



Danish Crown

Responsible Procurement Policy

Governance	
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Contents

1. Our policy	4
1.1 Our requirements.....	4
1.2 Our strategic ambitions.....	4
2. Our procurement approach	6
2.1. Risk management	6
2.2. Supplier rating process	6
2.3. Procurement standards	7
2.4. Dealing with violations of our standards	7
3. Implementation, reporting and documentation	8
3.1. Implementation.....	8
3.2. Reporting	8
3.3. Documentation.....	8
4. Our complaints procedure	9
4.1. Our whistleblower scheme.....	9
4.2. Grievance mechanisms.....	9



1. Our policy

1.1 Our requirements

Danish Crown is a leading food company. Our goal is to deliver safe and sustainable high-quality products, and we take pride in being able to deliver what our customers are looking for.

At Danish Crown, we recognise the critical role of procurement in achieving our sustainability goals. We want to live up to this responsibility by managing our business in a profitable and sustainable way, and we acknowledge our responsibility for due diligence not only in our own operations and processes but throughout our supply chain.

We aim to establish and implement a sustainable procurement approach to promoting social, environmental, ethical, and economic responsibility in our supply chain activities.

Our Responsible Procurement Policy is designed to ensure that our procurement practices align with best practices and is informed by international frameworks and guidelines, in particular the principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the OECD guidelines, the International Bill of Rights and the ILO's Declaration on the Fundamental Principles and Rights at Work. It also shows our full support of the Sustainable Development Goals.

The Responsible Procurement Policy sets out the requirements Danish Crown applies when working with suppliers. The Responsible Procurement Policy is applicable to all Danish Crown employees who are involved in the procurement of goods and services, as well as any third-party conducting procurement activities on behalf of Danish Crown. The policy applies to the procurement of any goods or services throughout the Danish Crown Group.

Our Supplier Code of Conduct and our Code of Practices for livestock suppliers set out the requirements we impose on our suppliers. Through these codes, we implement our standards in relation to human and labour rights, the environment, and anti-corruption in our procurement activities. The codes require our suppliers to respect human and labour rights, such as the prohibition against forced labour, child labour and discrimination, to avoid bribery and corruption, and to use natural resources responsibly within their own operations and in their supply chains.

We expect Danish Crown employees to take appropriate measures in accordance with defined processes in the event of any potential or actual violation by our suppliers of these codes.

1.2 Our strategic ambitions

Our ambition is to contribute to the fulfilment and promotion of the Sustainable Development Goals, and we believe that Danish Crown is in a position to be a positive contributor in this context.

Our efforts, which are also the foundation of our Supplier Code of Conduct and our Code of Practices are centred around the following main aspects:

- Environmental responsibility
- Animal welfare responsibility
- Social responsibility
- Ethical responsibility
- Economic responsibility

Environmental Responsibility

We strive to minimise our environmental impact by prioritising the selection of products and services that take environmental considerations into account including but not limited to energy-efficiency, deforestation free products, transportation methods etc. while balancing the creation of a long term financially sustainable business.

Our approach to environmental responsibility is further elaborated in our ESG Policy and Policy on Deforestation and Land Conversion.

Animal Welfare Responsibility

Our vision is for animals to be treated as sentient beings and with respect and decency throughout their lives, and we consider animal welfare an important parameter when sourcing and trading live animals, raw meat and other products deriving from animals.

Our approach to animal welfare is further elaborated in our Animal Welfare Policy.

Social Responsibility

We are committed to social responsibility in our procurement activities, and we strive to work with suppliers who promote fair labour practices, support human rights, and create a safe working environment for their employees.



Our approach to social responsibility and human and labour rights is further elaborated in our ESG Policy and our Human and Labour Rights Policy.

Ethical Responsibilities

Corruption has a significant negative impact on society and at Danish Crown we do not accept any form of corruption. Our zero tolerance towards corrupt behaviour of any kind in any jurisdiction in which we operate will lead to immediate action against such behaviour if uncovered.

Our approach to anti-corruption is further elaborated in our Anti-corruption Compliance Policy.

Economic Responsibility

We recognise that economic responsibility is essential to running our business and meeting our owners' expectations. We seek to work with suppliers who maintain transparent and fair pricing, ensure the efficient use of resources, and balance economic growth with sustainable considerations. We aim to create long-term relationships with our suppliers to promote economic sustainability.

Employees are required to report either directly to their manager or through our whistleblower scheme any form of behaviour (perceived or otherwise) violating the above listed aspects including but not limited to corrupt behaviour and violation of human and labour rights. The whistleblower scheme is available at:

www.danishcrown.com/en-øb/contact/whistleblower



2. Our procurement approach

2.1. Risk management

At Danish Crown, risk management plays a crucial role in identifying and mitigating risks in our operations and throughout our supply chain that may cause a significant impact on our sustainability performance.

To prevent human rights violations, counter environmental risks and avoid incidents of corruption and bribery, we will implement appropriate risk management systems and processes in relation to our own operations. We also require that our suppliers equally implement risk management systems that are appropriate for their size and structure to ensure compliance with our standards in their business activities.

Our goal is to work actively with our suppliers to ensure that human rights, environmental rights, animal welfare, and ethical responsibilities are respected within our business relationships and to establish those standards within their supply chain.

As part of our risk management, we seek to implement our Supplier Code of Conduct or our Code of Practices as a prerequisite for doing business with Danish Crown. Our procurement approach is centred around an effective risk management system in which a risk-based approach entails that our suppliers are rated according to a set of pre-defined criteria.

Based on this rating, preventive measures are taken to reflect the potential risks associated with doing business with a particular supplier. These measures may include mandatory signing of our codes, self-assessment questionnaires, the supplier being subjected to third-party audits etc.

2.2. Supplier rating process

We give priority to doing business with suppliers who share our sustainability values and demonstrate a commitment to sustainable practices, and we rate the performance of our suppliers in relation to environmental, social, animal welfare, ethical, and economic behaviour, and impacts. In doing so, we focus on the inherent risks and the supplier's effective risk management measures.

As a first step, we rate all suppliers according to their inherent risk, firstly based on risks associated with the category of product supplied or service provided and secondly on country risks. We measure country risk by way of external, acknowledged ratings from Sedex. Sedex is a leading technology platform providing data insights and expert guidance on supply chain visibility, managing, and accessing supply chain risks.

The inherent risks identified on this basis lead to an analysis in which we investigate whether our supplier has risk management measures in place in its operations and supply chain to mitigate the inherent risks. We do this by investigating if commitments have been made to external recognised initiatives like the UN Global Compact, Sedex, Amfori, EcoVadis, the Science Based Targets initiative or the Carbon Disclosure Project, or if the supplier holds a third-party audit from an audit scheme acknowledged by Danish Crown and performed by an auditing firm accepted by Danish Crown.

The inherent risk and the risk management measures of the suppliers lead to a score that determines which requirements Danish Crown will demand from a given supplier, including self-assessment questionnaires, audits etc.

The insights gained from the risk analysis are incorporated into our preventive measures.

Supplier risk assessments are carried out as an integral part of business-relevant risk assessment schemes and procedures.

Audits

Danish Crown reserves the right to verify the Supplier's compliance with our codes on an annual basis as well as on an ad-hoc basis in case of a reasonable suspicion of the Supplier's non-compliance with the obligations.



For this purpose, Danish Crown may (i) require the Supplier to provide Danish Crown with documents and information required for this purpose in a complete and appropriate form; (ii) after prior notification given at a reasonable notice period on a date agreed with the Supplier, carry out its own inspection measures at the Supplier's facilities; and/or (iii) commission an independent third party approved by Danish Crown to carry out an audit. This Audit may be announced or un-announced.

The Supplier shall fully cooperate and take all actions reasonably necessary to enable the performance of the measures without undue delay. The Supplier shall bear the costs of External Audit. The Supplier's facilities shall include all areas relevant for the verification of compliance with the requirements of the Code such as the Supplier's operating and production sites, farms, workers' accommodation, offices, distribution centres and storage facilities.

2.3. Procurement standards

The risk assessment of suppliers is operationalised by a set of standards that apply to the procurement of all goods and services within Danish Crown. The standards apply to all procurement activities performed by employees of the Danish Crown Group.

2.4. Dealing with violations of our standards

We will respond to a supplier's or business partner's violation of human rights, environmental rights, animal welfare, or its ethical responsibilities in a consistent manner and with appropriate measures.



3. Implementation, reporting and documentation

3.1. Implementation

In implementing our sustainability work, we focus on management commitment, sustainability risk assessments, definitions of sustainability ambitions, targets and policies, execution through activities and adjustment of practices, measuring and monitoring progress and impacts achieved, as well as communication and reporting.

3.2. Reporting

Danish Crown sets out in our annual report and on our website how this Responsible Procurement Policy and related sustainability policies are transformed into activities supporting the corporate strategy, the fulfilment of sustainability goals, including the results of risk assessments and steps taken to prevent, mitigate or eliminate risks, as well as applied indicators, achieved results and expected progress.

3.3. Documentation

In implementing our sustainability efforts, we develop and apply management tools which are intended to optimise and document the employment of resources, social and environmental efforts, and performance to ensure continuous improvements. Systems are selected and optimised in accordance with the needs of our business.

We apply KPIs to document the results and achievements of our sustainability efforts and activities. The indicators are inspired by the Global Reporting Initiative standards as well as other relevant frameworks and legislation.



4. Our complaints procedure

4.1. Our whistleblower scheme

Danish Crown has established a whistleblower scheme for the reporting of any perceived or suspected illegal, unethical, or inappropriate conduct in relation to our business operations and the activities of our suppliers.

The whistleblower scheme provides both employees and anyone outside our Group with a safe channel for raising a concern.

The whistleblower scheme is hosted by an independent third party, which allows for anonymous and confidential reporting in numerous languages, and which is compliant with all personal data protection regulations. Concerns received are investigated thoroughly and appropriate preventive or corrective action is initiated, if necessary.

Information provided by our employees, suppliers or third parties helps us to identify violations and take appropriate action to protect people and the environment, and to avoid future violations.

Reports that are submitted via the above-mentioned channel are reviewed by a small group of authorised employees.

Our whistleblower scheme for reporting concerns and the related policy is available on our website.

4.2. Grievance mechanisms

Employees are also able to file concerns as part of the formalised health and security system and through managers or trade union representatives in the workplace.

We require our suppliers to provide employees with a channel for raising legal or ethical issues or concerns without fear of retaliation; and to provide access to remedy through effective grievance mechanisms where their operations may have caused or contributed to material adverse impact on human rights, the environment, or corruption, including, where necessary, reporting to and collaborating with the appropriate authorities

Contact details

In case of questions regarding the Responsible Procurement Policy, please reach out to Group Sustainability at sustainability@danishcrown.com



Danish Crown