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Corporate HQ**

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Statement on Modern Slavery Act Danish Crown 2019/20 statement

This statement is published in accordance with the UK Modern Slavery Act 2015, which requires business to state the actions they have taken to ensure modern slavery is not taking place in their operations and supply chains.

Danish Crown is fully committed to playing our part in eradicating modern slavery. We firmly advocate for transparency and collaboration to eliminate any risks of modern slavery.

This statement sets out the steps taken by Danish Crown to understand and prevent all modern slavery risks related to our own operations and our supply chains in our financial year 2019/20.

Introduction

Danish Crown supports the UK Modern Slavery Act and its objective to eradicate forced labour and human trafficking. Danish Crown is among the largest meat processing companies in the world and thus holds an important corporate social responsibility. This includes improving business practices to combat modern slavery.

This statement sets out our group activities to understand, prevent and mitigate all potential modern slavery and human trafficking risks related to our business and supply chain. It covers all companies within the group and relates to actions during the financial year 1 October 2019 to 30 September 2020.

Business structure and supply chain

Danish Crown is a cooperative and a global food company originating from Denmark. We have a total of 93 production sites in 17 countries and 72 offices all over the world. Most of our 23,000 employees work at production sites in Europe. In 2019/20, we received 18 million pigs and 0.8 million head of cattle for slaughter in total from our cooperative members in Denmark and from local farmers in the UK, Poland, Sweden and Germany. Furthermore, Danish Crown has approx 13,000 suppliers within food raw materials, goods for operations, plant and technology supply and other services operated through our Group Procurement. This a reduction of more than 4,300 suppliers compared to 2019/20 which is part of our ambition to cooperate with fewer and more strategic suppliers.



Risk assessment and due diligence

With respect to modern slavery and human trafficking, we consider the following activities within our business and direct supply chain to be high-risk areas:

- Workers employed at the farms supplying pigs and cattle.
- Suppliers in our supply chain where we do not have direct management control.
- Suppliers of transportation, logistics and construction services.
- Contract labour hired at some of our production sites via third party.

Access to labour is a challenge for us in all our production countries, but we are particularly challenged in Poland, Sweden and Germany, where through several years, up to 80 per cent of our staff on single sites has from time to time been contract staff hired via a third party. The largest proportion of third-party contract staff is found in Germany, where our contract staff typically comes from Eastern Europe. We are aware of the risk of modern slavery in this part of the industry and continuously monitor third-party employment of contract staff. In 2019/20, we did not observe any issues of concern in the course of our supervision, which comprises both accommodation and employment conditions, including pay.

COVID-19

The COVID-19 pandemic was the dominating and most unpredictable issue in 2019/20, and it turned our daily workday upside down and demanded our full attention. In response, we established an internal COVID-19 task force with representatives from HR, health and safety, production, food safety, sustainability and communication, that held daily meetings. Together with senior management the task force ensured that we kept one step ahead and reacted quickly and effectively and were able to maintain a stable supply to our markets and protect our employees and production against the risk of COVID-19 infection.

Policies and commitments

Danish Crown respects international human rights, including labour rights and recognises our ability to exert influence in our supply chain. We are committed to work consistently to combat any kind of modern slavery in our business and our supply chains. International agreements lay the basis for how we conduct our business in a responsible and transparent manner. We observe and support a number of initiatives of relevance to the Modern Slavery Act:

- UN Global Compact
- UN 2030 Sustainable Development Goals
- UN Guiding Principles on Business and Human Rights
- The Universal Declaration of Human Rights
- The ILO Declaration of Fundamental Principles of Rights at Work

Governance structure and processes

We have the following governance structure and processes in place to help us identify, assesses and address human rights risks and impacts as well as to facilitate the implementation of sustainability decisions into our core business.

Our Group Sustainability function ensures a close relationship from headquarters to employees around the world. This means that all business units have access to knowledge and expertise and are aware of our commitments to protect labour rights, ensure healthy and safe workplaces for all workers, also migrant workers. Where applicable we request for our employees to obtain



and document permits of residence and work permits to ensure that they live and work legally in the country in question. Our HR management procedures ensure that all employees are recruited lawfully, and we work closely with unions in order to ensure compliance.

In the ongoing evaluation of our compliance with international sustainability principles at our production sites, we use Sedex's data platform and performance and risk assessment tools. These tools help us ensure acceptable working conditions and comply with specific human rights.

Our Supplier Code of Conduct defines the minimum sustainability requirements to be met by our suppliers of goods and services, including respecting human rights and labour rights. We expect our suppliers to adopt policies and processes and to make similar demands further on in their supply chain. At the same time, we reserve the right to audit our suppliers, and we encourage them to join Sedex. Our sustainability programme for farmers, the Climate Track, includes workplace assessments and conditions of employment. We have adopted a declaration on human rights and labour rights in the transport sector, which commits transport service providers to ensure reasonable social standards for own employees and employees at any sub-contractors. The declaration includes requirements regarding terms of employment and rights at work.

Key actions

In 2019/20 we:

- Established a whistleblower scheme for anonymous reporting of suspicion of criminal or unethical issues such as violations of human rights.
- Evaluated our sustainability performance at 58 production sites using the Sedex's data platform, and concluded that our production sites abide by fundamental human rights and labour rights.
- Launched a pilot project in Germany to examine the possibilities to reduce the number of third-party contract staff, involving the permanent employment of 150 people at our abattoir in Essen.
- Continued implementation of our Supplier Code of Conduct. The code is endorsed by all suppliers of meat to Danish Crown Foods as well as more than 750 suppliers of food ingredients and logistics.
- Enrolled all cooperative members and producers of pigs in the Climate Track, and started enrolling producers of 'Dansk Kalv' in the programme.
- Launched a soy action plan where we commit to only buying responsibly produced soy and seeking greater transparency in the supply chain.

Priorities for 2020/21:

- Conduct extended/new Human Rights due diligence analysis
- Re-conduct our monitoring processes of logistic suppliers with regards to accommodation during Q1 2020
- Increase our efforts to reduce number of 3rd party contract employees and replace with permanent employment
- Increase Supplier commitment to Supplier Code of conduct to 85%

More insights

You can find more information on our business and conduct in our Annual Report 2019/20, in



our Sustainability Report 2019/20 as well as on our website, danishcrown.com.

Approval

This statement has been approved by the Group COO (Vice CEO) of Danish Crown A/S on behalf of the Board of Directors and will be subject to annual review.

Valid for: Danish Crown A/S

Owner: Monica Klepp Bjerrum, Director Sustainable Development & CSR

Approved: Preben Sunke, Group COO (Vice CEO)

Approval date: 21. December 2020