



Modern Slavery Act Statement – Financial year 2020/21

22 November 2021

Danish Crown A/S
Corporate HQ

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This statement is published in accordance with section 54 of the UK Modern Slavery Act 2015. The statement covers the period 1 October 2020 to 30 September 2021.

Danish Crown acknowledges that the risk of modern slavery including human trafficking, forced labour or bonded labour can occur in any industry, including in the food industry. This statement provides an overview of Danish Crown's policies and processes relating to the management of the risk of modern slavery occurring in our supply chain and at our production facilities

This statement should be regarded as complementary to the Danish Crown Sustainability Report 2020/21, which constitutes our annual UN Global Compact Communication on Progress report.

Danish Crown – organisation and supply chain

Danish Crown is a cooperative headquartered in Denmark, and one of the largest meat processing companies in the world, with 26,500 employees globally. We have a total of 89 production facilities, 40 separate warehouses and 38 offices in 30 countries, and our products can be found in more than 130 countries.

Danish Crown's business is centred around Fresh Meat, Casings and Foods. Our supply chain is divided into the following general areas: Livestock, Fresh Meat and Traded Goods with suppliers managed by the relevant business unit. The categories handled by Group Procurement are: 1) Food Ingredients, 2) Packaging Materials, 3) Logistics, 4) MRO (spare parts) and 5) Facility and Business Services.

In our fresh meat business alone, we source livestock directly from our 5,620 owners, all of whom are Danish farmers, as well as livestock from farmers in Sweden, Germany and Poland. In addition, Group Procurement handles more than 10,000 global suppliers, all of which implies an extensive and complex value chain.



Policies and governance

Danish Crown strives to conduct its business in a responsible and sustainable manner, and we are committed to respecting international human and labour rights and to managing the risk of modern slavery occurring at our production facilities or externally.

In addition to the fundamental principles expressed in the International Bill of Human Rights and the ILO Declaration of Fundamental Principles of Rights at Work, Danish Crown is committed to respecting a number of initiatives relevant to the Modern Slavery Act, including:

- UN Global Compact
- UN Guiding Principles on Business and Human Rights
- UN 2030 Sustainable Development Goals

These initiatives have been implemented in our policies and processes and form an integral part of our day-to-day working procedures.

Furthermore, in 2021 we became a signatory to

- the EU Code of Conduct on Responsible Food Business and Marketing Practices.

While having committed to publicly reporting specifically on the Aspirational Objective #3 "A Climate neutral food chain in Europe by 2050" we also support the Aspirational Objective #5 "Sustained, inclusive and economic growth, employment and decent work for all" through our various initiatives deriving from our sustainability strategy.

Specific Danish Crown policies and schemes directly or indirectly covering labour and human rights, hence, anti-trafficking and anti-human slavery:

- The Danish Crown Code of Conduct
- The Danish Crown CSR Policy
- The Danish Crown Code of Practice
- The Danish Crown Supplier Code of Conduct
- The Danish Crown Whistle-blower Scheme

Enforcement of the above and the handling of the risk of modern slavery is aligned with the governance model laid out for our sustainability strategy. Specifically, for modern slavery and human trafficking:

 <p>Mapping and baselines</p> <ul style="list-style-type: none"> • Sedex analysis used for own operations • Supplier SAQ to be used by Group • Procurement • Farming Sustainability Programme 	 <p>Management, organisation and policies</p> <ul style="list-style-type: none"> • Policies are adopted by Board of Directors, followed by group-wide implementation • Ethical dilemmas are handled in newly established business committee Ethical Board 	 <p>Targets and action</p> <ul style="list-style-type: none"> • Targets arising from our mapping and baseline are supported by training and processes to ensure control, follow up and applicable remediation 	 <p>Communications and reporting</p> <ul style="list-style-type: none"> • We communicate internally, while also using our public reports to provide transparency
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Risk assessment and due diligence

We use the Sedex platform and tools for making bi-annual assessments of our operational facilities. These assessments are generally based upon the ETI base code, which is consistent with our policies.



Among other things, the assessments enable a close dialogue between Group headquarter and the global operational facilities, ensuring that we stay focused on reducing risk and on our commitments to respect labour and human rights, and on providing healthy and safe workplace for all employees, including migrant and/or third-party contract workers. And that we comply with all applicable laws.

For the purposes of making risk assessments in our external value chain, we drafted a Self-Assessment Questionnaire (SAQ) in 2020/21. The SAQ will be used as part of the due diligence process for suppliers managed via Group Procurement. While selected social audits already form part of the processes in Group Procurement, the aim is to implement a more comprehensive audit framework in 2021/22, for example to verify findings from the SAQ.

While waiting for the internal processes to be fully implemented, we benefitted from using 3rd party sources, i.e. newsletters from human rights groups in 2020/21. A specific newsletter provided new insights leading to remediation dialogue with a specific Danish Crown supplier.

Risk categories

For several years, access to labour has been a challenge for Danish Crown. Following the Covid-19 pandemic, we are facing a generally heated employment market, which increases the risk of modern slavery and human trafficking. Even so, we continue to view the following as risk categories:

- Generally, suppliers in our supply chain, where we have no direct management control, and specifically, workers at farms supplying livestock, but also those farmers making broader use of migrant workers, which also covers other suppliers of some food ingredients
- Drivers involved in transport and logistics
- 3rd party contract workers at production sites

Key performance 2020/21

In the recent financial year, we focused on:

- As part of the selected audits, we conducted a social audit at a specific supplier, who had previously been requested to implement a comprehensive action plan for remediation. The audit confirmed that remediation, also after some years, is still at an acceptable level.
- We managed to phase out third-party contract workers at our German sites. This initiative started as a pilot project in 2019, but new German legislation taking effect recently has helped to accelerate recruitment. As a result, we managed to recruit nearly 2,000 former contract workers, including 1,000 for our Essen site alone.
- Our efforts to ensure increased commitment to the Danish Crown Supplier Code of Conduct have produced good results. Our goal was for 85% commitments from the suppliers listed above as category 1-3, and we succeeded in getting 65-88% commitments from these suppliers.
- Initiate development of Audit Framework
- The development of a Supplier SAQ as part of the due diligence process. Teamwork involving both Corporate Legal, Group Sustainability & EHS and Group Procurement
- Improved overall results on the Sedex risk rating, irrespective of the inherent risk that it will place us relatively high on labour risk. A risk which is due to the high degree of diversity (nationalities) at our production facilities.
- Training of various teams. Especially Group Procurement received in-depth training covering the framework of the Supplier Code of Conduct enabling them to start up a dialogue with Suppliers, who are reluctant commit to our Supplier Code.



Regrettably, we were unable to finalise and extend the human rights analysis, but this will be a focus area for the coming year.

Priorities for 2021/22

In the coming year, we will continue to focus on managing and reducing the risk of modern slavery and human trafficking in our value chain. Our current plans cover the items set out below, but the list may be extended:

- Group Procurement to implement the SAQ and use the results as part of the supplier approval process
- Group Procurement to initiate the implementation of the social audit framework
- Group Procurement focusing on reaching the goal of 90% commitment to the Supplier Code of Conduct for the above-mentioned category 1-3-suppliers
- Group EHS & Sustainability to conduct human rights due diligence deep dive / analysis
- Repeat internal Sedex analysis within the Danish Crown Group

More insights can be found in the Danish Crown Sustainability Report 2019/20 danishcrown.com/sustainability-report as well as on our website danishcrown.com

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

Date 22 November 2021

A handwritten signature in blue ink, appearing to read 'Preben Sunke', written over a dashed horizontal line.

Group COO (Vice CEO) Mr Preben Sunke