



Danish Crown

Code of Practice for Danish Crown's Pig and Sow Suppliers

Code of Practice
2019

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Background

As one of the world's largest meat exporters, Danish Crown has a significant commercial responsibility.

We strive to live up to this responsibility by running our business profitably and sustainably and by integrating environmental, social and ethical considerations in our business activities and throughout our value chain.

In this Code of Practice, we define the minimum requirements that must be met by our Danish pig and sow suppliers in order to deliver animals to Danish Crown. Compliance with the Code of Practice is a prerequisite for cooperation with Danish Crown and the Code constitutes a legally binding document for all suppliers.

The Code of Practice also reflects Danish Crown's commitment to the UN Global Compact and is based on compliance with applicable national legislation and international rules and regulations, as well as recognised international standards and agreements.

Because Danish pig production is subject to more restrictive legislation than in most other countries, Danish Crown is in a good position to profile itself as a responsible company. Moreover, the Danish pork industry and Danish Crown have added a number of

production requirements to the general legislative requirements, with particular focus on food safety, sustainability and ethical production conditions.

In April 2002, Danish Crown introduced a Code of Practice, incorporating the elements of the special Danish Crown Code set of rules. This fifth edition of Code of Practice clarifies applicable requirements, industry rules and various new supplier requirements.

The Code of Practice supplements applicable legislation. Applicable acts and executive orders can be found (in Danish) at svineproduktion.dk under the section 'Love, regler og standarder' and at retsinfo.dk (standards are available in English at pigresearchcentre.dk/Standards).

New rules and requirements will be added to the Danish Crown Code of Practice on an ongoing basis to ensure that Danish Crown has a head start as a supplier to key pork markets.

June 2019, Danish Crown.

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Purpose

The Code of Practice for Danish Crown's Danish Pig and Sow Suppliers – is a dynamic tool, designed to ensure Danish Crown's market access to key markets worldwide. Therefore, the Code of Practice contains the following elements.

Danish Crown's general ethical position on pig production (section 2.0).

Danish Crown's Code of Practice, along with rules introduced by the industry, including DANISH Product Standard and DANISH Transport Standard, which are required to obtain Danish Crown's highest basic pig price (section 3.0).

Instructions on how changes and new rules can be implemented and added to Danish Crown's Code of Practice on an ongoing basis (section 4.0).

Description of how Danish Crown will ensure compliance with Danish Crown's Code of Practice (section 5.0).

Determination of Danish Crown's sanctioning options in case of non-compliance with Danish Crown's Code of Practice and other rules (section 6.0).

Current cooperative members have signed confirmation that they accept the Code of Practice, and new cooperative members or suppliers must sign such confirmation.



Danish Crown's suppliers must be approved by the authorised certification body (currently A/S Baltic Control Ltd.), so that DANISH Product Standard and DANISH Transport Standard are met.

Danish Crown will actively use the Code of Practice in its sales and marketing efforts, thereby helping to promote customer and consumer knowledge of the production conditions applicable to Danish Crown's suppliers and thus creating more confidence in Danish Crown's products.

Under the Articles of Association, any changes to the Code of Practice that are not statutory or the result of industry decisions must be submitted to the Board of Representatives and be finally approved by the Board of Directors. Danish Crown will inform about changes through the cooperative members' magazine 'Indsigt' (in Danish) and on Danish Crown's website, www.danishcrown.com.

An updated Code of Practice is always available to suppliers and other stakeholders on Danish Crown's website, www.danishcrown.com



Danish Crown's ethical position on pig production



Live slaughter animals are Danish Crown's primary raw material, and based on ethical and market considerations we acknowledge that requirements are made in terms of optimum animal welfare handling practices.

Danish Crown supports the requirements presented in current animal protection legislation and the existing recommendations formulated by the Danish Council for Animal Ethics. We also acknowledge that animal protection legislation is a dynamic process, entailing that acts and recommendations are adjusted to allow for new knowledge and practical experience.

However, Danish Crown is also aware that some customer and consumer groups make ethical and animal welfare demands beyond legislative requirements. Danish Crown wants to accommodate such wishes if a sustainable sales platform exists and if the demands are aligned with general ethical considerations.

Danish Crown's position on animal welfare can be summarised in the following policy:

Danish Crown will, in partnership with our suppliers, make demands in terms of animal welfare in primary production. These demands are based mainly on applicable legislation and industry decisions, but may be extended to allow for special contract productions.

The delivery, transport and unloading of slaughter animals must be as gentle as possible and performed within reasonable time limits.

Modern and appropriate transport vehicles must be used. Moreover, Danish Crown demands that the people carrying out these tasks are properly trained.

Danish Crown is committed to optimum handling in terms of animal welfare at its abattoirs in connection with lairage, collection, stunning and slaughter. Progress in this respect, for instance group delivery, will be incorporated into investment plans and structure developments on an ongoing basis. The operators who handle live animals at the abattoirs must attend ongoing training in animal behaviour, welfare and physiological needs.

It is Danish Crown's policy to be at the very forefront of international companies when it comes to the correct handling of slaughter animals in terms of animal welfare.

Danish Crown takes an active position on animal welfare and communicates openly and objectively about the company's policy in this area.

The Danish Crown basic values stress the ongoing commitment to and responsibility for seeking to improve production conditions, food safety, sustainability and animal welfare in cooperation with suppliers



3

Danish Crown's Code of Practice

Danish Crown's Code of Practice, along with DANISH Product Standard, DANISH Transport Standard and legislation, forms the basis of pig production at Danish Crown's pig and sow suppliers.

Danish Crown wants the basis of raw-material to meet customer, and thus consumer, expectations in terms of quality in the broadest sense – that is: both when it comes to measurable quality and to animal ethics.

To that end, Danish Crown has formulated a number of requirements to be met by each cooperative member as a prerequisite for obtaining Danish Crown's highest basic pig price.

Danish Crown's Code of Practice can be summarised under the following main headings:

- 3.1** Food safety
- 3.2** Meat and fat quality
- 3.3** Ethics and animal welfare
- 3.4** Labour rights
- 3.5** Sustainability



3.1 Food safety



← Danish Crown's market position is based on a strong focus on food safety, both at the abattoirs and at the suppliers.

Danish Crown attaches considerable importance to ensuring consumer and customer confidence in products from Danish Crown. Therefore, food safety is a constant priority – both at the abattoirs and at the suppliers.

Companies are designed to ensure that any meat processing meets the highest hygiene standards. Moreover, all employees receive hygiene training to ensure optimum hygiene at all stages of production. Companies are checked through a very extensive own-check programme, which is constantly evolving. The own-check procedures are monitored and documented by the company, and the own-check

programme is constantly monitored by the Danish Veterinary and Food Administration as well as the company's customers.

It is essential that the raw material meets a number of criteria in terms of both food safety and quality. This is the prerequisite for enabling Danish Crown to supply quality products that meet the desired food safety standards. To that end, suppliers must comply with a number of conditions, including EU requirements as regards food chain information.

The supplier reports food chain information to Danish Crown Cooperative Supply when registering

pigs and sows for slaughter.

Please refer to the industry's code of practice for food chain information (in Danish only), under 'Retningslinjer/Branchekode for Fødevarekædeoplysninger (Håndtering på svineslagterier)', which can be found at lf.dk

The supplier must promptly notify Danish Crown Cooperative Supply in case of any changes in the food chain information relating to the herd.

3.1.1 Biosecurity

Animals

Due to the risk of introducing disease and due to guarantees furnished to key export markets, Danish Crown does not accept imported pigs – including imported breeding animals – for slaughter. Offspring of imported pigs can be delivered to Danish Crown, provided that the imported animals have been subject to the Danish pig industry's code of practice on the import, slaughter and trade in imported pigs and their offspring (https://svineproduktion.dk/Viden/Paa-kontoret/Love-_regler-og-standarder/Import_af_svin – in Danish only) and provided that the offspring is supplied as finishers, sows or boars from a farm that does not house imported pigs.

Wild boars, pigs of unknown origin and cloned pigs are not accepted for slaughter in Danish Crown, and Danish Crown does not receive pigs from herds which contain wild boars or pigs of exotic origin unless approved by Danish Crown.

People

When receiving visits from abroad, and when travelling abroad, individuals must generally observe a quarantine period of 48 hours. However, in special cases, both longer and shorter quarantine periods may apply. An updated overview of quarantine periods and an overview of low-risk and high-risk areas can be found at svineproduktion.dk. Moreover, suppliers must comply with applicable rules and recommendations at any time issued by the Danish Veterinary and Food Administration and the Danish Agriculture & Food Council, inter alia in connection with various malignant infectious diseases such as swine fever, foot-and-mouth disease, etc.

Transport vehicles and drivers

At the delivery of animals, feed and other goods to the farm, steps must be taken to protect against possible infection. The driver and the vehicle must not enter the herd area without the owner's permission. The driver is not permitted to enter the stable in con-

nection with the delivery of pigs and sows, unless an entire section or stable is being emptied. Delivery facilities are required in the form of a delivery room or similar room, which must be cleaned after each delivery.

3.1.2 Delivery of pigs and sows

Danish pig production is subject to very strict veterinary regulations, known and respected around the world. The high veterinary standards do not only help to ensure Danish Crown market access in many countries; they are also an important element in an effective monitoring and eradication programme for serious infectious livestock diseases.

To ensure clear traceability from herd to abattoir, all animals (boars, sows, gilts, young females and finishers) must be clearly tattooed with supplier number on both hams, using ink. Under an agreement between supplier, Danish Crown Cooperative Supply and the authorities, selected pigs can be delivered to the abattoir as a group delivery (without tattoo brands). In addition to being ham tattooed, all breeding animals (boars, sows and gilts) must be labelled with approved yellow CHR ear tag with a protected logo. To ensure hygienic slaughter, all pigs must be fasting for at least eight hours prior to delivery.

3.1.3 Requirements for feed use

Denmark is subject to restrictive feed legislation, managed by the Danish Veterinary and Food Administration. All feed from Danish feed suppliers, as well as imported feed materials, is regularly controlled to ensure that only healthy feed materials are used, and that the feed does not contain harmful biological, chemical or physical contaminants. If the supplier uses products containing sphagnum, it must be ensured that the sphagnum has been heat-

treated. Imports of hay, wrap, straw or the like are allowed only from countries in low-risk areas. Storage or use of products containing meat or bone meal is prohibited in pig production. Feeding pigs kitchen waste of animal origin is also prohibited.

In the EU, including Denmark, the use of antibiotic growth promoters is prohibited in pig production. Since 2000, all Danish pigs have been free from antibiotic growth promoters.

Good feed hygiene is essential for the health and productivity of pigs. Therefore, the supplier must ensure that the feed room and feed silos are kept clean. The Danish Agricultural Agency is in charge of feed hygiene control.

Herds must be registered in accordance with the GMP or HACCP rules, cf. the EU Feed Hygiene Regulation.

Feed additives may be used if:

- They are approved
- They are used in accordance with the HACCP registration
- They are labelled correctly

Danish Crown does not allow feed containing fish meal, fish oil or fish silage to be fed to pigs weighing more than 40 kg. Feed for sows, weaners and finishers must satisfy a number of requirements in terms of maximum addition of certain raw materials. All industry decisions, current as well as future, on feed, minerals and additives must be complied with by Danish Crown's suppliers and will be posted (in Danish) on svineproduktion.dk under the topics: 'Foder – Råvarer – Maksimalt indhold af råvarer' and 'Love, regler og standarder – Foderlovgivning'. Special requirements can be made for the use of certain raw materials and feed constituents for certain special pig productions. These requirements will be stated in special pig contracts or standards.

It is important that all animals supplied are free from any harmful substances. Consequently, appropriate and clean feed must be used without harmful pesticides or chemicals.

Therefore, suppliers must be careful when using foreign substances in stables to ensure that pigs are not exposed to them.

Since 1 September 2014, pig feed suppliers have been required to use sustainable soya.

3.1.4 Medical treatment of pigs by suppliers

Suppliers carrying out primary production must comply with a number of legislative requirements, entailing that specific procedures on piglets as well as medical treatment of own pigs may be performed.

Medical treatment may be performed only subject to agreement with the herd veterinarian and only by persons with the requisite experience or persons with medicine-handling training.

Danish Crown requires that any treatment carried out by the supplier takes place in a manner that ensures that dosage and use – including injection technique – comply with current regulations provided by the herd veterinarian.

Medicines must be stored in a storage area that is separate from the feed room and stable, and all medicines must be stored to ensure that they are inaccessible to unauthorised persons.

Any medical treatment performed by the supplier must be documented in the herd's medication registration log and in the labelling of the treated animal.

Before performing the procedure, the supplier or his employees must have received instruction in tail docking, teeth grinding, pain relief, local anaesthesia, castration, nose ringing and culling.

All producers of piglets performing tail docking must provide documentation of the need for tail docking and prepare a written risk assessment and action plan



for minimising identified risk factors with deadlines for remedial action. Similarly, purchasers of tail-docked pigs must provide written documentation of the need for tail docking.

Pain relief must be provided when castrating piglets, and prior to castration local anaesthesia must be given.

Good-quality detectable needles must always be used. Needles of 0.5 x 16 mm, which may be used only for local anaesthetic injections prior to castration of piglets, are exempt from the requirement for use of detectable needles. A list of approved needles is available at svineproduktion.dk. A bent needle must not be straightened, but must always be replaced. If a needle breaks during injection, it must be removed immediately. If it is not possible to remove the needle, or in case of doubt, the pig must immediately be marked and permanently tagged.

When the marked animals are registered for slaughter, the central transport planning unit and Danish Crown Coop. Supply must be informed. During transport, the animal(s) in question must be clearly marked on the back and around the area where the needle is expected to be.

If pieces of a broken needle are found in a carcass, and the supplier has failed to provide information about the broken needle in advance, the supplier will be required to pay a penalty determined by the industry.

An overview of penalty-incurring industry decisions can be found at danishcrown.com

3.1.5 Diagnosis, salmonella and other zoonoses

Danish Crown's suppliers are obliged to comply with the requirements imposed on them by Danish Crown, the Danish Agriculture & Food Council or the authorities in connection with detection of salmonella or

other zoonoses in their herd.

Salmonella Action Plan

All Danish Crown's suppliers are subject to the Salmonella Action Plan, the overall aim of which is to minimise the prevalence of salmonella, both in herds and in fresh meat.

Over the years, the prevalence of salmonella in fresh meat has been reduced to a very low level, which only very few countries in the world can match.

As part of the monitoring, meat juice samples are routinely taken from a selection of the slaughtered pigs, thereby enabling the individual supplier quickly to implement the necessary measures to minimise any salmonella problems.

Based on the meat juice samples, the finisher herds are divided into levels 1, 2 and 3. Categorisation in levels 2 and 3 may affect the settlement of special pigs, and could also result in deductions in the general settlement value. The authorities can also demand that faecal samples be taken in the herds to establish the type of salmonella.

Porcine reproductive and respiratory syndrome (PRRS) diagnostics

Suspicion of PRRS can be confirmed or disproved by testing the pigs for PRRS antibodies or for the presence of PRRS virus. Detection of PRRS virus is problematic in terms of exports, given that some markets will not accept meat from herds detected with PRRS virus in the past year. If PRRS virus is detected, the export stop for the herd will apply from the date on which the sample for testing for PRRS virus was taken.

As it may take up to two weeks from when the sample is taken until the result is known, it is essential that Danish Crown is notified to allow correct handling of deliveries from this herd. If correct information is not provided, Danish Crown may have to withdraw a large number of carcasses. This will tarnish Danish Crown's image in the export markets and result in significant costs.



← Danish Crown imposes stricter requirements on the use and retention periods of certain antibiotics.



Therefore, Danish Crown's suppliers are obliged to inform Danish Crown's Cooperative Supply if examinations are initiated that could lead to detection of PRRS virus in the herd. This information must be received by Danish Crown Cooperative Supply no later than the day on which the samples are taken.

3.1.6 Medical residues

At all of Danish Crown's abattoirs, Danish Crown's Own-checks and the regulatory Meat Inspection Unit conduct routine random testing to detect any residue concentrations of antibiotics in the meat. As residues in meat are undesirable, Danish Crown requires that, as a minimum, suppliers comply with the applicable post-treatment retention time. Due to the strict policy in this area, Denmark has one of the lowest antibiotic use rates in the world and very few residue concentrations in the meat.

Danish Crown imposes stricter requirements on the use and retention periods of certain antibiotics. The Danish pig industry has put a voluntary stop to the use of third and fourth generation cephalosporins,

which are critically important antibiotics for the treatment of human diseases. Moreover, the industry has decided to introduce a minimum 30-day retention period for tetracyclines, regardless of the manufacturer's instructions.

An overview of tetracyclines (in Danish) can be found at: svineproduktion.dk

3.2 Meat and fat quality

Danish Crown prioritises meat and fat quality, because this quality is the prerequisite for giving consumers the desired positive experience from eating pork from Danish Crown, and for providing optimum possibilities for processing companies to produce high-quality products based on our raw material.

The halothane gene and the RN gene have a negative impact on meat quality. Breeding animals with these genes are not used in Denmark. The fat quality is affected by the source of fat used in the feed, and the higher the concentration of unsaturated fatty acids in the feed, the softer the fat, which is not desirable.

3.2.1 The halothane gene and the RN gene

Finishers delivered to Danish Crown must be non-carriers of the halothane gene and the RN gene.



← To ensure optimum meat quality, finishers delivered to Danish Crown must be non-carriers of the halothane gene and the RN gene.



3.3 Animal welfare



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Animal welfare at Danish Crown is based on the recommended Five Freedoms set out by the World Organisation for Animal Health. Danish Crown has supplemented Danish legislation in selected areas.

Suppliers must ensure that all animals delivered to Danish Crown are treated responsibly and have their basic needs met.

Animal welfare must be based on the recommended Five Freedoms set out by the World Organisation for Animal Health:

- Freedom from hunger, thirst and malnutrition
- Freedom from fear and distress
- Freedom from discomfort
- Freedom from pain, injury and disease
- Freedom to express normal patterns of behaviour

Animal welfare is a concept which is not linked to an objective quality criterion, but Danish Crown is aware that animal welfare is playing an increasingly important role for consumers around the world, which is also reflected in the rules that Danish Crown has incorporated into its Code of Practice.

Danish Crown wants Danish pig production to be justifiable from an animal welfare point of view, and Danish Crown has therefore supplemented Danish legislation in areas where further clarification is desirable.

Danish Crown also produces a number of welfare pigs within the regulatory framework of the heart label for animal welfare.



3.3.1 Natural light in all stables

Danish Crown recommends that all stables have natural light. Therefore, new stables should have windows.

3.3.2 Injuries in pigs and sows

Situations leading to reduced animal welfare can occur in the herd. Therefore, it is essential that each supplier responds promptly to changes in the health status of the animals. Sick and injured animals must be treated immediately and be placed in a relief pen or hospital pen. If deemed necessary, the animal should be culled as quickly and gently as possible.

If, at the abattoir, many comments relating to, for instance, tail biting hernias or full stomachs are registered, as well as any other comments, Danish Crown will contact the supplier in question and, if necessary, demand that an action plan be prepared and remedial action taken.

3.3.3 Hoof trimming

Correct hoof care is very important for animal welfare. If sows and boars are unable to naturally wear down their hooves, compensatory hoof trimming must be performed regularly.

3.3.4 Delivery of pigs and sows

When pigs and sows are delivered to the abattoir, the supplier must ensure pigs and sows are transferred as considerately as possible in order to prevent the animals from becoming unduly stressed. Danish Crown does not permit the use of electric stock pods or similar. Herding boards and paddles may be used

in connection with the delivery, loading and unloading of pigs.

The supplier is responsible for ensuring that the delivery conditions are appropriate and comply with legislation. This applies to lairage, transport and loading conditions. Prior to delivery, the pigs should be kept in smaller groups to make it easier for the driver to herd the pigs into the transport vehicle.

Moreover, there must be sufficient light to assess the suitability of the pigs for transport. The delivery area must be clean, dry and with sufficient drainage or bedding to ensure that the animals are clean and dry when delivered. Dirty pigs increase the risk of insanitary slaughter, and could potentially lead to reduced animal welfare.

When registering pigs and sows for slaughter, the supplier must also state whether any of the pigs or sows due for delivery require special attention, or should be kept separate from other animals during transport. The animals in question must be clearly marked and kept separate from the other pigs at the delivery site.

It is the supplier's responsibility to ensure that the sows and pigs are suitable for transport. Guidelines on the assessment of suitability for transport are available at svineproduktion.dk. The driver must be able to assess whether all animals are suitable for transport. If the supplier is unsure whether certain animals are suitable for transport, these animals should be separated from the rest and presented to the driver at delivery.

The supplier must agree in advance with the central transport planning unit or the driver how any deviations should be handled during delivery and transport, including deviations from the number of pigs registered for delivery, and if any animals are left behind at the delivery site.

Danish Crown does not accept sows and gilts being delivered for slaughter if there are less than four weeks to the expected farrowing.

3.3.5 Disposal of dead animals

Dead animals must be collected by an approved processing company such as Daka Denmark A/S. Alternative disposal is not permitted.

Dead animals must be registered for collection as soon as possible and no later than 24 hours after the animals have died. Following registration, the animals should be placed for collection at a discreetly located collection site in the shade. The animals should be covered by a cadaver cover (with a suitable grip ring for cranes) as protection from necrovores.

The collection site should be placed at a suitable distance from the stable, public roads and pens with grazing animals. There should be ample space for the crane to manoeuvre, preferably 5 metres x 10 metres and a minimum clearance height of 5 metres. The access road must be level and accessible for transport vehicles weighing up to 40 tonnes. There must be a turning space, or it must be possible for the driver to continue in the direction of travel without disturbing traffic. The collection site must be level, drained and firm, for example in the form of a fixed slatted concrete area. The slots should be parallel to the transport vehicle in its loading position.

The animals should be placed across the slots, perpendicular to the transport vehicle. Piglets and weaners must be placed in weaner containers. It must be possible at all times to close the lids of these containers and keep them closed. Use of coolers for the containers is also recommended. Weaner containers should be placed at a level, firm base with a distance at all sides of 30 centimetres between the containers.

For advice or guidance on how to handle and store dead animals, contact Daka Denmark A/S at tel. + 45 79284047, or see the selection of PigUp&Ko products on the website, secanim.dk/en.



3.4 Labour rights

Suppliers shall support and respect human rights and ensure that they are not complicit in human rights abuses.

3.4.1 Freely chosen employment

Suppliers shall ensure that no forced, bonded or involuntary labour is employed or involved. Employees shall not be required to lodge deposits or original identity papers with suppliers, and all employees shall be free to leave the supplier after reasonable notice is served.

3.4.2 Freedom of association

All employees, without distinction, shall have the right to join trade unions of their own choosing.

3.4.3 Health and safety

Suppliers shall provide a safe and hygienic working environment.

Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, as far as is reasonably practicable, causes of hazards inherent in the working environment. This approach includes conducting an occupational health and safety risk assessment as well as providing regular and

recorded training for all applicable employees. Adequate lighting, ventilation and fire safety is part of a safe and healthy working environment, and personal protective equipment must be provided free of charge.

Access to clean toilet facilities and potable water shall also be provided.

3.4.3 Accommodation

Where part of the employee's compensation package provides long or short-term accommodation, suppliers shall ensure that health, security, legal conditions and employee rights are fair, decent and comply with all applicable law.

3.4.4 Child labour and young workers

The minimum age of the employees should not be less than the age of completion of compulsory schooling, and generally not less than 15 years of age for standard work, unless otherwise provided by legislation. For schoolchildren aged between 13 and 14 years, their weekly working hours should not exceed 12 hours in school weeks and 35 hours in non-school weeks.

Young workers, defined as being above the minimum age but under the age of 18 years, shall not be employed at night or work in hazardous conditions.



3.4.5 Wages, benefits, working hours and overtime

Suppliers shall ensure that wages and benefits paid for a standard working week meet, at a minimum, national legal standards.

All employees shall be provided with an employment contract, in a comprehensible language, clearly stating employment conditions, including wages, prior to entering into employment, and a readily understandable pay slip for each pay period.

The employment contract shall be signed by the employee and the supplier. Suppliers shall ensure that working hours comply with national laws.

Working hours, excluding overtime hours, shall be defined by the employment contract, and shall normally not exceed 48 hours per week.

Employees should be provided with at least one day off in a seven-consecutive-day period, or two days off in every 14-day period.

3.4.6 Non-discrimination and fair treatment

Suppliers shall ensure that there is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Suppliers shall treat their employees with fairness, dignity and respect. Physical abuse or discipline, the

threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

3.4.7 Regular employment

Suppliers are requested to use only employment agencies that adhere to the requirements stated in Danish Crown's Code of Practice. These requirements apply to the hiring and management of all employees irrespective of status: migrant, contract, agency, temporary or casual employees



3.5 Sustainability



Danish Crown's suppliers are among the most resource-efficient in pig production, providing us with a strong position.

We should leverage and build on this position by continuously setting new targets for ourselves and working on new methods to optimise production –

with increasing consideration of sustainability.

Based on the industry's DANISH Product Standard scheme, accredited by DANAK (the Danish Accreditation Fund), covering all cooperative members, Danish Crown has introduced a sustainability certification scheme, which is to showcase both new

and achieved goals within the areas of environment, climate, animal welfare and antibiotic use.

The overall target is to reduce the climate footprint throughout the chain from fork to farm by 50% by 2030.



Danish Crown's target is to reduce its climate footprint throughout the value chain by 50 per cent by 2030, and the vision is to achieve climate-neutral production by 2050.



3.5.1 Targets and improvements

In the context of certification and auditing, the focus is on basic registrations. Each cooperative member sets three-year targets for improvements in the following areas:

Housing system

In the context of housing system, flooring is a topic. The proportion of solid floor/slatted floor has an impact on evaporation from the stable.

Feed efficiency

Feed utilisation also has a climate impact. More efficient feed utilisation reduces the climate footprint and improves production economy.

Environmental technologies

Air purification, acidification and the like obviously have an impact on evaporation from the stable and thus on greenhouse gases.

Manure handling

Frequent discharge of slurry reduces evaporation – simply because the slurry is transferred from housing temperature to a lower storage tank temperature. Further reduction of greenhouse gases is achieved if the slurry is converted into biogas.

Energy consumption

When replacing light sources, ventilation systems and the like, suppliers typically opt for newer and more energy-friendly technologies, having a positive climate impact.

Animal welfare

Mortality is the most readily available parameter of animal welfare, and this figure can easily be found, either from the manual inventory in the stable or through the 'E-kontrol' efficiency control system.

Health

Antibiotic use. Antibiotic use for the herd is determined using VETSTAT. The aim is to demonstrate responsible antibiotic use rates and development.

Social responsibility

Workplace risk assessments (WRAs), employment contracts, etc. Corporate social responsibility is also part of the UN Sustainable Development Goals and an aspect of the Fairtrade label. What we perceive as natural may not necessarily be enough for all of our customers, and therefore it is included as part of the certification.

3.5.2 Documentation

The herd's 'E-kontrol' efficiency control, fertilisation accounts, VETSTAT and the like are used as documentation of the above.

If cooperative members fail to achieve the targets set, they are required briefly to state the reasons for the deviation and prepare an action plan for how to achieve the targets.

When cooperative members of Danish Crown make decisions on changes to their property in future, sustainability considerations should be given the same weight in the decision-making process as financial and productivity considerations.

You can read more about Danish Crown's overall strategy and sustainability activities on www.danishcrown.com.



Feed is an important field in which climate footprint reductions can be achieved.



Addition of new elements



New knowledge in technology, food safety and animal welfare regularly affects conditions for Danish pig production, and both Danish Crown and our suppliers must constantly address the new challenges entailed.

Both Danish Crown and our suppliers can draw on this new knowledge in the efforts to achieve continuous improvements in, inter alia, production, animal welfare and the farm consolidation process.

For customers, consumers and society, new knowledge leads to new requirements and wishes for primary production.

Danish Crown has a responsibility for the development in Danish pig production. That is why we emphasise in our strategy that Danish Crown will take the lead in the development of new guidelines for Danish pig production and will be willing to incorporate relevant and important customer wishes and consumer demands in our Code of Practice.

Under the Articles of Association, any changes to the Code of Practice that are not statutory or based on binding industry decisions must be submitted to the Board of Representatives and be approved by the Board of Directors. Changes will be posted via the cooperative members' magazine 'Indsiget' (in Danish) and on Danish Crown's website, www.danishcrown.com.

Incorporation of new requirements in the Code of Practice must be based on market and image assessments, demonstrating the value of the change in the form of market access or retention of attractive markets through which Danish Crown's position as a leading food group can be maintained and preferably strengthened.



5

Controls

The purpose of the controls is to demonstrate through reliable documentation that pig production at Danish Crown's suppliers is carried out in accordance the Code of Practice.

Section 3 lists a number of requirements to be met by Danish Crown's suppliers to be eligible for Danish Crown's basic pig price.

Thus, specific requirements or wishes from Danish Crown's customers are often a prerequisite for Danish Crown's market access.

In other cases, such requirements or wishes can help to increase market share. In other words, they are competitive parameters that are necessary to ensure Danish Crown an attractive market position.

In order for the Code of Practice to make a positive contribution to Danish Crown's reputation and to a strengthened sales platform, all suppliers must comply with the rules of the Code of Practice, and Danish Crown must be able to provide documentation to this effect through a control system.

When enrolling in Danish Crown, cooperative members confirm that they will comply with the Code of Practice in force at any time, which is part of

DANISH Product Standard and DANISH Transport Standard with appendices.

By confirming with their signature that they accept the Code of Practice, suppliers confirm that they will comply with the same rules and standards as cooperative members. Random controls are performed among Danish Crown's suppliers to check compliance with the Code of Practice. On-site control visits are carried out by independent production consultants.

In addition to these random visits, Danish Crown may carry out targeted on-site control visits if Danish Crown becomes aware of or suspects non-compliance with the Code of Practice or relevant legislation.

A report is prepared in connection with the on-site control visit. In case of irregularities, this report instructs the supplier on how to change conduct to restore compliance with legislation as well as the Code of Practice as quickly as possible.



6

Sanctions



If the supplier has shown fault or negligence, and, in the Board of Directors' assessment, this constitutes non-compliance with the Code of Practice, DANISH Product Standard and DANISH Transport Standard with appendices or with Danish legislation, the matter can be submitted to the Board of Directors for an assessment of potential sanctions.

The Board of Directors can impose the following sanctions in case of non-compliance with the Code of Practice, DANISH Product Standard or DANISH Transport Standard with appendices or with Danish legislation:

- A written reprimand or warning with a deadline for compliance.
- Initiation of sampling, analyses, on-site control visits or the like at the supplier's expense.
- Penalty in the form of a reduction in the pig price for a period of time to be determined by the Board of Directors, but at least until compliance has been restored.

In case of non-compliance, the supplier will, under normal circumstances, initially receive a reprimand or warning. In case of repeated non-compliance or other non-compliance, the pig price may be reduced without notice.

A written administrative reprimand or warning can be issued without submission to the Board of Directors.

The Board of Directors can impose a sanction in case of legitimate suspicion of non-compliance, provided that a reasonable examination has been carried out in advance.

The sanctions stated above do not affect Danish Crown's possibility of imposing sanctions on the supplier in accordance with Danish Crown's Articles of Association in force at any time, or otherwise claiming damages.

The Board of Directors may differentiate the reduction in the pig price based on the extent and significance of non-compliance.



Danish Crown's Board of Directors can impose sanctions on suppliers that do not comply with the rules for delivery of pigs and sows.



Danish Crown's special pigs

Consumers and customers have specific requirements for the meat and meat products they receive.

These requirements go beyond those stated in Danish Crown's Code of Practice and in legislation. These requirements could involve ethical and animal welfare requirements or specific requests in terms of upbringing, lairage, use of antibiotics and feeding.

To accommodate these requirements, Danish Crown has differentiated its production through agreements with selected cooperative members, and Danish Crown's strategy plan includes a continuation of this policy of differentiation.

A growing proportion of Danish Crown's production is based on special pigs, adapted to various requirements from the domestic market and the export markets.

All special pigs are produced under contract, specifying detailed production requirements. Prices paid for pigs produced under contract are in accordance with the contract settlement terms. Price premiums or discounts depend on the requirements made and the sales potential.

7.1 Control of special pigs

By agreement with Danish Crown, cooperative members can become suppliers of special pigs.

Special pig suppliers are approved and audited regularly by an approved third-party certification body.

Based on observations of the farm, an approval report is prepared. In case of non-compliance with contractual requirements, the supplier will be required to change or adjust non-compliant practices. If a new on-site control visit shows that compliance has not been achieved, the contract will be terminated from the date of the visit. In serious cases, the contract may be terminated immediately.

In addition to third-party auditing, individual customers must be able to check the relevant special production at any time.

In addition to the special terms, suppliers of special pigs are subject to the terms of other parts of this Code of Practice.





Danish Crown

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