Sustainability

Together, we are creating a more sustainable future for food

Our ambition is to be a successful and leading player in sustainable meat production by 2030

Jais Valeur
2018

Material sustainability issues

We take responsibility for addressing issues that constitute significant risks for people, the environment or society throughout our value chain.

Materiality

Sustainable transition

Environment and climate

- Climate change and greenhouse gas emissions
- Biodiversity
- Land use
- Phosphorous and nitrogen cycles
- Feed protein
- Consumption of natural resources
- Food loss and food waste
- Packaging materials and plastic

Social issues

- Meat consumption and plant-based diets
- Healthy and nourishing food
- Job creation and skills development
- Social inclusion
- Health and safety

Business ethics and governance

- Food safety and reliability of supply
- Labelling and marketing
- Research and partnerships
- Financial standing of farmers

Very high

High

Responsible business conduct

Environment and climate

- Waste water
- Non-organic waste

Social issues

- Human and labour rights
- Diversity
- Animal welfare and veterinary health
- Use of antibiotics

Business ethics and governance

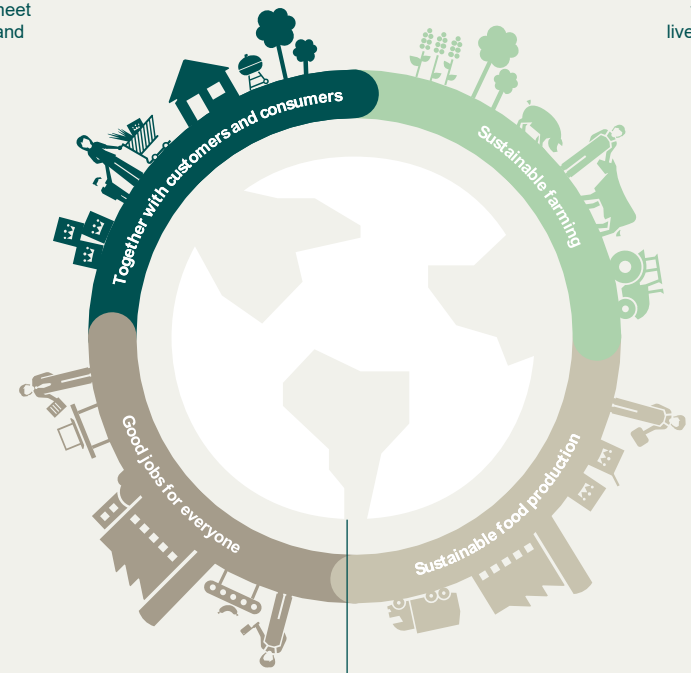
- Anti-corruption
- Responsible purchasing
- Transparency and public affairs
- Responsible tax

We have committed to the Ten Principles of the UN Global Compact and we support the 17 Sustainable Development Goals

Our Sustainability strategy's focus areas all support selected SDGs and address the main challenges which we need to overcome to ensure the long-term development of our business. It covers our ongoing efforts to minimise risks and adverse impacts in our value chain as well as our initiatives for further progress towards sustainable agriculture and food processing.

We will earn customers' and consumers' confidence and meet their needs for healthy, safe and responsible food.

We aim to secure a strong future for farmers and promote sustainable livestock production within planetary boundaries.



We will attract and retain people with good jobs and equal opportunities for everyone, creating safe and healthy workplaces.

We will find new ways to feed the world with sustainable meat and protein through collaboration and partnerships in our value chain.

We will operate a sustainable, efficient and high-performing food production, setting high standards for ourselves and for our suppliers.

Our broad focus across the value chain makes this a difficult and complex task, but we have a solid plan

Lighthouse	Sustainable Farming	Sustainable Production	Good Jobs for Everyone	Together with Customers and Consumers
Strategic levers	Reduce climate impact from farming	Reduce climate impact and resource use in production	Safety first	Provide sustainable and healthy options
	Improve animal welfare and biosecurity	Reduce our waste	Take social responsibility	Enable sustainable branding
	Focus on biodiversity	Responsible sourcing	Commit to global ethical standards	Ensure one external voice

Carbon Reduction

Carbon track in Danish Crown

Customer

Corporate level

Example: For a customer, could be retail, bulk or food service, to be able to calculate their own carbon footprint (both upstream, downstream) GHG emissions (scope 3) they will need data from Danish Crown.

SBTi scope 1, 2 and 3

Consumer

Product level

Example: For the consumer it's about their own emissions. Meaning what is a specific products carbon footprint? How does this product compare to a similar product – or how is this category better than other categories.

LCA data

What is Science-based Targets? (SBTs)

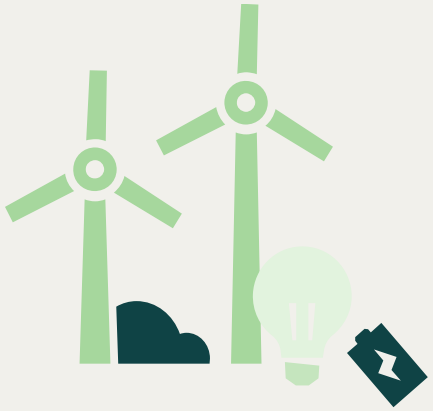
The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

An analogy of the Paris agreement for the corporate sector, voluntary commitments to reduce CO_2e emissions

Voluntary commitments to reduce CO_2e emissions

Danish Crown commits to SBT's

Science Based Targets project timeline and data scope in a nutshell

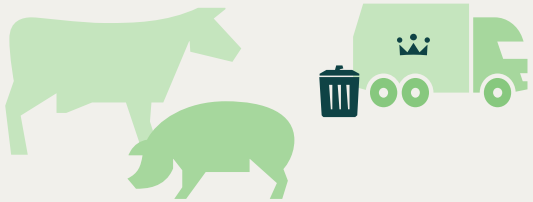


Scope 2

Indirect emissions from the energy we buy. This includes electricity, steam, heating and cooling.

Scope 1:

Direct emissions from the activities we directly control ourselves. This includes own energy consumption and the use of refrigerants and fuel for own vehicles.



Scope 3:

Indirect emissions from purchased goods and services. This especially includes suppliers of slaughter animals as well as packaging material and logistics suppliers and emissions from the handling of products, residual products and waste.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Science Based Targets approved

↓ 2.5 million tonnes CO2

We will reduce our global CO2 emissions by 2.5 million tonnes by 2030.

Our Validated Decarbonization Roadmap

Our key initiatives

PRODUCTION
Decarbonize our electricity consumption and investigate future biogas options.

FARM LEVEL
Reduce farm-level emissions from all animals in Denmark, Sweden, Germany and Poland.

LOGISTICS
Work together with our logistic providers to deliver CO_2e emission reductions.

SOURCING
Establish Supplier engagement for our key suppliers.

Scope 1+2

Scope 3

Reduction projections towards 2030

2020

2030

2050

Climate Neutrality

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Ramping up our ambitions with our new baseline:

Our SBTi target expands the scope of our existing 2030 target.

↓42%

Scope 1+2
Danish Crown commits to reduce absolute Scope 1 and 2 GHG emissions 42% by 2030 from a 2020 base year.

↓20%

Scope 3
Danish Crown commits to reduce Scope 3 GHG emissions 20% per kg of output produced by 2030 from a 2020 base year

Understanding major sources of greenhouse gas emissions

3% Packaging material and ingredients sourcing

- Emissions from raw material purchase
- Major raw material sources are fossil fuels (for plastic) & wood pulp (for paper and board)
- Emissions from converting raw packing materials into final packaging

5% Other category

- Sourced meat
- Business services
- Facility services

3% Processing

- Emissions from converting raw agricultural items into finished food items

1% Capital goods

- Emissions for production of purchased capital goods

2% Transport

- Emissions from transport of food, items, locally & internationally

Scope 1
Direct greenhouse gas emissions from primary energy at our production facilities (e.g. natural gas).

Scope 2
Indirect greenhouse gas emissions from secondary energy (e.g. electricity).

Scope 3
Indirect greenhouse gas emissions at farm level and the rest of our value chain.

Note: The calculations are based on 2019/20 inventory and exclude ESS-FOOD and DAT-Schaub for scope 3 emissions. Numbers are approximate and have been rounded.

6% Others

- Capital goods and services
- Fuels
- Others

54% Animal feed

- Emissions from crop production (on farm), and its processing into feed for livestock
- Fertiliser and manure land application
- Purchased feed
- Land-use change

25% Farm

- Housing and manure storage
- Emissions from enteric fermentation

0% Retail

- Emissions from lighting, space conditioning, refrigeration and other retail processes

1% End of life

- Emissions from disposal of consumer packaging

Scope 3 | Scope 1+2 | Scope 3

Carbon track in Danish Crown

Customer

Corporate level

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SBTi scope 1, 2 and 3

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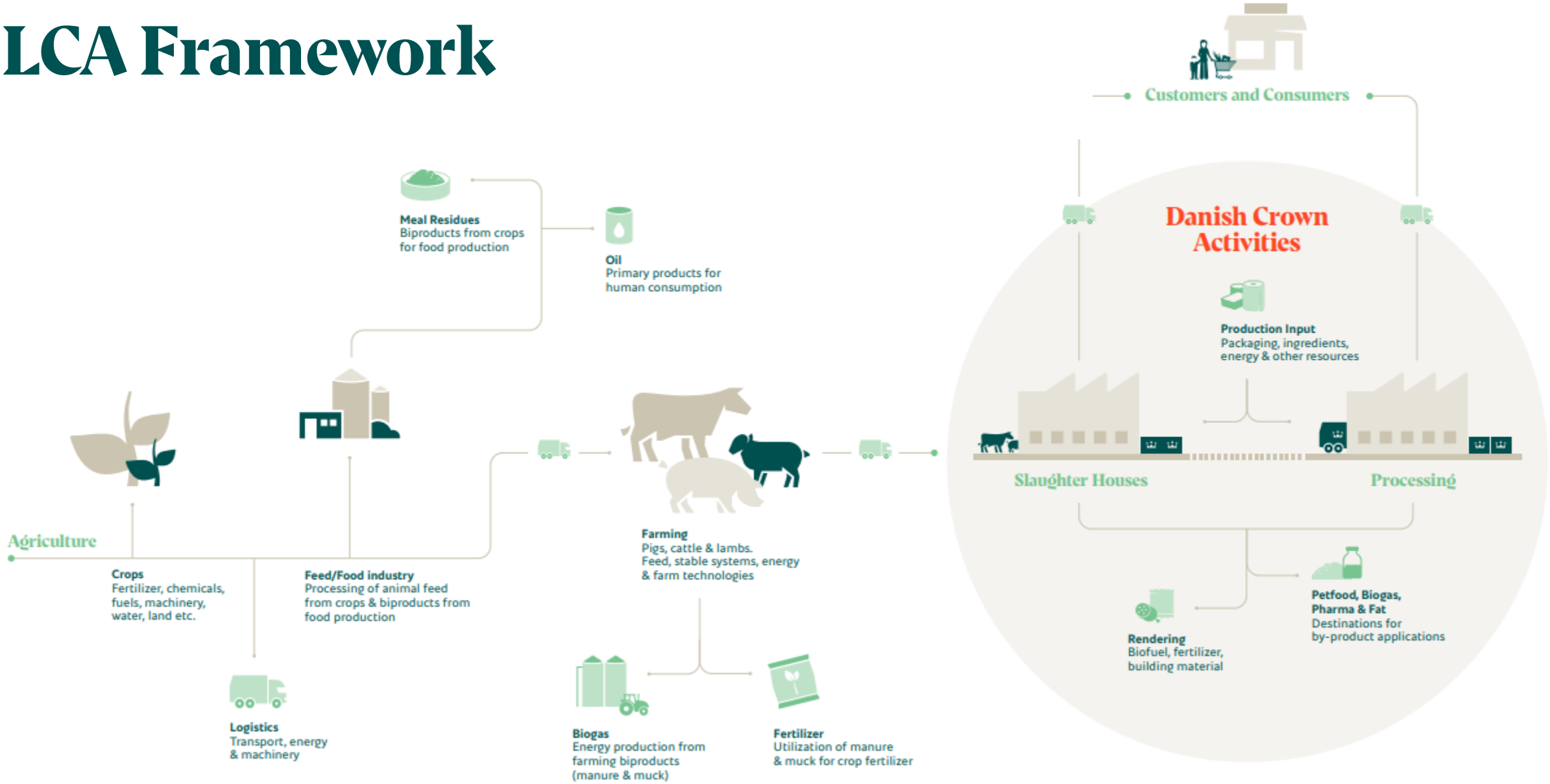
LCA data

LCA Framework



With the LCA model, Danish Crown can document the carbon footprint of our products

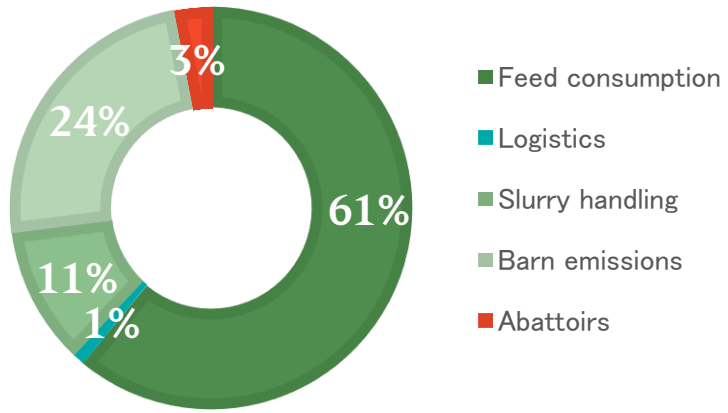
- All relevant information from **abattoirs, processing plants, packaging and logistics suppliers** will be collected and included in the **LCA calculation from farm to fork.**
- With a comprehensive data foundation of the supply chain, selected products can be sold with a **complete climate footprint** tag (kg CO_2 equivalents per kg).
- The model we have set up is aligned with best practice in Europe and follows EU's PEF standard.
- We can provide two different LCA methods: A-LCA and C-LCA.

Country	Farming	Logistics	Abattoirs	Logistic	Processing	Logistic	Strategic Products
Denmark	Pork / Beef	Yes	Yes	Yes	Yes	Yes	• Bacon • Sausages • Toppings • Pepperoni • Casings • Snack • Ready meals • Convenience (incl. Soups)
Sweden	Pork / Beef	Yes	Yes	Yes	Yes	Yes	
Germany	Pork / Beef	Yes	Yes	Yes	Yes	Yes	
Poland	Pork / Beef	Yes	Yes	Yes	Yes	Yes	
Netherlands	Pork / Beef	No	No	Yes	Yes	Yes	

Carbon footprint of shoulder roast

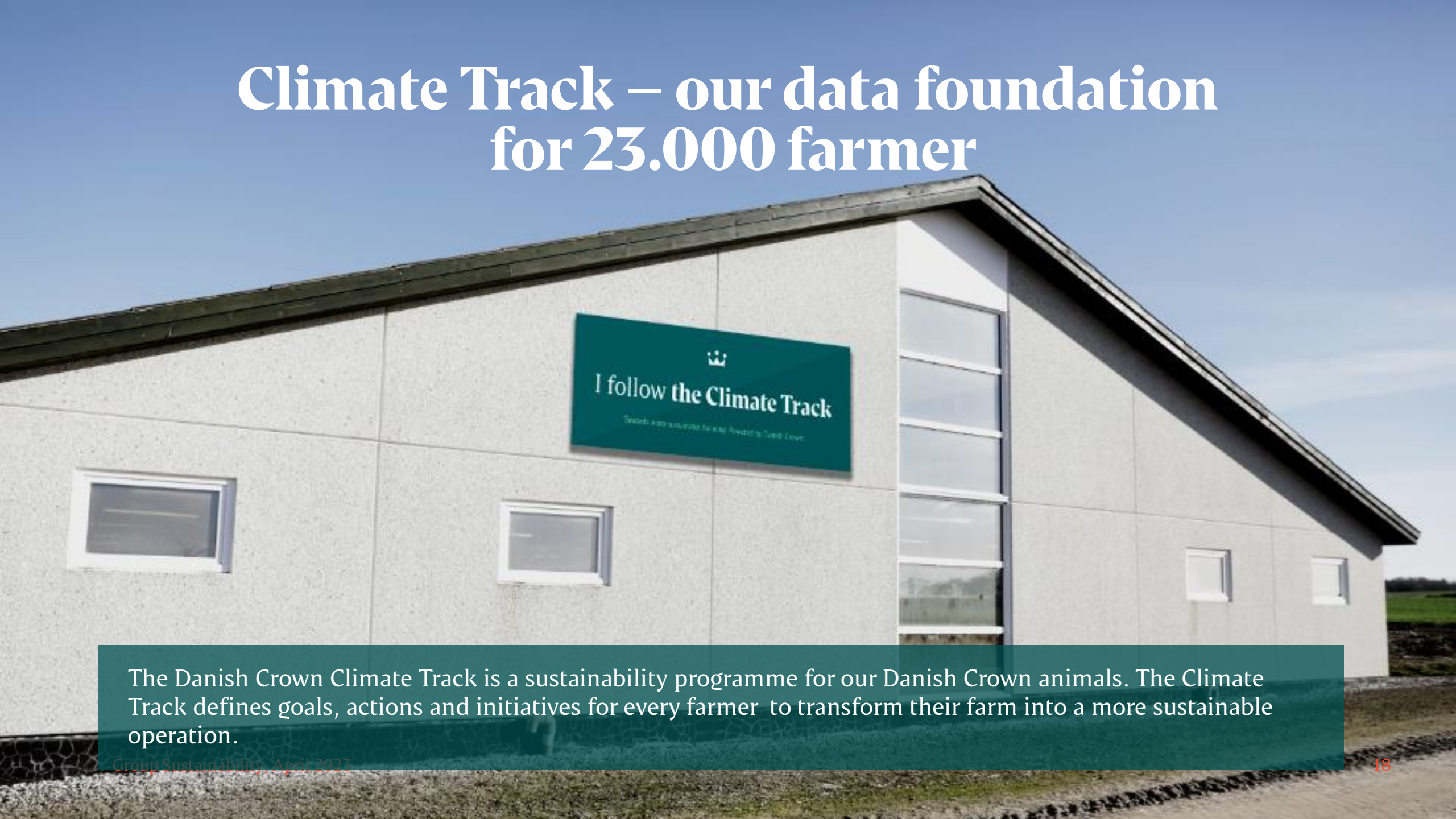
2.29 kg CO_2-eq/kg shoulder roast

- The model applies a cradle-to-slaughterhouse-gate approach and includes primary data for farming, logistics, abattoirs.
- The result represents the generic fore-end produced in Denmark from Danish pigs and average Danish abattoirs.
- The life cycle assessment model is third party validated.
- The assessment is based on the Product Environmental Footprint (PEF) method published by the EU Commission.



Group Sustainability, April 2023

Climate Track – our data foundation for 23.000 farmer



The Danish Crown Climate Track is a sustainability programme for our Danish Crown animals. The Climate Track defines goals, actions and initiatives for every farmer to transform their farm into a more sustainable operation.

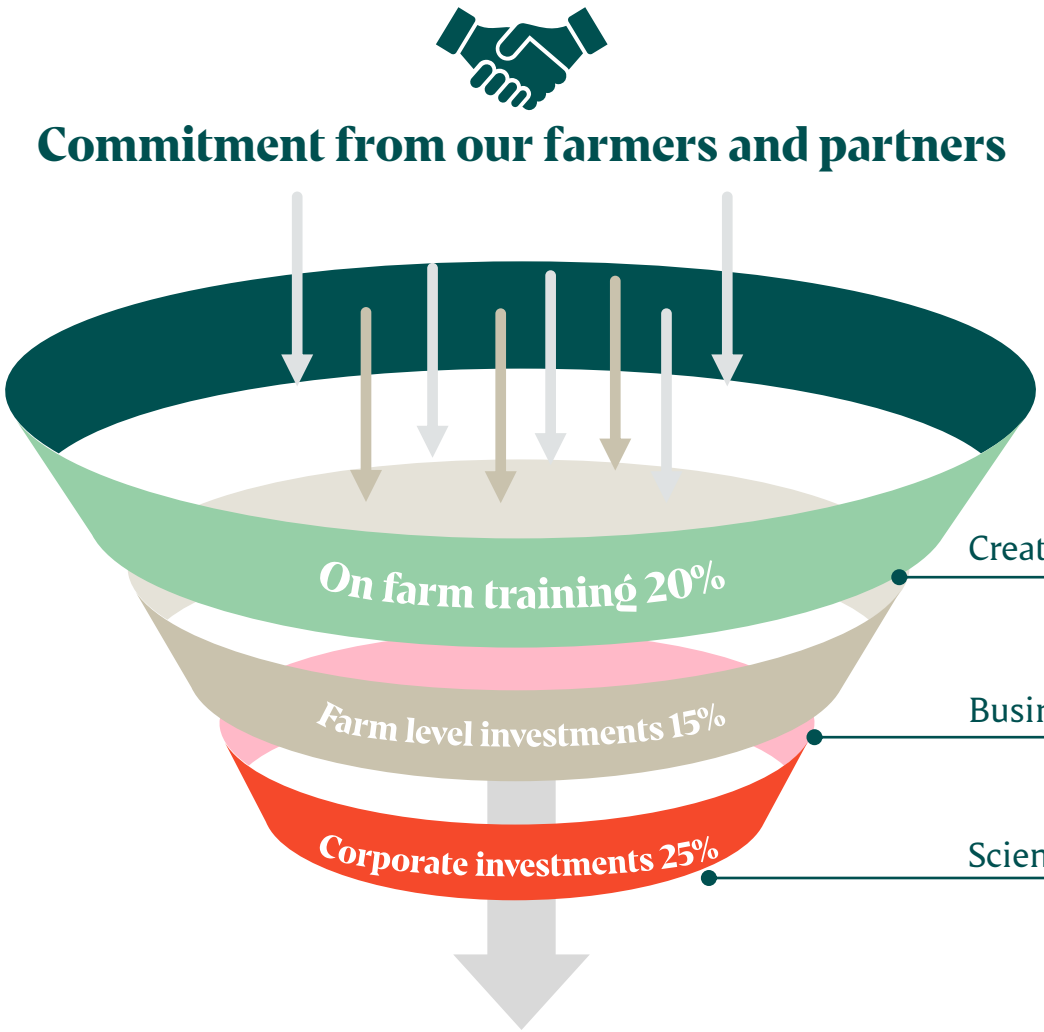
What does it mean for the farmers?

By joining the Climate Track, farmers are committing to our climate goals, and must set three-year development goals in these four main areas:

- Environment & climate
- Energy
- Animal welfare & antibiotics
- Social responsibility

The Climate Track is a certified system (3. party) in Denmark and Sweden

The journey toward reducing the emissions



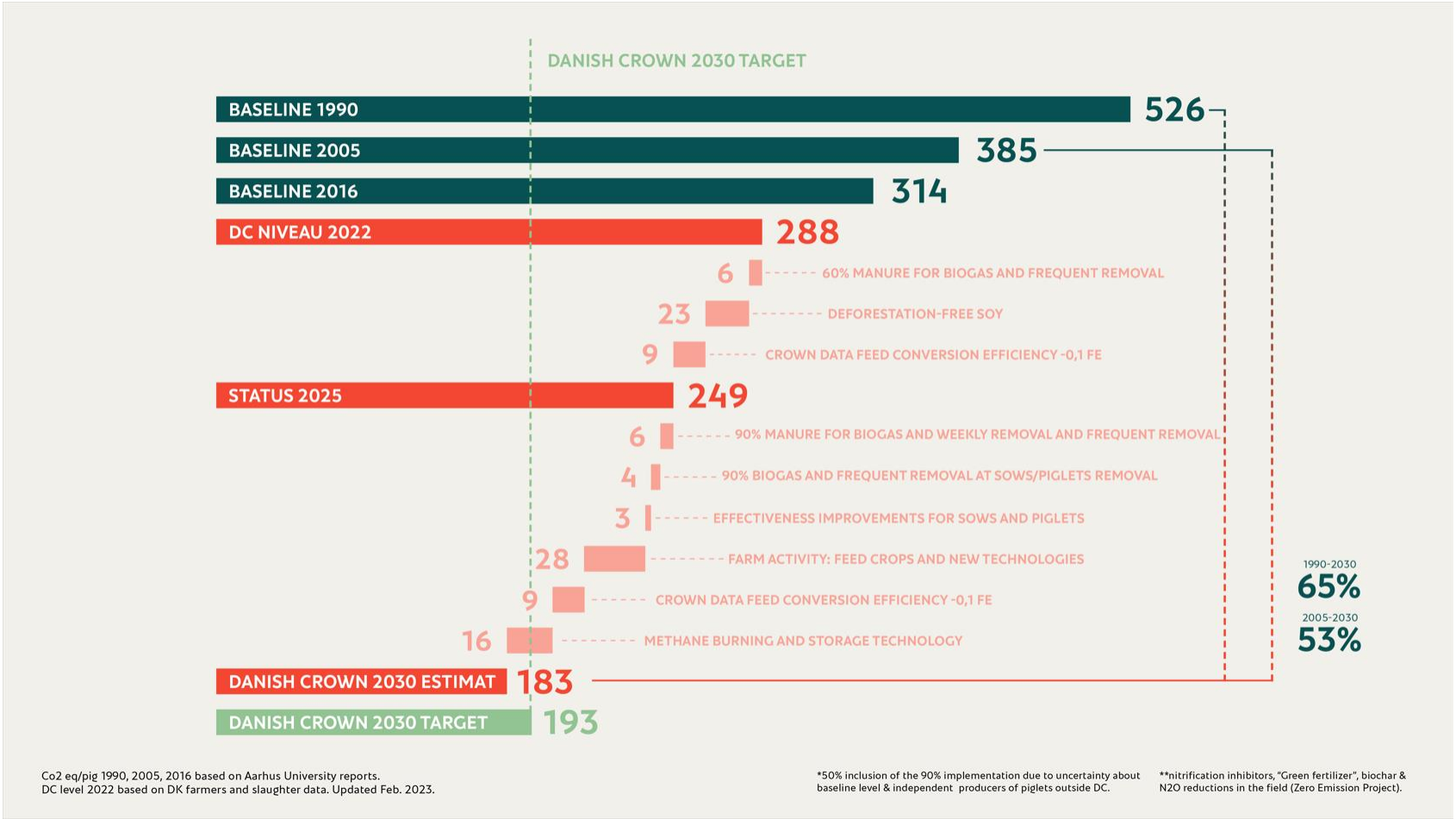
Creating benchmarks to further training across our value chain - globally

Business cases for investments on farms

Scientific research project with universities regarding feed additives

Scope 3 GHG emission reduction in kt CO2

Each Animal supply chain has its own roadmap



Co2 eq/pig 1990, 2005, 2016 based on Aarhus University reports.
DC level 2022 based on DK farmers and slaughter data. Updated Feb. 2023.

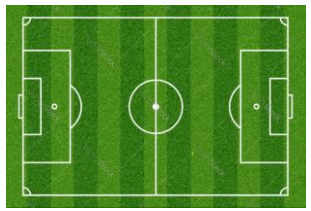
*50% inclusion of the 90% implementation due to uncertainty about baseline level & independent producers of piglets outside DC.

**nitrification inhibitors, "Green fertilizer", biochar & N2O reductions in the field (Zero Emission Project).

Clearly the recycled unbleached liner is the sustainable choice, as it has the lowest overall impact on all factors

Fibre Process	Cost & Complexity & Power	Chemical or Mechanical	Yield	Water	Non-Paper Components
Kraft – White	Very High	Chemical	Low	Very High	High
Kraft – Brown	High	Chemical	Medium	High	Low
Recycled – White	Medium	Chemical	Medium	Medium	High
Recycled – Brown	Low	Mechanical	High	Low/Very Low	Medium

- Reduction of the carbon footprint by **650 ton**.*
- Increased recyclable content of the box from 74 to **82%**.
- FSC certified paper as today.
- Reduce the amount of paper used by **3 million** less square meter. This is a paper reduction of 4% and equal to **420 soccer fields.**



- Switching from white to brown with a higher recyclable content is the right sustainable choice.

* Fefco Corrugated Packaging guideline

Danish Crown

Biodiversity

Biodiversity Methodology

How to Track Biodiversity & Performance

Biodiversity parameters at farm level could be:

- Leave dry and wet spots in the field
- Buffer zones around biotopes
- Area of grassland
- Grassing in of nature areas
- Leave biomasses in natural windbreak
- ……

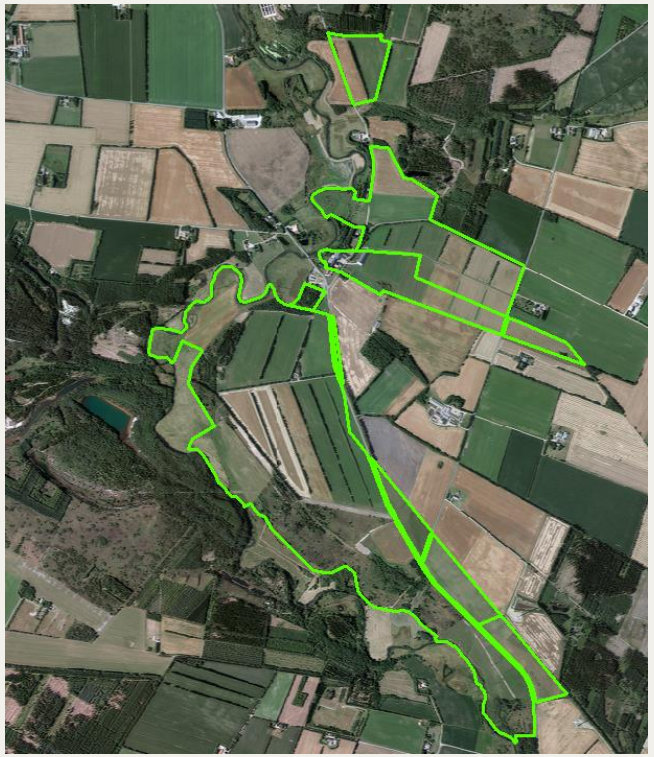
- **Step I**
  - Parameters defined in cooperation with AU, KU, SEGES in Denmark and SLU, Rise in Sweden
  - Biodiversity will be incorporated in the Climate Track, where we will monitor status/progress at farm level.
- **Step II**
  - **Full scale tracking system** of biodiversity (Denmark and Sweden), using dynamic land use data (transparent biodiversity documentation in DK/SE).
  - **Tracking system** developed by AU in Denmark
  - Our farmers must provide land use data at various levels. Target is to make the flow of land use data as automized as possible by integration with relevant external data sources (e.g. Seges Mark Online).
- **Step III**
  - Inclusion of Poland & Germany

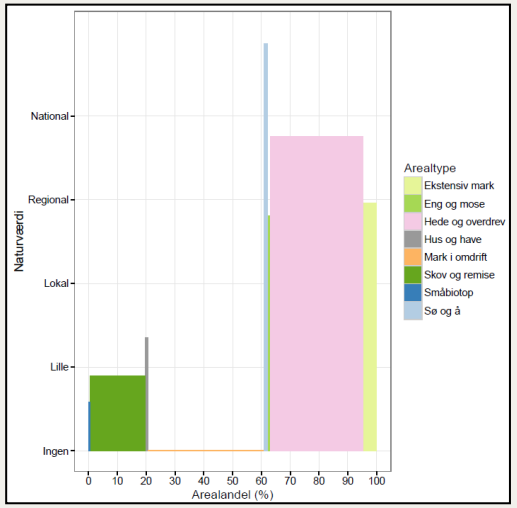
Methodology

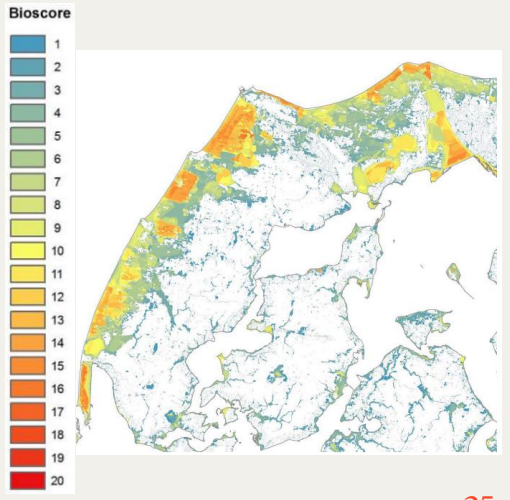
Full scale tracking system

- Step II will be interlinked with Step 1, and integrated in the Climate Track
- Step II is to use existing land-use data in Denmark and Sweden, to monitor biodiversity growth/decrease
- The tracking system will enable Danish Crown/farmers to have a valid and trustworthy documentation of biodiversity performance in Denmark and Sweden
- Not least, the system provides a basis for prioritization of improving biodiversity actions at farm level

Indicative Model Components:







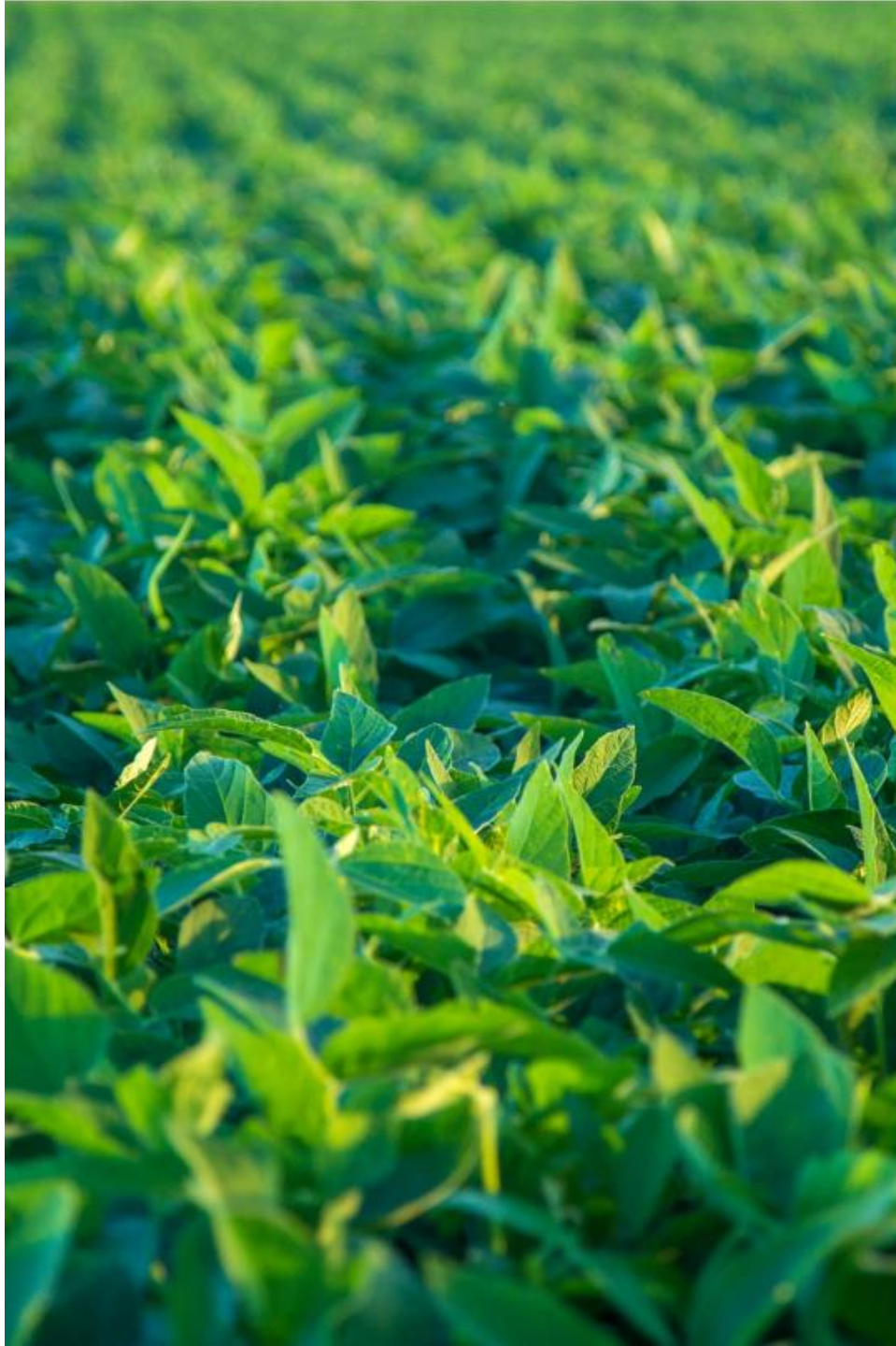
Danish Crown

Responsible soy sourcing in Danish Crown

Group Sustainability, April 2023

Responsible sourcing in Danish Crown

- Danish Crown recognizes the urgency of stopping deforestation and land conversion linked to soy supply chains
- We want to be part of the solution to this complex problem, therefore we support industry initiatives that aim to increase the proportion of responsible soy production
- Our commitments include:
  - We are members of the RTRS (since Oct 2022).
  - We are a signatory of the UK Soy Manifesto (since Nov 2021).
  - Where possible, we are members of local ethical trading organizations (The Danish Soy Alliance and The Swedish Soy Dialogue).



Responsible sourcing in Danish Crown

- Other initiatives:
  - In 2022, we published a Deforestation and Land Conversion policy, where we commit to eliminating deforestation linked to commodities used in our value chain
  - We have developed a soy strategy and roadmap for each of the countries with our primary production facilities
  - We have committed to support relevant schemes and projects with a potential to move the entire market towards responsible soy

Soy strategy in Denmark

We will follow all upcoming EU legislation regarding responsible soy.

Responsible soy

We will purchase increasing quantities of certified or verified responsible soy. In 2025, 100% of our soy will be responsibly sourced.

2021 - 2025

RTRS credits

RTRS credits will be used to cover the company's soy consumption that is not certified / verified.

RTRS

2020 - 2025

Transition

Over a period of 5 years, Danish Crown will be reducing credit purchases and increasing the proportion of physical soy that complies with FEFAC guidelines.

2020 - 2025

Soy Alliance

Danish Crown is a member of the Danish Soy Alliance and actively participates in the work to ensure responsible soy production linked to Danish supply chains.

Since 2019

Alternative protein

Danish Crown works with Danish Protein Innovation to develop alternative, more sustainable protein sources that can be produced in Denmark.

2020 - 2025

Responsible sourcing in Danish Crown

- Similar roadmaps for the following countries
  - Poland
  - Sweden
  - Germany

- Further,
  - Danish Crown will in 2025 implement Flag Criteria* into our Science Based Targets
  - Implement EU Regulation on deforestation-free supply chains

*) FLAG Criteria: Forest, Land and Agriculture

Danish Crown

Thank you.