



Danish Crown

Sustainable Agriculture Programme



1. Our Programme

1.1 Our commitment

Danish Crown's cooperative owners are front runners in resource-efficient livestock production, and they continuously strive to improve their sustainability footprint.

Based on Danish Crown's materiality assessment, agriculture processes are recognized as a material sustainability issue, and this programme is intended support and promote a more sustainable agriculture to mitigate the risk and reduce the negative impact. As an example, life cycle assessments show that the agriculture processes are responsible for approximately 90 per cent of greenhouse gas emissions related to meat production. Thus, reducing greenhouse gas emissions is crucial to ensuring sustainability at farm level. The research and innovation needed to achieve significant reductions in greenhouse gas emissions cannot be undertaken by the individual farmer alone. For this reason, Danish Crown is committed to performing a wide range of initiatives to promote and support our cooperative owners and suppliers in more sustainable agriculture. We do this within four key areas – Animal Welfare, Climate Impact, Biodiversity and Responsible Sourcing.



2. Animal Welfare

2.1 Animal Welfare

Danish Crowns guiding principle within animal welfare is that care and respect for animals is at the heart of our business. Therefore, we have set ambitious targets and defined KPI's to support our commitment. For this year our target is that we want to be ranked as Tier 2 in the 2023 Business Benchmark for Farm Animal Welfare (BBFAW) Report.

2.2 Framework

To make sure we live up to our commitments and targets, we follow a strategy on animal welfare, and we have guiding policies which outlines our positions on animal welfare. Further, we set out our animal welfare requirements in our Codes of Practices for cooperative owners.

2.3 Strategy

Danish Crown has a strategy to improve animal welfare from farm over transport to slaughtering across all markets. The strategy includes specific plans to increase the validity and effectiveness of our data collection on animal welfare, setting feasible targets and launching new projects to improve animal welfare.

2.4 Policy

We have also developed a Policy for Animal Welfare, which applies to all markets and all animal species supplied to the group. Our Policy is part of our sustainability strategy, and it reinforces our commitment to animal welfare in general. The policy outlines our position on animal welfare in the supply chain, including such aspects as routine confinement, transportation, humane slaughter, use of antibiotics and growth promoters as well as animal welfare management and partnerships. We regularly review our Policy for Animal Welfare in collaboration with relevant stakeholders. Furthermore, we disclose our position and data on

various animal welfare-related issues in our Animal Welfare Position Statement and Welfare Outcome Report, which is updated annually and made available on our website ([link](#)).

2.5 Codes of practices

Animal welfare requirements are also set out in our Codes of Practice for cooperative owners, for haulage contractors and general Code of Conduct for suppliers. Going forward, our general Supplier Code of Conduct will be updated with stricter animal welfare requirements for the suppliers of third-party sourced meats.

2.6 Implementation

2.6.1 Schemes and products

To carry out Danish Crowns visions and targets we have developed a range of schemes to deliver products with strong animal welfare parameters to specific requirements from markets, customers, and consumers. These include both industry standard schemes such as 'QS Germany' and more specific Danish Crown concepts such as the Danish 'Antonius' and 'Bornholmergrisen', 'Friland pigs and cattle' and the 'Dansk Kalv' concept. Most of these programmes are certified by an independent body.

2.6.2 Governance and layers of control

In Denmark, Sweden, and Germany, we have a strict control process to monitor animal welfare, including the use of medicine. The three-level process consists of:

1. In-house checks by specialised farm and abattoir staff.
2. Veterinary controls, with veterinarians monitoring the entire process from the rearing of the animals on farms to inspections of individual animals at the abattoir.
3. Authorities and/or customers performing unannounced controls.

Click [here](#) to find out more about our work within Animal Welfare.



3. Climate Impact

3.1 Climate Impact

Danish Crowns vision within climate impact is an aim to secure a strong future for farmers and promote sustainable livestock production within planetary boundaries.

3.2 Framework

To make sure we support our vision we have setup a framework to guide our actions within reduction of our climate impact. This entails multiple policies guiding our work to reduce our climate impact. These include Danish Crowns ESG Policy, GMO Policy and a Policy on Carbon Insetting. Further we have committed to SBTi targets, and we are undertaking actions to have a Farmer Code of Practice for all farmers defining the minimum requirements that must be met by our suppliers. It is currently implemented in Denmark.

3.3 Policies

3.3.1 ESG

The Danish Crown ESG Policy sets out the general principles of our commitments to leading a sustainable development of our business and ensuring high levels of food safety and quality, limited resource consumption, good working conditions for all employees, whether at our own sites or in the supply chain, responsible sourcing, animal welfare and a continuous dialogue with stakeholders. Click [here](#) to read the policy.

3.3.2 GMO

Danish Crowns Policy on genetically modified organisms (GMO) applies to all Danish Crown's business units with production activities (including slaughter and processing) and covers raw materials used for food production (animals, meat, and ingredients) as well as feed for the animals that enter our supply chain. The policy expresses our position towards GMO feed for animals, GMO use in food production and genetic modification of animals. Click [here](#) to read the policy.

3.3.3 Carbon Insetting

The Danish Crown Policy on carbon insetting defines the general principles for insetting carbon into Danish Crown's own value chain towards our 2050 net-zero target. The policy expresses our position towards carbon insetting and lists the main principles that we will follow. Click [here](#) to read the policy.

3.4 SBTi Commitments

Danish Crown has committed to having our climate targets validated and approved by the SBTi which will ensure that our climate actions lead to absolute reductions in our greenhouse gas emissions. The targets we submitted are broken down into sub-targets for our scope 1, 2 and 3 emissions based on a detailed mapping of all significant greenhouse gas emissions throughout our value chain. We have had specific focus on our farm-level greenhouse gas emissions as these account for most of our scope 3. Our science-based targets will be a lever to ensure greenhouse gas emission reductions both in our own operations and our value chain.

3.5 Farmer Code of practices

To meet our responsibilities within climate impact regarding our cooperative owners, we have created a Code of Practice for farmers that define the minimum requirements that must be met by our Danish pig and sow suppliers 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. for the suppliers of other meats.

3.6 Implementation

3.6.1 The Climate Track

The Climate Track is our sustainability programme for farmers supplying slaughter animals to Danish Crown. Farmers participating in the Climate Track cooperate with us on our climate targets related to scope 3 and, depending on the specific country and animal, support our ambitions within animal welfare, social responsibility, and biodiversity. Within the Climate Track there are several focus areas including emissions from housing, manure management, feed composition and crops. To read more click [here](#).

3.7 Governance and layers of control

So far, certification in relation to the climate indicators has been part of the rollout in Denmark, and all our Danish pigs and Danish cattle farmers are now certified. Danish farmers supplying free range beef are in the process of getting certified. The farmers have defined their own targets for improvements on selected parameters such as feed efficiency and biogas production. Certification was provided by an independent certification body, which audits the farmers at least every three years, reviewing data and targets.



A central part of reducing our climate impact is the dialogue that Danish Crown advisors have with our cooperative owners. In the Climate Track farmers share their production data and various sustainability information with us, and in return, they get individual feedback on their sustainability performance compared to a Danish Crown national average, as well as a mapping of their sources of greenhouse gas emissions with suggested reduction initiatives. The collected data is incorporated in our scope 3 calculations of greenhouse gas emissions, which are therefore more precise. And this helps us reach our shared efforts to reduce the climate impact at farm level.



4. Biodiversity

4.1 Biodiversity

In Danish Crown we have a biodiversity approach with the ambition to grow and produce more effectively in the areas where this can be done sustainably, leaving less productive marginal areas to nature. As such, the approach focuses on both arable land and nature with no or limited human impact.

4.2 Framework

Danish Crowns efforts to improve biodiversity are in the process of being integrated into the Danish Crown's sustainability programme for farmers, the Climate Track.

4.3 Initiatives

To carry out the biodiversity efforts we have together with leading biodiversity researchers from Danish universities, identified initiatives of great importance to biodiversity on the farms and selected approximately ten biodiversity indicators. We expect that this will enable Danish Crown and our farmers to compare their biodiversity performance with national ecosystem indicators when these are developed.

In our efforts to improve biodiversity we focus on three main areas Nature Concepts, Nature Plans and Nature Baselines.

4.3.1 Nature Concepts

This concept will be described in further detail as we work towards establishing the nature baseline.

4.3.2 Nature Plans

These plans will be described in further detail as we work towards establishing the nature baseline.

4.3.3 Nature Baselines

We are currently working on collecting data on our cooperative owners and suppliers of free-range pigs and cattle in Denmark, cattle in Sweden as well as all suppliers to Friland Germany. The data collected will serve as a baseline for our biodiversity efforts. We expect the baseline for Denmark to be finalised in autumn 2023 and we will use it for the development of further initiatives to foster biodiversity and set concrete targets. This data collection process will be integrated into the Climate Track.

4.4 Governance and layers of control

4.5 Certification programme at farms

As we are currently working on establishing our nature baselines the governance process of our biodiversity efforts will in time also follow the Climate track layers of control with third party certification.



5. Responsible Sourcing

5.1 Programme to prevent deforestation and land conversion

As part of Danish Crown's supply chain considerable amounts of commodities that are at risk of being linked to deforestation and land conversion enter our supply chain, and that includes soy and palm oil (as feed for livestock and as food ingredients), beef, and wood products, such as fiber-based packaging. These commodities may contribute to forest degradation and land conversion from a natural ecosystem to agricultural land in some of the most biodiverse ecosystems in the world, such as the Amazon Rainforest in Brazil and tropical forests in Indonesia. Land conversion leads to habitat and biodiversity loss as well as large greenhouse gas emissions.

Based on Danish Crown's materiality assessment, the potential negative impact on biodiversity and climate is recognized as a material sustainability issue, and for this reason Danish Crown has setup a designated programme to prevent deforestation and land conversion that is intended to mitigate the risk and reduce the negative impact. To read the programme in further detail, click [here](#).