></u>

There has been a small increase in the number of females in management positions over the last five years and the average proportion of female managers in 2014 is 26.7 per cent. App. 55 per cent of female managers are employed in the central administrative functions, while 17 per cent are employed in the production.

The goal for Danish Crown's units in Denmark is for the proportion of females in senior positions to grow. The proportion of females in senior positions in Denmark is 19.6 per cent and efforts to increase the number will include particular focus on ensuring that there are always both female and male candidates in connection with both internal and external recruitment, and that talented female managers are identified on an equal footing with male candidates in connection with succession planning and appointments. In

addition, we will ensure a more equal distribution of female and male participants at management development courses both in production and administration and that men and women are considered equally when selecting candidates for further education courses such as an MBA programs.

## 8. Human rights

# Protection of Human Rights

Danish Crown recognises and protects basic international human rights, including labour rights. We want to ensure that human rights are not violated at Danish Crown companies, and we demand the same of all our business partners.

Our progress in 2013/14 in establishing due diligence processes that can help us to identify areas where there may be a risk of negative impact on human rights, and achieving our objectives will have our full attention in the coming years is unsatisfactory in 2013/14. Due diligence processes must also support us in preventing and mitigating a negative impact if it occurs, and make sure to correct the situation for those directly involved.

Objectives for the strategy period:

- To incorporate due diligence processes for human rights in existing management systems.
- To explore the possibilities of establishing an appropriate system for handling of grievances.

### **Case: Tulip Ltd joins initiative to hidden labour exploitation**

A number of media revelations have exposed all UK business are in risk of becoming part of hidden labour exploitation without their own knowledge.

To avoid being part of exploitation, Tulip Ltd has joined a multi stakeholder initiative to combat exploitation.

The initiative is called Stronger Together and comprises besides Tulip Ltd, supermarkets, the Association of Labour Providers, the Gangmasters Licensing Authority, Migrant Help, industry trade organisations, non-governmental organisations, individual employers and trade union representatives.

To support the initiative Tulip Ltd is taking a series of actions including an employee awareness campaign at all of the companies 17 sites, management team briefings, updated new starter induction programs, amended labour provider service level agreements and audit processes and making updates to the company Ethical and Responsible Sourcing Policy.

### **Read more case stories on our website**

Tulip Ltd joins initiative to hidden labour exploitation (Tulip Ltd)

No bullying at Sokolow (Sokolow)

Agreement of minimum wages in the German meat industry (DC Pork)

## 9. Anti-corruption

# Zero Tolerance Towards Corruption and Facilitation Payments

Danish Crown is operating in several markets, where corruption and facilitation payments can occur. We do not accept neither corruption nor facilitation payments, even if non-payment can lead to a significant delay or other inconvenience for the company or our employees. We are actively working to prevent facilitation payments, and our policy is being impressed on all employees through regular risk analysis, particularly in regions where facilitation payments are widespread. There have not been any reports of cases of corruption nor facilitation payments in the 2013/14 financial year.

In 2014 we have formulated a written bribery and corruption policy for Danish Crown and other companies within the Danish Crown Group. The policy outlines Danish Crowns current position on preventing and prohibiting bribery and corruption and includes a procedure for handling gifts and entertainment. The policy remains to be implemented.

Objectives 2013-2018:

- To implement the bribery and corruption policy in Danish Crown and affiliated companies.

### Case: New bribery and corruption policy in the pipeline

Danish Crown Group companies do not accept corruption or bribery.

This is the background for a new bribery and corruption policy which is based on the strict regulations of the UK Bribery Act.

The policy outlines Danish Crowns' position on preventing and prohibiting bribery and corruption and will make it much more transparent which rules apply both concerning internal trades between the companies within the group and concerning trade with companies outside the group.



Danish Crown strives to execute the policy early in the new financial year.

#### Read more case stories on our website

New bribery and corruption corruption policy in the pipeline (Group)

## 10. Purchasing

# Dialogue with Suppliers

Suppliers of consumables and subsidiary materials that come into direct contact with foods must, as a minimum, comply with the principles of the UN Global Compact, of continuously reducing their negative environmental impacts and have a food safety system. Danish Crown is incorporating these requirements in a Framework Agreement (FWA) as and when we conclude new agreements and renegotiate contracts. All future agreements will also require suppliers to comply with the UK Bribery Act. We assess whether our suppliers are complying with the requirements in connection with the annual Supplier Risk Assessments, and we carry out audits of suppliers where, in our view, it is necessary to raise competence levels. The purpose of the supplier audits is to identify potential focus areas and to inspire suppliers to do more in the CSR area. If audits reveal significant discrepancies, we demand that suppliers draw up action plans that we will continually follow-up on. As part of the dialogue with suppliers, we encourage them to establish their own due diligence processes. This will help prevent them from having a negative impact on the CSR principles, and to handle such an impact if it occurs.

Our efforts in 2013/14 have focused on incorporating CSR in supplier contracts and cooperating with carriers on promoting environmentally friendly transport. Thus, we find that our progress is satisfying.

Objectives 2013-2018:

- To incorporate CSR in all supplier contracts for all companies.
- To carry out an ongoing assessment of the method and scope of the Supplier Risk Assessment, including the dissemination of the method to relevant companies.
- To incorporate environmental requirements in contracts, including contracts for the purchase of new production equipment and the procurement of subsidiary ingredients, packaging and transport services.
- To oblige carriers to provide key figures for CO<sub>2</sub> emissions and to document their efforts to reduce emissions.
- To cooperate with carriers on promoting environmentally friendly transport at all stages.

### Cases: From asphalt to train tracks

Danish Crown is first mover concerning a new way of transporting.

The idea is to move cooling containers around Europe using trains instead of trucks. This means that the environmental impact of the transport is reduced by more than 50 per cent and at the same time the cost of transporting the containers is reduced by about 20 per cent.

The reason that it is now possible to transport the containers using railways instead of roads is a new invention by TXLogistik, which makes it possible to lift regular cooling containers on to a train and back on a truck after transporting. This has not previously been possible.



The first transports were from Padborg to Verona, but the new system is expected to be used for a number of other transporting routes as well thereby further reducing the environmental impact of transporting meat in Europe.

### Read more case stories on our website

From asphalt to train tracks (DC Pork)

Danish Crown rejected a good offer (DC Pork)

New packaging reduces CO2-emission (KLS-Ugglarps)

New demands for suppliers of soya (Group)

Longer Christmas tree result in fewer transport vehicles on the road (DC Pork)

Lightweight but durable packaging benefits entire chain (DC Pork)

CSR requirement help company to get started (DC Pork)

## Supplier agreements based on framework agreements

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Total Number of supply contracts above 1 mill. (live animals excl.):	118	132	145	204	333	252
Number of supply contracts based on DC Framework Agreement or similar	66	65	106	179	251	205
Number of supply contracts based on DC Framework or similar in %	56%	49%	73%	88%	75%	81%
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of supply contracts subject to supplier audit:	48	43	69	82	67	79
Number of goods supplier contracts cancelled after supplier audit	0	0	0	2	1	2

In the period from 2008/90 to 2013/14, the proportion of supplier agreements based on the Danish Crown Group's contracts has increased from 56 per cent per cent to 81 per cent. In the same period, the number of supplier agreements concluded on the terms mentioned increased from 66 to 205. The significant increase is due to sustained focus on using Danish Crown's contract and on improved reporting from the companies in the group.

## Audited suppliers

It is not a goal in itself to conduct many audits but rather to identify the suppliers where auditing is most justified in relation to food safety, product quality, compliance with the UN Global Compact etc. In 2013/14, a total of 79 external suppliers were audited, which is at the same level as the previous four years. In the 2013/14 financial year, Danish Crown has terminated our cooperation with two suppliers as a result of repeated complaints, the lack of quality at the management system as well as suppliers decision not to introduce quality certificates.

## **Annex - CSR Policy**

# **Danish Crown Group CSR Policy**

This policy was adopted with a view to ensuring that Danish Crown meets internationally recognised principles on Corporate Social Responsibility (CSR).

The CSR policy is founded on the UN Global Compact principles on companies' work regarding human rights, employee rights, environment and anti-corruption. Danish Crown joined the UN Global Compact in 2011.

### **1. Coverage**

This policy covers all activities conducted by group companies globally.

### **2. Definitions**

The Danish Crown Group consists of a number of Companies throughout the world. By Company, reference is made to a legal entity, not a department or branch of a legal entity. In this policy, we are referring to the Danish Crown Group comprising Companies owned directly or indirectly by Danish Crown A/S in which Danish Crown conducts a controlling interest. In this connection, controlling interest refers to the group exerting full right of disposal of the Company via ownership or shareholders' agreement. With regards to the Companies over which Danish Crown does not have full right of disposal, influence is performed to the widest extent possible.

### **3. Human Rights and Employee Rights**

Danish Crown respects basic international human rights as appears from the UN Human Rights declaration and the ILO conventions on employee rights.

We will:

- Actively work to avoid human rights abuses following our own activities and - should they arise - handle them, including ensuring amendment to the people directly affected.
- Communicate our policy to all our business partners and use our power of influence to ensure that they respect human rights.

In particular, Danish Crown focuses on selected employee rights ensuring that employees work under well regulated and safe work and employment conditions.

#### **Forced Labour**

Danish Crown does not accept the use of forced labour (directly or indirectly) anywhere in the company or the sub-suppliers with which we cooperate. Forced labour is defined as work carried out involuntarily or under threat of punishment such as slavery, human trafficking or work against reduction of debt.

#### **Discrimination and Outrages**

Danish Crown will work against any discrimination or persecution of any nature in the work place (including on the basis of religion, race, sex or sexual orientation).

Danish Crown will work against any physical offences in the workplace or any individual being exposed to physical or psychological violence prompted by their work for Danish Crown.

#### **Private Information**

Danish Crown will ensure that gathering of private information is solely for the purpose of business information and it is stored and treated according to local legislation.

### **Child Labour**

Danish Crown will work against the use of child labour. Assessing whether reference to children is made will be based on individual country legislation, however, observing the ILO standards setting a minimum age of 15 years or 14 years in countries that have ratified the ILO convention no. 138.

We will:

- Ensure that no children under the age of 15 are employed in any regular position.
- Ensure that children potentially hired will only work for a few hours daily and the work will not negatively impact individual education obligations of the child or harm the development of the child or its health.
- Ensure that children potentially hired will not be dismissed without the company initiating measures to set right any negative consequences.

### **Working Environment and Safety**

All group Companies must ensure that all levels of production is planned and organised in a manner that from a safety and health related aspect is orderly. Work in all group companies takes place in consideration of the principles of prevention by controlling the risk at the source where possible.

We will:

- Avoid using machines, equipment or work methods that could constitute danger to our employees when working according to instructions provided by the company.
- Continuously make written evaluations of safety and working environment conditions in the work place.
- Comply with working environment rules applicable at any time as well as prevention and reporting of accidents at work in countries where group companies are located.
- Continuously cooperate with relevant authorities in countries where group companies are located as well as with the employees through already existing collaboration bodies.
- Seek to improve the working environment of the company through cooperation with authorities and employees as well as to reduce the frequency of accidents at work and work related illness.
- Ensure that employees are not exposed to disciplinary punishment resulting from reasonable action made to avoid accidents or injury.

### **Salaries and Terms of Employment**

All group companies should ensure that the employees have well-organised salaries and terms of employment.

We will:

- Ensure that all employees as a minimum will receive salaries that are in accordance with national statutory minimum wages in the country where the company is situated.
- Ensure that all employees receive a salary that is determined in consideration of their job function, productivity or other objective criteria regardless of the employee's sex, nationality, ethnicity or association with recognised trade unions.
- At any time, comply with applicable national rules of working hours, resting period, night work and written documentation of terms of employment.

### **Trade Unions and Employees' Member Rights**

The group recognises the employees' right to enrol in and being organised by trade unions and enter into collective bargaining. Any organisation representing employee interests are considered trade unions and recognised as such according to national applicable rules.

Allowance being made for national rules, as well as global and local group agreements the group respects the right of recognised trade unions or work councils, on the basis of wishes from the employees, to:

- Represent employees in collective bargaining
- Participate in solving conflicts between company management and employees

Any exercise of employee or trade union rights in accordance with the above can take place without any fear of discrimination or retaliatory measures.

In the event of several recognised trade unions being in a position to represent employees within the same working area in one location the trade unions are under an obligation to coordinate their work thus potential collective bargaining for the same group of employees takes place as one and the same negotiation.

In the event of each recognised trade union, wishing to recruit or inform employees at one of the group companies this should take place according to the following guidelines, which will however subside to potential national rules:

- Trade unions will have access to meetings with employees and distribute recruitment material in a fashion and format that does not affect the normal operation of the company.
- Trade union meetings with employees should be at a time that has been prearranged with company management.
- Trade union meetings should take place during customary breaks or outside normal working hours.
- Trade union recruitment and information activities should take place in consideration of the operation of the company.
- The company recognises the right of the employees to meet trade unions and freely decide whether they wish to join such trade unions.
- Company management may not put forward any irrelevant obstacles to recruitment and information work of the trade union and the trade union or work councils may not influence the daily work negatively.

We will furthermore:

- Not make a point nor make decisions influenced by employee affiliation with a trade union.
- Never attempt to influence employees into being or not being members of a certain union.
- Not interfere with which trade unions or other associations are formed in group work places.
- Ensure that employees are not dismissed on account of their affiliation with a trade union.
- Ensure that a particular trade union is not favoured.

## **4. Environment and Climate**

As a leading food producer Danish Crown recognises our environmental responsibility and we will work towards protection of the environment and climate in connection with the operation of our company and continue the development through systematic efforts and responsible use of the resources employed.

Danish Crown's environment policy is based on the legislation in force at any time.

We will:

- Operate our company focusing on minimum use of resources and environmental strain.
- Motivate, train and involve all relevant employees actively in the daily environmental work.
- Use and develop management tools to optimise and document resource consumption, environmental efforts and achievements to ensure continuous environmental improvements.

Systems are chosen and optimised based on individual business units' distinct needs.

- Actively relating to the climate impact of our products and work towards minimising the share originating from group activities.
- Influence other parts of the value chain in order to advance the climate consideration in our products.

- Seek to reduce the use of unnecessary packaging material and adjuvants in dialogue with our customers and in consideration of our competitive situation in order to choose the ones that are least detrimental to the environment.
- Actively, through collaboration in organisations, participate in development efforts to reduce the use of items detrimental to the environment that are unavoidable to production.
- Through interest organisations work to harmonise environmental legislation inside the EU and organise the same on a balanced foundation.
- Build an open and constructive dialogue with the public regarding environmental considerations, e.g. in areas relating to neighbours and surroundings of the individual companies.

## **5. Anti-Corruption**

Danish Crown will not accept the occurrence of bribery in connection with any business transaction. Bribery designates an action made outside public attention and control with the intention of exerting influence (through bribery, threats, promises or other methods) on civil servants, judges, political participants or business relations in order to obtain improper advantages. Neither does Danish Crown accept the use of facilitation payments although these may be of minor symbolic amounts paid to advance the process of otherwise legal transactions.

We will:

- Ensure that on employment everyone will be familiarised with the anti-corruption policy.
- Immediate dismiss or initiate other sanctions against an employee/manager, who uses bribery or facilitation payments.