

CHR. HANSEN 2019/20

# Sustainability Data Sheet

Company reg. no. 28318677

**CHR HANSEN**

*Improving food & health*

# Introduction to sustainability data sheet

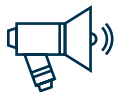
Chr. Hansen's 'Sustainability data sheet' presents key sustainability and ESG data points. For the full FY2019/20 sustainability reporting in accordance with the UN Global Compact's Communication on Progress and the Danish Financial Statement Act, section 99 a and b, see Chr. Hansen's Annual report 2019/20.

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 [Annual report 2019/20](#)

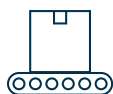


Sustainability data points for Products, Planet and People are, where applicable, reported according to continuing and discontinued operations due to the announced strategic review of the Natural Colors Division. Historical data from 2015/16 up until 2017/18 includes both continuing and discontinued operations.

Accounting principles for the sustainability indicators are available at: <https://www.chr-hansen.com/accountingprinciples>



# Let's grow a better world. Naturally.



# Products - Sustainability data

## Continuing operations

Sustainability data	Continuing operations		Group total		
	2019/20	2018/19	2017/18	2016/17	2015/16
<b>Continuing operations Revenue contribution to the UN Global Goals</b>					
<b>Continuing operations</b>					
Gross revenue contribution, %	81*	79	82	81	
<b>Group total Revenue contribution to the UN Global Goals</b>					
Gross revenue contribution, %	84*	82	82	81	
<b>Better farming</b>					
Farmland treated with natural solutions, ha.	3.2m	3.7m	3.2m	1.3m	2.2m
Accumulated ha. (base year 2015/16)	13.6m	10.4m	6.7m	3.5m	2.2m
<b>Improving health</b>					
People consuming Chr. Hansen probiotics, no.	163m	N/A			
<b>Food waste</b>					
Yogurt waste reduction, tons	200,000	180,000	170,000	130,000	100,000
Accumulated tons (base year 2015/16)	780,000	580,000	400,000	230,000	100,000

\* Covered by the Limited Assurance Statement in Chr. Hansen's Annual Report 2019/20

### KEY FIGURES EXPLAINED

#### Revenue contribution

The percentage of our revenue that stems from products contributing to the UN Global Goals no. 2, 3 and 12 increased from 79% (continuing operations only) to 81%. The increase is from additional products qualifying to be included due to better documentation of impact, as well as increased sales from some of the health categories.

#### Supporting sustainable agriculture

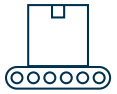
During the year, 3.2 million hectares of farmland were treated with our natural solutions (natural plant protection and silage inoculants). Some seasonal delays of the application of plant health products affected the result, however, as both areas also experienced solid growth in certain product categories, we are still well on track to meet the 2025 target of covering 25 million hectares. Since the base year 2015/16, an accumulated 13.6 million hectares of land have been treated with these solutions.

#### Improving health

This year 163 million people consumed our probiotic solutions, either as a dietary supplement or included in a culture for fermented dairy products. The consumption figure is an estimate based on sales figures, dosage and average annual consumption. It is the first year we report on our new target of reaching 200 million people with our probiotic solutions in 2025.

#### Reducing food waste

During the year, we have reduced 200,000 tons of yogurt waste through our food cultures with better bioprotective effect. Since the base year 2015/16, we have helped reduce an accumulated 780,000 tons of yogurt, leaving us well positioned to meet the target to reduce 2 million tons of yogurt by 2025 (from base year 2015/16).



# Products - Sustainability data

## Discontinued operations

Sustainability data	2019/20	2018/19
<b>Discontinued operations</b>		
<b>Revenue contribution to the UN Global Goals</b>		
Gross revenue contribution, %	96*	96

\* Covered by the Limited Assurance Statement in Chr. Hansen's Annual Report 2019/20





# Planet - Sustainability data

## Continuing operations

Sustainability data	Continuing operations		Group total		
	2019/20	2018/19	2017/18	2016/17	2015/16
<b>Energy</b>					
Renewable energy, %	40	N/A			
Total energy consumption*, MWh	174,878	180,516	215,001	199,287	183,941
<b>CO<sub>2</sub> Footprint</b>					
Total Scope 1 CO <sub>2</sub> e emitted*, tons	19,642	19,774	25,387	25,839	24,530
Total Scope 2 CO <sub>2</sub> e emitted*, tons	21,196	23,255	24,842	23,726	24,553
Total Scope 3 CO <sub>2</sub> e emitted, tons	42,551	42,153	87,877	88,140	63,255
Total CO <sub>2</sub> e emitted, tons	83,389	85,182	138,106	137,705	112,338
<b>Water</b>					
Total water consumption*, m <sup>3</sup>	1,140,802	1,244,631	1,534,952	1,381,365	1,247,719
<b>Waste</b>					
Recycled biomass, tons	99,415	99,152	99,337	90,009	82,680
Circular management of biomass, %	68				
Recycled solid waste*, %	47	50	47	34	24
Solid waste*, tons	3,475	3,660	4,418	3,974	3,176
Hazardous waste, % of solid waste*	3	2	1	1	1
Wastewater*, m <sup>3</sup>	859,050	957,195	1,134,432	912,731	883,715
<b>Packaging</b>					
Recyclable key packaging material**, %	67	N/A			
<b>Environmental Violations</b>					
Environmental violations, no.	0	1	2	0	3

\* Data has been recalculated with an expanded scope to include all Chr. Hansen facilities beyond production sites

\*\* Figure includes both continued and discontinued operations

### KEY FIGURES EXPLAINED

During the year, we saw a decreased usage in energy and water and general efficiency improvement across our focus areas due to continuous improvement projects on water and CO<sub>2</sub> emissions. This enables us to improve performance while also experiencing organic growth.

#### Renewable energy and CO<sub>2</sub>

In 2019/20, 40% of global electricity consumption is based on renewable energy, from the power purchase agreement with Better Energy launched in May 2020. As a result the scope 2 CO<sub>2</sub> emissions decreased slightly. Scope 3 emissions remained stable this year, improvements were mainly driven by three initiatives: Concentrated products, cold chain optimization and a shift from air to sea freight. Due to the COVID-19 pandemic, however, products were sent via air freight to meet the urgent demands of the food and health industry. Aligned with the Greenhouse Gas Protocol, we have updated our Scope 3 emissions with emission factors from the EN 16258 standard, this has also adjusted the results of the historical data.

#### Biowaste management

This year, 68% of our biowaste streams are re- or upcycled as e.g. biogas or fertilizer. This is a new target to ensure that by 2025, 100% of our biowaste streams are managed from a circular management perspective. The percentage of hazardous waste increased slightly with one percentage point, as a result of improved traceability across a number of sites.

#### Recyclable packaging

A new target to ensure that 100% of key packaging material\* is recyclable. The status for this first base year is that 67% is recyclable. Investigations and feasibility studies are initiated to assess how the remaining packaging solutions can be reengineered to be recyclable.

#### Water

There was a slight decrease in annual water consumption, as a result of additional process for reusing process water, particularly related to CIP (cleaning in process). Similarly, there was also a small decrease in wastewater levels.

\* Defined as the primary packaging materials used globally at Chr. Hansen, covering more than 80% of total packaging.



## Planet - Sustainability data

### Discontinued operations

Sustainability data	2019/20	2018/19
<b>Energy</b>		
Renewable energy, %	14	N/A
Total energy consumption, MWh	40,098	41,053
<b>CO<sub>2</sub> Footprint</b>		
Total Scope 1 CO <sub>2</sub> e emitted, tons	6,348	6,369
Total Scope 2 CO <sub>2</sub> e emitted, tons	2,358	2,568
Total Scope 3 CO <sub>2</sub> e emitted, tons	15,298	15,207
Total CO <sub>2</sub> e emitted, tons	24,004	24,144
<b>Water</b>		
Total water consumption, m <sup>3</sup>	249,906	275,703
<b>Waste</b>		
Recycled biomass, tons	4,170	4,567
Circular management of biomass, %	100	
Recycled solid waste, %	29	29
Solid waste, tons	1,724	1,563
Hazardous waste, % of solid waste	5	2
Wastewater, m <sup>3</sup>	185,161	212,426
<b>Environmental Violations</b>		
Environmental violations, no.	1	1





## People - Sustainability data

### Continuing operations

Sustainability data	Continuing operations		Group total		
	2019/20	2018/19	2017/18	2016/17	2015/16
<b>People statistics</b>					
Total number of employees	3,286	2,932	3,304	3,111	2,852
Average number of employees (full-time equivalents)	2,901	2,766	3,151	2,940	2,708
Employee turnover, %	10	11	12	12	10
Rate of absence*, %	2	2	2	2	2
<b>Diversity and inclusion</b>					
Gender - all employees (male/female), %	57/43	57/43	58/42	58/42	58/42
Gender - managers (male/female), %	63/37	63/37	61/39	61/39	61/39
Gender - ratio between female employees and managers	43:37	43:37	42:39	42:39	42:39
Gender - key positions (male/female), %	73/27	72/28	78/22	78/22	78/22
Nationality - key positions (Dane/non-Dane), %	60/40	62/38	54/46	57/43	59/41
Board of Directors - (male/female/non-local), %	71/29/57	71/29/57	71/29/57	71/29/71	71/29/57

\* No viable split between continued and discontinued operations due to limitations in extraction only allowing aggregation of absence across organization.

### KEY FIGURES EXPLAINED

#### Diversity

The ratio between female managers and female employees remained stable at 43:37 during the year. Our target is to have equal ratio between female employees and female managers. The positive aspect is a strong overall gender balance, with the possibility to promote more female managers from within over the next years.

The gender division across key positions, decreased slightly with one percentage point, whereas the division of non-Danes in key positions increased by two percentage points. Diversity remains an important agenda for us, and to ensure the right leadership focus on the diversity targets, diversity remains a component of the remuneration of the Executive Board and the other members of the Corporate Leadership Team.

At the Board of Directors of Chr. Hansen Holding A/S, two out of seven members elected by the shareholders are women. The Board of Directors maintains the target of having a least three women elected by the shareholders by 2022, as well as a strong diversity of skills, experience and nationality.

#### Gender pay equality

This year, we have started a thorough assessment of gender pay equality. This includes country-specific deep dives for different job levels. Focus for the coming year will be to generate solid and comparable data that can be reported externally and guide actions and priorities needed to ensure gender pay equality across all job levels and regions.



# People - Sustainability data

## Continuing operations

Sustainability data	Continuing operations		Group total		
	2019/20	2018/19	2017/18	2016/17	2015/16
<b>Employee engagement</b>					
Employee engagement ranking, top %	34	N/A			
New employees introduced to Culture model, %	100	N/A			
<b>Occupational health and safety</b>					
Lost Time Incidents (LTIs)	7	5	14	13	19
Frequency of LTIs per million working hour (LTIF)	1.3	1.0	2.46	2.5	4.0
Severity (days away per LTI)	8	18	9	5	10
Fatalities	0	0	0	0	0
<b>Ethics</b>					
Participation rate in anti-corruption training, %	98	100	99	100	100

### KEY FIGURES EXPLAINED

#### Employee engagement

Each year, an employee engagement survey is conducted to assess the employee engagement level on a range of parameters. This year, our score was in the top 34% across the companies participating. A new target guides our efforts to be among the top 25% highest scoring companies.

#### Culture model onboarding

All new employees go through an extensive onboarding process to ensure a successful and fast onboarding, including a thorough introduction to our culture model. During the year, all new employees completed the introduction.

#### Safety

The Lost Time Incidents Frequency this year was 1.3 slightly up from last year's all time low but still well below the industry benchmark. The level of severity decreased significantly from 18 to 8. This year, the focus on employee health and safety has been more important than ever, and it is testimony to the strong safety mindset of our employees that the safety performance is kept relatively stable throughout the year.

#### Business integrity

98% completion rate for relevant employees completing e-learning including anti-corruption training. The deviation from the target of 100% is due to the adjusted work schedules and precautions in connection with COVID-19. This has implied that some of our blue-collar workers who would normally do the training on a shared computer during their breaks, have not been able to do so. We remain in close dialogue with the production sites, and will follow-up on the remaining people until the group is covered.





## People - Sustainability data

### Discontinued operations

Sustainability data	2019/20	2018/19
<b>People statistics</b>		
Total number of employees	698	675
Average number of employees (full-time equivalents)	669	652
<b>Diversity and inclusion</b>		
Gender - all employees (male/female), %	55/45	56/44
Gender - managers (male/female), %	52/48	57/43
Gender - ratio between female employees and managers	45:48	44:43
Gender - key positions (male/female), %	80/20	84/16
Nationality - key positions (Dane/non-Dane), %	45/55*	34/66

\* The division of Dane / non-Danes increases due to changes in the allocation key of continuing and discontinued operations between 2018/19 and 2019/20.





## People - Sustainability data

### Discontinued operations

Sustainability data	2019/20	2018/19
<b>Occupational health and safety</b>		
Lost Time Incidents (LTIs)	9	3
Frequency of LTIs per million working hour (LTIF)	9.7	3.3
Severity (days away per LTI)	10	38
Fatalities	0	0
<b>Ethics</b>		
Participation rate in anti-corruption training, %	98	100



## Delivering value for more than 145 years

Chr. Hansen has been fermenting lactic acid bacteria for more than a century, and working with clinically documented probiotics for more than 25 years.

We serve customers worldwide with expertise, new ideas, professional support and customized solutions – all aimed at ensuring superior product portfolios and business success in probiotics.

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