

Sustainability

October 2023

Morten Pedersen

Material sustainability issues

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



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



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

Materiality



Very high

High



Together with customers and consumers

Strategic levers

Consumers and products

Life cycle assessment

Meeting customer demands



Good jobs for everyone

Strategic levers

Safety first

Social responsibility

Ethical standards



Sustainable farming

Strategic levers

Climate impact

Animal welfare

Biodiversity



Sustainable food production

Strategic levers

Resource use

Waste

Responsible sourcing



Sustainability in Danish Crown



License to Sell

Customers and consumers are setting a new agenda
- shifting their spending toward products with ESG-related claims



License to Operate

New legal requirements and the political agenda puts significant demands on ESG within our operational set up



License to Finance

ESG ratings and performance will be vital for access to capital in the future – with a poor score we risk lack of funding



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 CO₂e emission reductions.



SOURCING

Establish Supplier engagement for our key suppliers.

Reduction projections towards 2030

2020

2030

2050

Scope 1+2

Scope 3



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

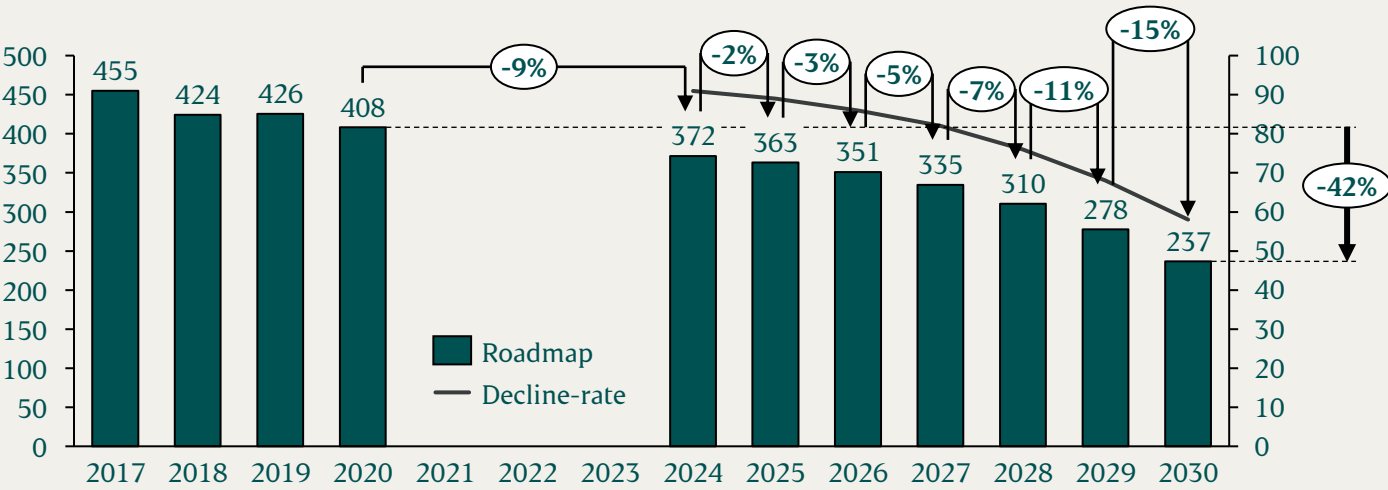
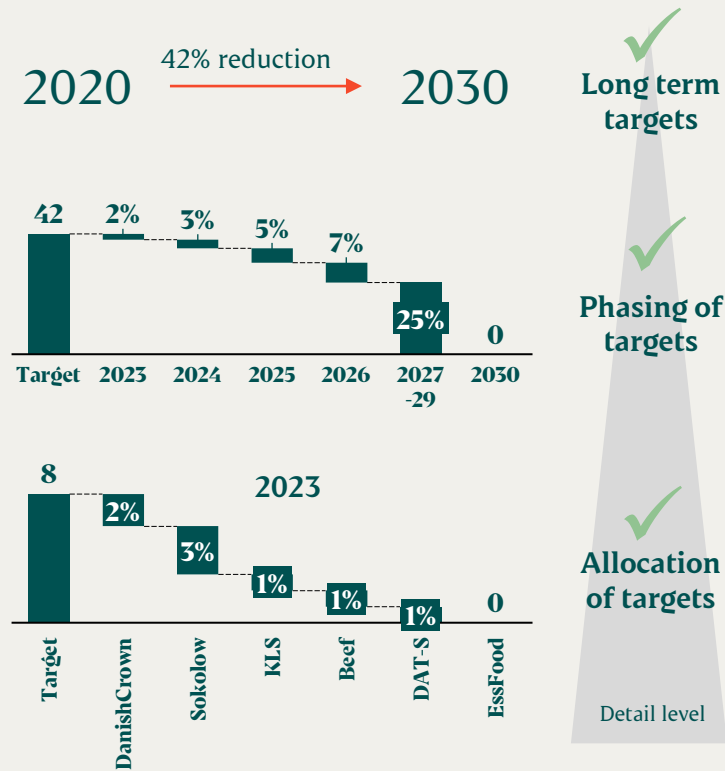
Climate
Neutrality

93% of Danish Crown's emissions originate from the farm level overview and transparency of this end of the value chain is crucial



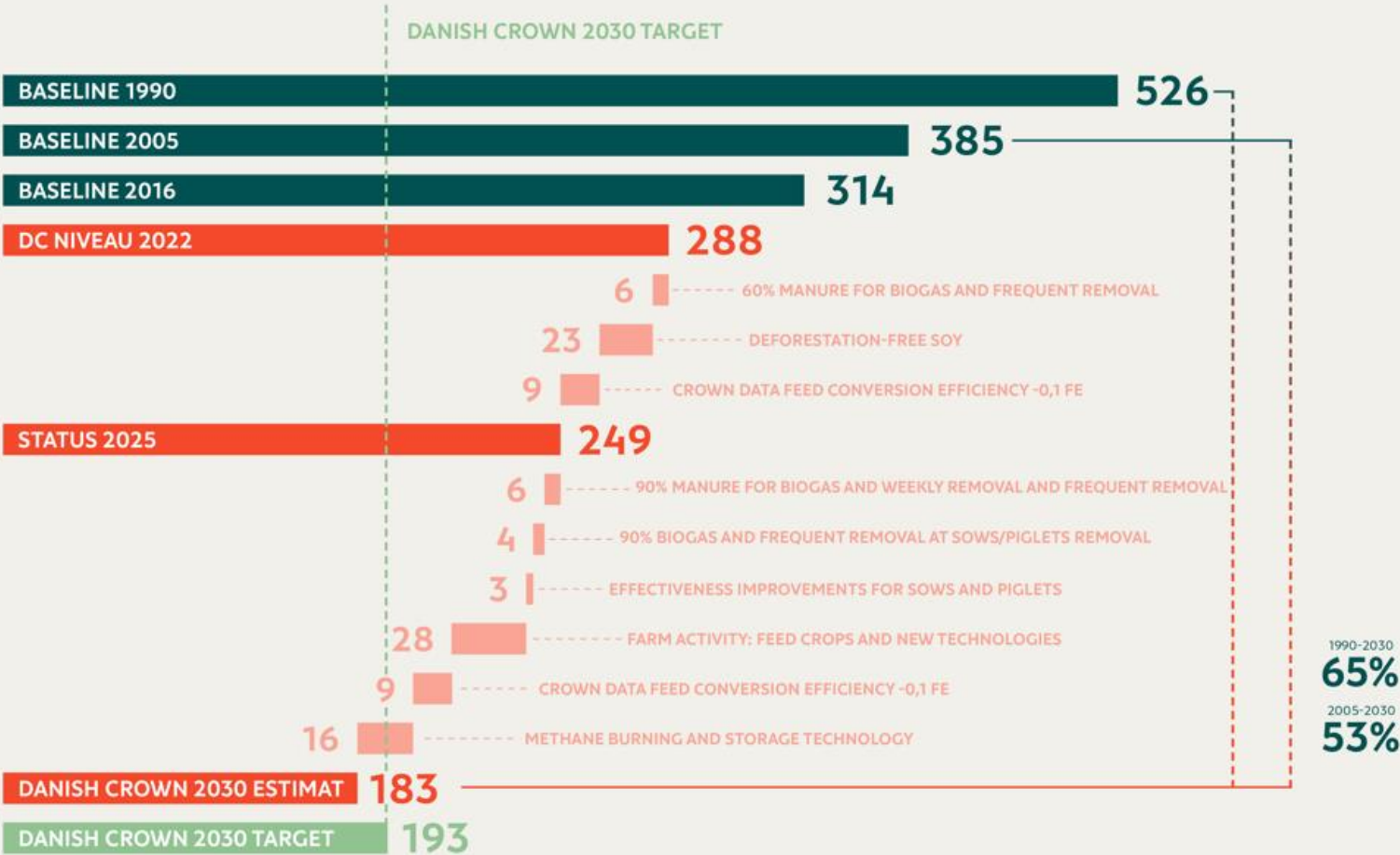
Our approved SBTi roadmap includes several activities incl. sub-goals defined for the entire value chain

Breakdown of targets an aligned ambition across group



Beside phasing of the target, we have also allocated the target between the Business Units, and we have a strong pipeline of initiatives within Scope 1&2, and from Danish Crown Group level we are deploying cross cutting initiatives

Our approved SBTi roadmap includes several activities incl. sub-goals defined for the entire value chain



Example:
One of our
road maps –
Danish Pigs

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).

Manure storage: Reduction of methane emissions

13

CLIMATE ACTION



17

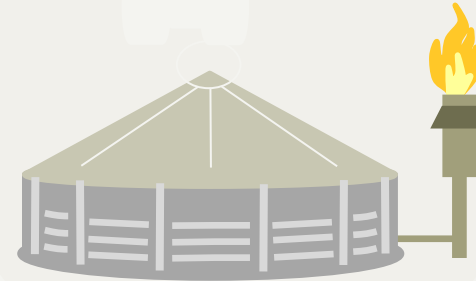
PARTNERSHIPS FOR THE GOALS



Danish Crown is supporting a Methane Combustion project, where a small upstart company is developing a methane burner, combustion requires high methane concentration:

- Tight tent covering of slurry tank
- Possible support gas during the winter period
- Methane is burned to CO₂

Combustion



13

CLIMATE ACTION



17

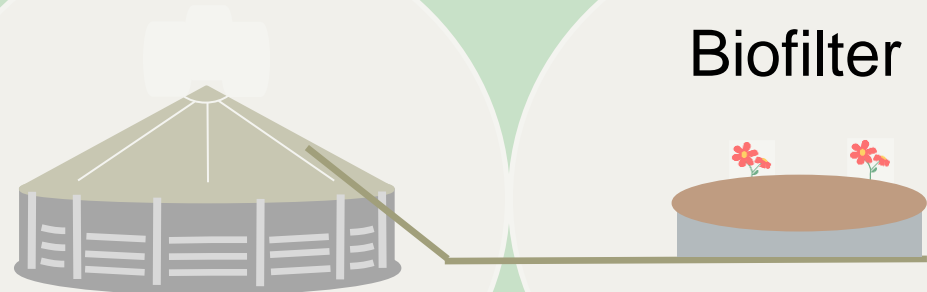
PARTNERSHIPS FOR THE GOALS



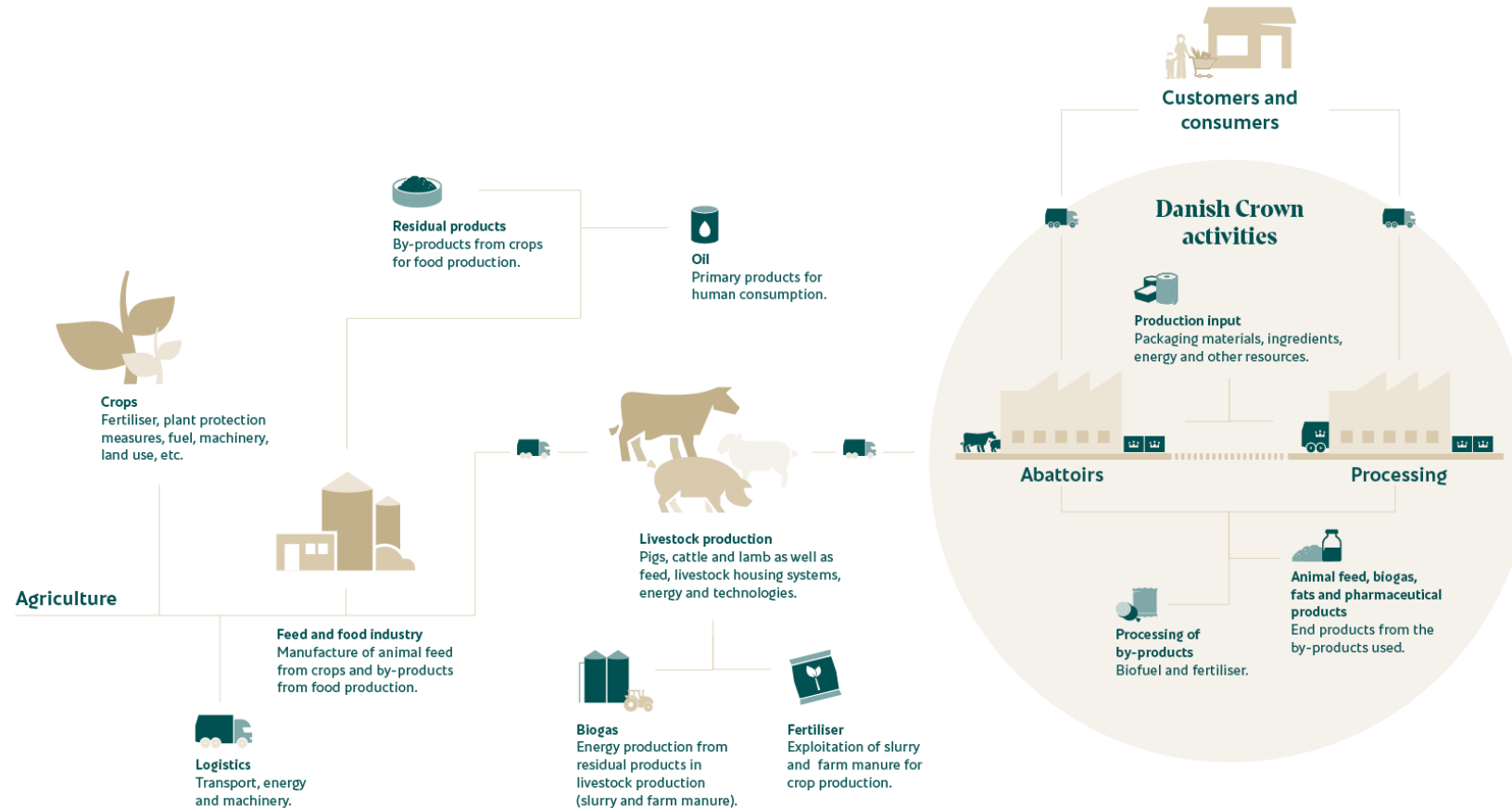
Danish Crown is supporting a Biofilter project, where DTU (Technical University of Denmark) is testing biofilter by slurry tanks:

- 1 meter of compost as a biofilter
- Tight tent covering of slurry tank
- Methane-consuming bacteria in the compost oxidize methane to CO₂

Biofilter



We have our own advanced LCA model with live data enabling us to deliver primary data on product level



- 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 CO₂ equivalents per kg).
- The model we have set up is aligned with best practice in Europe and follows EU's PEF standard.

LCA model | With the LCA model, Danish Crown can document the carbon footprint of our products from farm to fork



Country	Farming	Logistics	Abattoirs	Logistic	Processing	Logistic	Strategic Products
Denmark	Pork / Beef	Yes	Yes	Yes	Yes	Yes	<ul style="list-style-type: none">• 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	

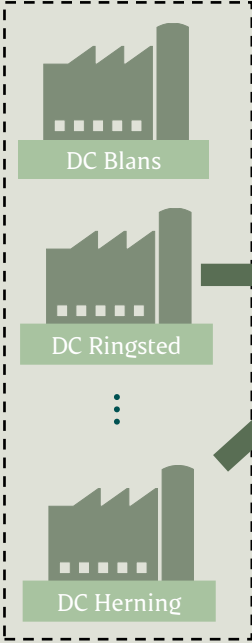
We can calculate all products with primary or secondary data

Example | With the CFP model, Danish Crown can document the carbon footprint of all products from farm to fork

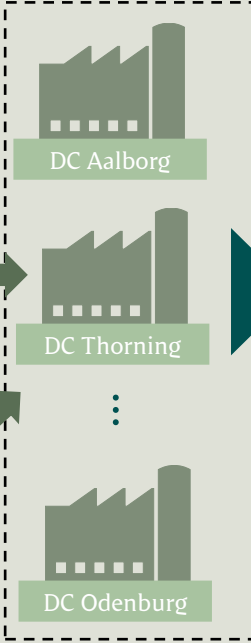
THE FARMS



ABATTOIRS



PROCESSING



PRODUCT MODULE

Example:
We can use Company X's specific recipe on pepperoni and calculate the specific footprint.

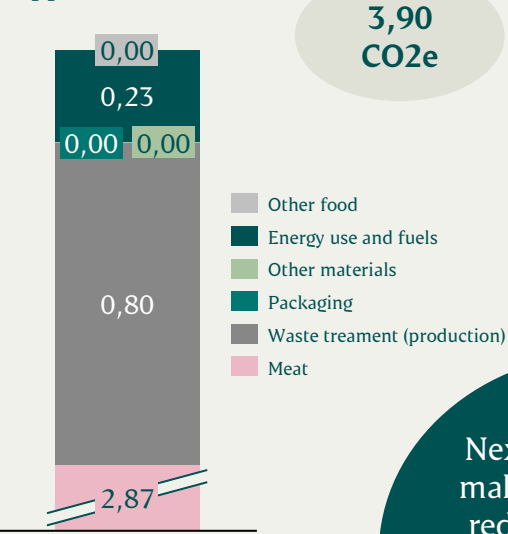
Recipe (dummy):
Primary data:
Pork meat: 73,5%
Pork fat: 20%

Secondary data:
Salt: 0,5%
Spice mix (cayenne pepper, sweet paprika, anise seed, garlic): 5%
Other ingredients: 1%



CO2e CALCULATIONS

Pepperoni, CO2e:



Next step is to make the CO2e reduced Pizza together with our customers' supplier of cheese



Danish Crown

Thank you.