

## UK Modern Slavery Statement 2020/21

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**Introduction** This statement is published in accordance with the requirements of the UK Modern Slavery Act. It sets out the steps taken by Chr. Hansen to prevent modern slavery and human trafficking in its supply chains during financial year 2020/21.

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**Statement** **Our business and supply chain**

- Chr. Hansen is a global, differentiated bioscience company headquartered in Hørsholm, Denmark. The Company develops and produces microbial solutions for the food and beverages, nutritional, pharmaceutical and agricultural industries.
- Chr. Hansen employs more than 3,700 people across 30 countries, and has production sites in Brazil, Denmark, France, Germany, and the United States of America.

**Assessment of risk in our supply chain**

- We primarily source raw materials for our fermentation technology such as natural or organic compounds (e.g. yeast and extracts, enzymes, amino acids and carbohydrates).
- As these raw materials requires high technical knowledge to produce, the industry and business of Chr. Hansen is generally associated with a low risk for modern slavery.

**Policies**

- Our [Sustainability Position](#) outlines the social and environmental standards that Chr. Hansen expects all its stakeholders to follow, including suppliers and business partners. The Position includes Chr. Hansen's support to the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, the core conventions of the International Labor Organization and the Ethical Trade Initiative's Base Code.
- A key component in our collaboration with our direct material suppliers is our [Supplier Requirements for Sustainability](#), covering Chr. Hansen's requirements to suppliers in terms of social, environmental and ethical business conduct. The principles are included in our standard contracts for direct material suppliers. The principles clearly state that "suppliers shall ensure that all employees work out of their own free will. Any kind of forced or compulsory labor shall not be tolerated. Employees shall be free to leave employment after reasonable notice."

**Due diligence processes**

- To manage potential and actual risks in the supply chain, direct suppliers are approved as a part of the Vendor Approval Management process, prior to signing a contract. As part of this process, potential suppliers must

answer a Vendor Approval Questionnaire (VAQ). The VAQ includes questions on certifications, standards, and general practice on environmental and social issues. Based on the VAQ response and the risk level of the supplier, a risk assessment is conducted to further add insights to the supplier performance.

- Chr. Hansen actively monitors and collaborates with its direct suppliers to ensure they understand and are able to follow our requirements. This process involves regular supplier visits by sourcing managers and quality auditors. Based on a number of criteria, including food safety, food fraud and corruption index, all direct suppliers are risk classified and high risk suppliers audited every 3rd year.

**Access to remedy**

- Chr. Hansen's Whistleblower hotline enables all stakeholders, including temporary, permanent and contract employees, suppliers and business partners to report any illegal or unethical misconduct of serious or sensitive concern, including human rights violations. The Whistleblower Hotline is available on the frontpage of [www.chr-hansen.com](http://www.chr-hansen.com).

**Internal capacity and accountability**

- Chr. Hansen documents and shares its performance at SEDEX (the Supplier Ethical Data Exchange). Third party 4-pillars SEDEX Members Ethical Trade Audits (SMETA) are conducted at our own sites as a minimum every 3<sup>rd</sup> year.
- To ensure our sourcing managers and internal auditors have the competences to assess actual or potential adverse impacts towards workers in our supply chain, training in social and environmental supply chain risks and best practices is carried out regularly.

**Assessment of effectiveness (KPIs)**

- To assess the effectiveness of the efforts, Chr. Hansen closely monitors that all high-risk suppliers are assessed from a sustainability perspective. Chr. Hansen is currently looking into identifying an appropriate KPI to measure progress.

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**Approved**

October 14, 2021

On behalf of the Corporate Leadership Team



Mauricio Graber  
*President & CEO*  
*Chr. Hansen Holding A/S*