

## **Minutes of the Annual General Meeting held on Wednesday, November 25, 2020**

On Wednesday, November 25, 2020, at 4.00 p.m. CET, the Annual General Meeting was held in Chr. Hansen Holding A/S, CVR no. 28 31 86 77, at Søhuset Konferencenter, Venlighedsvej 10, 2970 Hørsholm, Denmark.

The agenda of the Annual General Meeting included the following items:

1. Report on the Company's activities
2. Approval of the 2019/20 Annual Report
3. Resolution on the appropriation of profit
4. Presentation of the Company's 2019/20 remuneration report for an advisory vote
5. Resolution on remuneration of members of the Board of Directors
6. Proposals from the Board of Directors:
  - 6a. Proposed amendment to Article 6.9 of the Company's Articles of Association; standard agenda for the Annual General Meeting
  - 6b. Proposed amendment to Article 6.1 of the Company's Articles of Association; authorisation to the Board of Directors to resolve to hold partial or full electronic general meetings
  - 6c. Proposed amendment to Article 7.3 of the Company's Articles of Association; shareholders' notification of attendance
7. Election of members to the Board of Directors
  - 7a. Election of a chair of the Board of Directors
  - 7b. Election of other members to the Board of Directors
8. Election of a Company auditor
  - 8a. Re-election of PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
9. Proposals from AkademikerPension and LD Fonde
  - 9a. Going forward and starting from the 2020/21 financial year, the Company must apply the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as the framework for climate-related disclosure in the Company's Annual Report
  - 9b. The Board of Directors must complete an assessment of the ability of the Company to publish country-by-country tax reporting in line with the Global Reporting Initiative's

Standard (GRI 207: Tax 2019) starting from the financial year 2021/22. The findings of the assessment should be made public before the AGM in 2021

#### 10. Authorisation of the Chairman of the Annual General Meeting

The Chair of the Board of Directors, Dominique Reiniche, welcomed the shareholders and noted that as a result of the COVID-19 restrictions she was live from a studio in London and had pre-recorded her part of the report on the Company's activities in order to ensure no connections issues, but she was available for questions. The Chair announced that in accordance with Article 6.11 of the Articles of Association, the Board of Directors had appointed Niels Heering, attorney-at-law, as Chairman of the Annual General Meeting.

The Chairman of the meeting thanked the Board of Directors for the appointment and noted, that the Annual General Meeting would be held in English in accordance with article 6.3 of the Articles of Association and that simultaneous interpretation into Danish was available. Further, the Chairman of the meeting ascertained that the Annual General Meeting had been legally convened and was able to transact the business on the agenda.

The Chairman of the meeting proceeded to the agenda and informed the Annual General Meeting that the proposals submitted by the Board of Directors regarding amendments to the Articles of Association, items 6a, 6b and 6c, required adoption by at least 2/3 of both the votes cast and the share capital represented at the Annual General Meeting. The other proposals could be adopted by a simple majority of votes.

In addition, it was noted that the Annual General Meeting would be transmitted live via webcast on the Company's website.

63% of the Company's voting share capital was represented at the Annual General Meeting.

As done in previous years, the Chairman of the meeting recommended that items 1–3 on the agenda be presented as one item. As there were no comments to this proposal, the Chairman of the meeting gave the floor to Dominique Reiniche, Chair of the Board of Directors, for presentation of the Board of Directors' report, the 2019/20 Annual Report and the proposal for dividend, and subsequently to Mauricio Graber, the Company's CEO, for further remarks.

##### **Re items 1-3 on the agenda**

The Chair of the Board of Directors, Dominique Reiniche, presented the Board of Directors' report as well as the Annual Report for the financial year 2019/20.

The Chair informed the Annual General Meeting that 2020 had been a year where Chr. Hansen - and the food and health industries - demonstrated resilience and robustness in times of adversity, both as a business and as a long-term investment. Since the global outbreak of COVID-19, Chr.

Hansen's senior management – with support from all employees – had kept a relentless focus on delivering products to customers around the world, always keeping health and safety as their number 1 priority. The Chair emphasized that Chr. Hansen is well prepared to operate in this highly unpredictable and volatile macroeconomic environment.

The Chair turned to ESG (Environment, Social and Governance) and the three key factors measuring the sustainability or ethical footprint of a Company. The Chair emphasised that listed companies with strong ESG profiles seemed to be bouncing back faster due to the COVID-19 crisis.

The Chair was happy to report that Chr. Hansen is well on track with the sustainability targets supporting the United Nations' Sustainable Development Goals (SDG targets) introduced at the 2019 Annual General Meeting.

The Chair mentioned that the COVID-19 crisis had exacerbated the global concern about climate change, most recently reflected in the EU Commission's ambitious Farm2Fork strategy. The strategy clearly stated that the reboot of the economy must have a green signature – with sustainability as a central mind-set across the food system. The Chair stated that Chr. Hansen is uniquely positioned to enable a healthier living and a sustainable agri-food system through its microbial and fermentation technology platforms.

The Chair proceeded to the financial performance of Chr. Hansen. Chr. Hansen delivered on its guidance, demonstrating resilience and strength during the challenging times caused by global pandemic. Overall, Chr. Hansen reported revenue of EUR 970 million delivering 5% organic growth. This was in the mid-point of Chr. Hansen's guidance range, including Natural Colors.

The largest business area, Food Cultures & Enzymes grew by 5%, and Health & Nutrition grew by 9%. Growth was strongest in the emerging markets of Latin America and Asia and more moderate in North America and Europe.

The Chair reported that EBIT before special items for the year was EUR 313 million. The Group EBIT margin before special items was 29.9% - slightly higher than Chr. Hansen's guidance. This was mainly because of prudent cost management and lower expenses due to COVID-19.

The Chair's last remarks on financial performance was that free cash flow before acquisitions and special items was EUR 245 million, stronger than Chr. Hansen's guidance. This strong result was, in part, due to delaying some investments as a result of COVID-19.

The Chair mentioned that the Board of Directors had decided not to propose an ordinary dividend. Instead, the Board of Directors expects to pay out an extraordinary dividend, at least in line with a normalised dividend, after the Natural Colors divestment has closed and Chr. Hansen has received

the proceeds from the divestment. The decision was taken to prudently manage the level of debt, since the level of gearing had increased from the acquisitions of HSO Health Care, UAS Laboratories and Jennewein.

Chr. Hansen's share closed the financial year at DKK 716, which represented an increase of DKK 146 per share or +26% compared to last year's closing price.

The Chair proceeded to the guidance for the coming year. The Chair stated that 2020/21 is going to be a year of transition given all recent portfolio changes, combined with the uncertainty linked to the COVID-19 pandemic.

The Chair mentioned that Group organic growth is expected to be within a 5 to 8% range, with the highest contribution from Health & Nutrition. Both Health & Nutrition and Food Cultures & Enzymes are expected to grow solidly and outgrow their respective underlying markets. The EBIT margin before special items is expected to be in the range of 27-28%, and free cash flow before acquisitions, divestment and special items is expected to be EUR 120 to 160 million.

The Chair proceeded to the 2025 Strategy. The Chair introduced the strategy by expressing how the Board of Directors in the fall of 2019 had initiated a very thorough strategic review. The Board of Directors had set out to formulate a strategy that would build on Chr. Hansen's successful foundation while aiming to unleash the Company's promising future. Due to COVID-19 the communication of the conclusions was postponed from April to August because the Board of Directors needed to make sure that they fully understood the implications of the pandemic on Chr. Hansen's business.

The Chair reported that with the new 2025 Strategy, Chr. Hansen had stated its ambition to become a differentiated bioscience leader. A purpose-driven pure player with a mission to improve food, health and productivity for a sustainable future. As an integral part of the new 2025 strategy, Chr. Hansen had articulated a new purpose statement: *Grow a better world. Naturally.* The Chair said that the purpose is unique, drawing on the strong Chr. Hansen culture, reflecting the potential of its unique technology platforms, and which will serve as a guiding principle for innovation and decision-making.

The Chair proceeded to the three acquisitions that Chr. Hansen had made in 2020 to pave the way for a future dedication to bioscience. The Chair mentioned how the vision of fully unleashing The Power of Good Bacteria™ had been mentioned at the Annual General Meeting 2019. With the acquisitions of HSO Healthcare, UAS Laboratories and Jennewein, the Chair reported that this vision had become reality and that Chr. Hansen is all set to focus on fermentation and bioscience.

The Chair mentioned how Chr. Hansen's Natural Colors Division was announced to undergo a strategic review in June 2020. In September Chr. Hansen announced that Natural Colors was sold to EQT, a well-known private equity fund, for a cash consideration of EUR 800 million. The Chair emphasized that the Board of Directors is convinced that EQT will be a great owner of the Natural Colors business.

Chr. Hansen has an ambitious financial agenda towards 2025 and remains committed to delivering industry-leading profitable growth as well as a strong cash flow generation. The agenda consists of an average mid-to-high single-digit organic growth over the period. Further, it consists of an increase in underlying EBIT margin before special items, based on efficiency gains and scalability benefits from operations as well as synergies from recent acquisitions. Finally, it consists of an average growth in free cash flow before acquisitions and special items exceeding the average growth in absolute EBIT before acquisitions and special items.

As a part of the 2025 Strategy, the Chair stated that Chr. Hansen for the first time committed to a set of non-financial targets that are viewed as powerful enablers of value creation alongside the Group's financial targets. The Chair mentioned how diversity is good for business, how it is the right thing to do, and how the Board of Directors wants Chr. Hansen be a Company where each employee's unique differences are valued. The Chair reported that the Board of Directors already had identified the critical actions to accelerate that ambition including equal pay of men and women, a 1:1 ratio between female employees and women in management, and by introducing a pay link for the Corporate Leadership Team to ESG targets.

Addressing climate change, the Chair mentioned how Chr. Hansen's products enable more sustainable production from farm to fork, fighting food waste, and reducing the need for chemicals, as few examples. The Chair stated how, as a natural extension of the Company's new purpose to *Grow a better world. Naturally*, this year has been a year of climate action for Chr. Hansen.

The Chair further stated that Chr. Hansen has joined the UN's Science-Based Target initiative (SBTi) and has committed to limit the global temperature rise to 1.5°C above pre-industrial levels with actions on bio-waste, packaging, recycling and renewable energy.

The Chair mentioned how pushing to shape a more sustainable future can be done in many ways and that one way is through green pension solutions. Chr. Hansen has made such available via PFA, Chr. Hansen's pension fund in Denmark.

Finally, the Chair noted that a 10-year power purchase agreement with the Danish Company Better Energy enables Chr. Hansen's Danish sites to run 100% on renewable electricity. This will be scaled globally by 2025.

The Company's CEO, Mauricio Graber, proceeded by elaborating on the 2025 strategy and informed the shareholders that the 2025 strategy will form a differentiated bioscience Company focused on the microbial and fermentation technology platforms. Repositioning Chr. Hansen to focus solely on bioscience has required some strategic choices. The CEO especially referred to the review of non-microbial assets, resulting in the decision to divest the Natural Colors Division.

He stated that being a purpose driven Company is a key lever for Chr. Hansen's success. The CEO mentioned his excitement about Chr. Hansen's newly articulated purpose – *Grow a better world. Naturally*. The purpose statement perfectly reflects the Company's new focus on bioscience.

Subsequently, a streaming of the video 'Let's grow a better world. Naturally' (<https://www.chr-hansen.com/en/about-us/purpose-and-strategy>) was presented to the Annual General Meeting, explaining Chr. Hansen's purpose and the aim to pioneer microbial science to improve food and health, for a sustainable future.

Following the video, the CEO stated that the video confirms that Chr. Hansen is more relevant today than ever in the Company's 145 year history. The Company is in a fortunate position, helping to address the following well-known megatrends:

- Feeding a growing population
- Maintaining a good health and strong immunity
- Fighting food waste and getting more out of less
- Decrease the use of antibiotics and pesticides

The CEO said that these global challenges will drive the need for enabling technologies such as Chr. Hansen's microbial solutions. The world needs Chr. Hansen's innovative technologies to create a sustainable way of living and a resilient food system from farm to fork. The sustainability leadership of the Company will therefore remain a core priority for us as a Company, and Chr. Hansen will continue to work with concrete targets that address 3 of the 17 UN global goals.

It was the CEO's clear conviction that being a purpose driven Company plays an important role as Chr. Hansen keep unlocking the power of good bacteria, and for inspiring customers, partners and global workforce to *Grow a better world. Naturally*.

Returning to the Nature's number 1 strategic period, the CEO said that the core business had delivered the majority of absolute growth and was nicely complemented by the Bioprotection light-house and strategic acquisitions. The underlying markets remain very attractive, especially in Health & Nutrition, the Company also look ahead to a period of lower dairy market growth.

The CEO stated that the Company estimates around 2% growth in the normalised demand for cheese and yogurts, but that the Company is targeting much higher growth for the Food Cultures & Enzymes business through upselling innovation, expansion into adjacent spaces and further conversion. In the Health & Nutrition areas, Chr. Hansen estimates higher underlying growth rates as Human Health, Animal Health, Plant Health and the Company's new HMO business unit all benefit from being strongly positioned and aligned with global megatrends.

The CEO mentioned how the 2025 Strategy is centred around three key pillars: Reinvest, Leverage, Extend.

A central element in the strategy lies in reinvesting in the Company's core platforms to further strengthen the market positions in the core areas that Chr. Hansen serve:

- Fermented milk and cheese, meat and probiotics in Food Cultures & Enzymes
- For Human Health – dietary supplements and infant formula
- Animal probiotics

The CEO highlighted that in addition to these segments, the Company is also building a probiotics business for pet food - an area Chr. Hansen moved into some time ago and which shows great potential.

The CEO proceeded by stating that the second strategic element is to leverage the Company's microbial and fermentation technology platforms to grow Chr. Hansen's lighthouses. The lighthouses have been corner stones of Chr. Hansen's strategy since 2013. The Company define them as new areas with a minimum revenue potential of EUR 100 million per year, which also have the potential to grow faster than the group.

With the new Strategy and recent acquisition of Jennewein, Chr. Hansen now has five lighthouses:

- Plant Health
- Bioprotection
- Bacthera
- Fermented plant-bases
- HMO

The third element of the strategy is to extend the microbial platform through acquisitions and partnerships. The CEO mentioned that Chr. Hansen expects to continue to do disciplined acquisitions in relevant spaces – cultures and probiotics; dairy enzymes; or value-added fermentation technologies. Further, Chr. Hansen will continue to expand work with partners globally – universities, established companies and start-ups.

The CEO proceeded by describing the 2025 strategy in the dimensions of:

- Customer centricity
- Innovation
- Production optimisations
- People and culture

Finally, the CEO mentioned that the pandemic has reaffirmed the resilience of Chr. Hansen's business. The Company believes that there are both short-term impacts, but also long-term opportunities.

The Chair of the Board of Directors, Dominique Reiniche, welcomed the new CFO, Lise Skaarup Mortensen, who started as Chief Financial Officer on October 30, 2020, succeeding Søren Westh Lonning.

The Chair proceeded to the composition of the Board. The Chair stated that provided the Annual General Meeting followed the Board of Directors' recommendation, four out of eight board members elected by shareholders would be women. The Chair noted that at the moment, two out of seven board members elected by the shareholders were women.

The Chair said that the elections were a clear strengthening of diversity in the Board and that the Board of Directors considered that the proposed composition of the Board in terms of experience, competencies, age, gender and international experience provides the necessary diversity to ensure very effective board work.

The Chair reported on the evaluation of the Board of Directors. The review in 2020 assessed the efficiency of the Board, the board composition and dynamics, the processes supporting its work, the contributions of individual members, the Chair's performance and the collaboration with the Executive Board. In addition, each member of the Board of Directors was provided with feedback on their individual performance in 1-to-1 sessions with the Chair. Further, a member of the Nomination Committee provided feedback to the Chair on her performance as Chair.

The Chair stated that the Board evaluation in recent years had been facilitated by an external consultant. In 2020, the Board decided to conduct an internal board evaluation facilitated by the Corporate Secretary. The participants anonymously completed a comprehensive online questionnaire, and their responses were summarized in a report. The results gave the picture of a very good, professional and well-performing Board, as well as a strong collaboration between the Board and the Executive Board. The results were presented at the September 2020 Board meeting.



The Chair said that all the areas for improvement identified in the previous 2018/2019 evaluation had been addressed. The 2019/2020 evaluation focused primarily on the competitiveness of the Corporate Leadership Team's remuneration and on the succession bench for the Chair, Vice Chair and Committee chairs. There was also a focus on further strengthening the annual budget review process, the process for following up on approved investment projects, as well as the process of enterprise risk management reporting.

The Chair proceeded to the remuneration of the Board of Directors and the Executive Board, stating that Chr. Hansen's Remuneration Policy is designed to promote the creation of value in the business. The Chair said that the Executive Board remuneration was approved by the Board of Directors in accordance with the Remuneration Policy, as approved by the Annual General Meeting on November 27, 2019. The Board of Directors considered that the current remuneration structure and level of remuneration comply with the Remuneration Policy.

Finally, the Chair reported that the total remuneration of the Executive Board for the financial year was EUR 5.2 million. The largest element of this – EUR 2.1 million – was related to base salary and pension, while short-term bonuses made up EUR 1.4 million. Matching Shares of EUR 1.1 million were granted from the long-term incentive programs.

The Chairman of the meeting enquired whether there were any comments on the report and the proposals made under items 1-3 of the agenda.

Bjørn Hansen, adviser to shareholder Flemming Als, raised three topics he wished elaboration of: (i) the ownership structure of Chr. Hansen, (ii) the decision not to pay out any ordinary dividend and (iii) considerations regarding Chr. Hansen's attendance at the world exhibition in Dubai 2021.

The Chairman of the meeting gave the floor to the Chair of the Board of Directors, Dominique Reiniche, to reply to the question raised by Bjørn Hansen regarding the Board of Directors' decision not to pay out ordinary dividend this year.

The Chair mentioned that the Board of Directors had decided not to propose an ordinary dividend to prudently manage the level of debt, since the level of gearing had increased from the acquisitions of HSO Health Care, UAS Laboratories and Jennewein. Chair reassured that the Board is committed to pay out an extraordinary dividend at least in line with a normalised dividend, after the Natural Colors divestment has closed and Chr. Hansen gets the proceeds of this divestment. This will probably be in spring 2021.

Mauricio Graber, CEO, addressed the question regarding shareholder structure and referred to the information in the Annual Report 2019/20 on page 62, where the shareholders as per August 2020 were mentioned. The CEO highlighted that 36% of the shareholders are UK, 22% of the

shareholders are Danish where Novo Holdings A/S is the largest shareholder, 12% of the shareholders are North American, 12% are Western European and 12% are Nordic. The CEO said that Chr. Hansen as a global publicly listed company welcomes shareholders from all over the world.

The CEO then addressed the considerations regarding the world exhibition and mentioned that Chr. Hansen is participating in many exhibitions around the world, where Chr. Hansen is able to communicate to customers and consumers the benefit of good bacteria and how Chr. Hansen is using technology to convert some of the challenges into opportunities.

Referring to an additional question from Bjørn Hansen, the CEO stated that Chr. Hansen had signed an agreement to divest Natural Colors, however, Chr. Hansen (as already mentioned by the Chair) had not received any funds as of today and will not receive any funds before the divestment is completed.

The Chairman of the meeting proceeded to the formal adoption of the proposals under items 1-3 of the agenda and concluded that the Board of Directors' report on the Company's activities had been noted, and that the Annual Report for 2019/20 and the resolution to allocate the total net profit for the financial year 2019/20 to retained earnings had been approved with the required majority.

#### **Re item 4 of the agenda**

The Chairman of the meeting informed the Annual General Meeting that the Company had prepared a 2019/20 remuneration report, which according to applicable legislation was presented for the first time to the Annual General Meeting for an advisory vote.

The Chairman of the meeting further stated that the Board of Directors had noted that the remuneration report had been prepared to comply with all applicable rules and corporate governance recommendations and with a view to further enhance transparency in remuneration reporting. The report covers remuneration awarded or due during the financial year 2019/20 to the Company's Board of Directors and Executive Board. The Executive Board includes executive management members registered as such with the Danish Business Authority. The 2019/20 remuneration report had been available on the Company's website since October 8, 2020.

As there were no objections or comments to the remuneration report, the Chairman of the meeting concluded that the remuneration report had been approved.

#### **Re item 5 on the agenda**

The Chairman of the meeting informed the Annual General Meeting that the Board of Directors had proposed the following remuneration of the members of the Board of Directors for the financial year 2020/21, which is unchanged compared to the remuneration level for 2019/20:

Members of the Board of Directors:	Base fee of DKK 400,000
Chair of the Board of Directors:	DKK 1,200,000 (corresponding to 3 x the base fee)
Vice Chair of the Board of Directors:	DKK 800,000 (corresponding to 2 x the base fee)

The Board of Directors has established an Audit Committee, a Nomination Committee, a Remuneration Committee and a Science & Innovation Committee. The Board of Directors proposed that the members of the Company's committees receive the following supplementary fees for the 2020/21 financial year, which is unchanged compared to the remuneration level for 2019/20:

Chair of the Audit Committee:	DKK 300,000
Chair of the Remuneration and Science & Innovation Committees:	DKK 250,000 per committee
Chair of the Nomination Committee:	DKK 200,000
Members of the Audit and Science & Innovation Committees:	DKK 150,000 per committee
Members of the Nomination and Remuneration Committees:	DKK 125,000 per committee

In addition to the above fees, the Board of Directors proposed that board members and committee members are entitled to differentiated fixed travel allowances, when travelling for a Board and/or committee related meeting, dependent on the travelling distance:

**Travelling outside country of residence**

DKK 22,500 (unchanged compared to the remuneration level for 2019/20 apart from now being denominated in DKK instead of EUR)

**Travelling between continents**

DKK 37,500 (increase compared to the remuneration level for 2019/20 and from now being denominated in DKK instead of EUR)

For the financial year 2019/20 the fixed travel allowance for travelling outside country of residence (including travelling between continents) was EUR 3,000. The denomination of travel allowance for 2020/21 was proposed changed from EUR to DKK to align with the denomination of board and committee fees. Further, the travel allowance for travelling between continents was proposed to be increased from EUR 3,000 to DKK 37,500.

As there were no objections or comments on this proposal, the Chairman of the meeting concluded that the proposal had been adopted with the required majority.

**Re item 6 on the agenda**

**Re item 6a: Proposed amendment to Article 6.9 of the Company's Articles of Association; standard agenda for the Annual General Meeting**

The Chairman of the meeting informed the Annual General Meeting that the Board of Directors had proposed that Article 6.9 of the Company's Articles of Association be amended to include the advisory vote of the Company's remuneration report as a new item no. 4 on the standard agenda for the Annual General Meeting.

The adoption of the proposal entailed that Article 6.9 of the Company's Articles of Association was amended as follows:

*"The agenda for the Annual General Meeting must include:*

- 1. Report on the Company's activities*
- 2. Adoption of the Annual Report*
- 3. Resolution on appropriation of profit or covering of loss*
- 4. Presentation of the Company's remuneration report for an advisory vote*
- 5. Resolution on fee to the members of the Board of Directors*
- 6. Election of the Chair of the Board of Directors*
- 7. Election of other members to the Board of Directors*
- 8. Appointment of auditor"*

There were no objections or comments on this proposal. The proposal was adopted by the Annual General Meeting with the required majority.

**Re item 6b: Proposed amendment to Article 6.1 of the Company's Articles of Association; authorisation to the Board of Directors to resolve to hold partial or full electronic general meetings**

The Chairman of the meeting informed the Annual General Meeting that the Board of Directors had proposed to adopt a new Article 6.1 of the Company's Articles of Association authorising the Board of Directors to decide that general meetings may be held partially or fully by electronic means.

The Chairman of the meeting mentioned that the Board of Directors had noted in the convening notice that it plans to continue to hold its general meetings with the possibility of physical attendance and to therefore apply the authorisation only when the Board of Directors considers it necessary or appropriate, e.g. with a view to observe legislative restrictions or recommendations from public authorities in connection with pandemics or other extraordinary events.

The adoption of the proposal entailed that Article 6.1 of the Company's Articles of Association was amended as follows:

*“General Meetings of the Company must be held at its registered office or at any other place within the Capital Region of Denmark. The Board of Directors may decide that a General Meeting be held as either a partial or full electronic General Meeting in accordance with the relevant provisions of the Danish Companies Act. In case of an electronic General Meeting, shareholders may participate through dedicated internet-based solutions, including applications for mobile devices. Further information on the procedures for electronic attendance and participation, including technical requirements and requirements for identification purposes, will in such case be made available on the Company's website [www.chr-hansen.com](http://www.chr-hansen.com) and in the relevant notices convening the General Meetings.”*

Jens Frederik Demant asked whether the authorisation to the Board of Directors would provide the Board of Directors with a general authorisation to decide to hold general meetings electronically or if it would require certain reasons, e.g. a global pandemic. Jens Frederik Demant mentioned concerns towards a general authorisation to hold electronic general meetings, as he had attended electronic general meetings without the opportunity to ask questions and therefore he was not supportive of electronic general meetings.

The Chairman of the meeting addressed the question and stated that the proposal was a general authorisation to the Board of Directors, as the authorisation gives the right to the Board of Directors to decide whether to hold the general meeting electronically, i.e. regardless of a global pandemic. The Chairman of the meeting emphasised that the Board of Directors have stated in the convening notice that it is the intention to hold general meetings with physical attendance.

Jens Frederik Demant subsequently added that he was against the proposal.

The Chairman of the meeting concluded that with no further comments or any other objections, the proposal was adopted by the general meeting with the required majority.

**Re item 6c: Proposed amendment to Article 7.3 of the Company's Articles of Association; shareholders' notification of attendance**

The Chairman of the meeting informed the Annual General Meeting that the Board of Directors had proposed that Article 7.3 of the Company's Articles of Association be amended to allow shareholder attendance based on notification rather than ordering of admission cards, to ease procedural requirements for attending general meetings.

The adoption of the proposal entailed that Article 7.3 of the Company's Articles of Association was amended as follows:

*“A shareholder’s attendance at General Meetings is furthermore subject to such shareholder having notified his/her attendance no later than three days before the date of the General Meeting.”*

There were no objections or comments on this proposal. The proposal was adopted by the general meeting with the required majority.

**Re item 7 on the agenda**

The Chairman of the meeting then turned to election of the Board of Directors. The Chairman of the meeting referred to Article 9.2 of the Articles of Association and stated that the members of the Board of Directors including the Chair of the Board of Directors, are elected by the general meeting for a term of one year and re-election may take place. The nominated candidates’ qualifications and positions, including information about other management functions held by the candidates, were described in Annex 1 to the notice.

**Re item 7a: Election of a Chair of the Board of Directors**

The Chairman of the meeting noted that the Board of Directors had proposed that Dominique Reiniche is re-elected as Chair of the Board of Directors.

The Chairman of the meeting ascertained that there were no objections or further comments on the proposal and concluded that the Annual General Meeting had re-elected Dominique Reiniche as Chair of the Board of Directors.

**Re item 7b: Election of other members of the Board of Directors**

The Chairman of the meeting gave the floor to the Chair of the Board of Directors, Dominique Reiniche who informed the Annual General Meeting that the Board of Directors had proposed to re-elect the following board members for a one-year term: Jesper Brandgaard, Luis Cantarell, Heidi Kleinbach-Sauter and Mark Wilson. The board members Niels Peder Nielsen and Kristian Vilumsen had informed the Board of Directors that they would not seek re-election to the Board of Directors at the Annual General Meeting.

On behalf of the Board of Directors, the Chair thanked Niels Peder and Kristian for their time commitment and strong contributions to the Board of Directors.

The Chair then stated that the Board of Directors proposed that the Annual General Meeting elected the following board members for one-year terms: Lise Kaae, Kevin Lane and Lillie Li Valeur.

The Chair introduced Lise Kaae, Kevin Lane and Lillie Li Valeur, respectively.

Finally, the Chair stated that the current employee representatives (Lisbeth Grubov, Charlotte Hemmingsen, Per Poulsen and Kim Ib Sørensen) joined the Board of Directors after the Annual General Meeting held in 2017 and are up for election again in 2021.

The Chairman of the meeting noted, that if the proposal was adopted by the general meeting the number of board members is increased from 7 to 8 which is in accordance with Article 9.1 of the Articles of Association. As there were no objections or comments on the proposal, the Chairman of the meeting concluded that Jesper Brandgaard, Luis Cantarell, Heidi Kleinbach-Sauter and Mark Wilson were re-elected as members of the Board and Directors and that Lise Kaae, Kevin Lane and Lillie Li Valeur were elected as new members of the Board of Directors.

#### **Re item 8 on the agenda**

##### **Re item 8a: Re-election of PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab**

The Chairman of the meeting noted that the Board of Directors had proposed to re-appoint PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab as the Company's auditor. The Chairman of the meeting further noted that the Chr. Hansen's external auditor is also elected for a period of one year, as set out in Article 13.1 in the Articles of Association.

The Chairman of the meeting highlighted that the convening notice stated that the proposal of PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab had been based on a selection process organised by the Company's Audit Committee in accordance with Article 16 of the EU Audit Regulation (Regulation (EU) No. 537/2014) and is based on a recommendation by the Audit Committee to the Board of Directors.

The Chairman further noted that the Audit Committee's recommendation has not been influenced by third parties nor has it been subject to any contractual obligation restricting the general meeting's choice of certain auditors or audit firms.

As there were no comments the Chairman of the meeting concluded that the proposal was adopted with the required majority.

#### **Re item 9 on the agenda**

The Chairman of the meeting highlighted that both proposals under item 9 were proposed by AkademikerPension and LD Fonde and stated that as a consequence of the COVID-19 restrictions, the Chairman of the meeting had received the shareholders' motivation for the proposals, which they had asked the Chairman of the meeting to read out loud on their behalf.

The Chairman of the meeting read the following out loud:

*"Overall, we are very satisfied shareholders when looking at the business in a financial perspective. However, our two shareholder proposals about tax and climate look at Chr. Hansen in a slightly different perspective, and we believe that they can make the Company an even better investment in the long term.*

*We would like to start by extending our great recognition to the Board of Directors for supporting the proposal about increased tax transparency and for having already initiated an analysis. We await the results with great interest.*

*We fully agree with the Board of Directors' immediate reservations in relation to country-by-country-reporting on tax payment. There ought to be a balance. The level of transparency should not undermine the competitive strength. This is just as important as the fact that transparency must provide a 'level playing field'.*

*The background to our proposal is that the widespread erosion of the tax base in many countries may slow down sustainable development. In international politics, this problem was recognised a long time ago, but it has turned out to be very difficult to reach agreement on an appropriate regulation. Relatively few companies have yet taken steps to include country-by-country-reporting in their annual reports. However, we believe that they are contributing to a crucial development, and we believe that Chr. Hansen – and in fact most Danish companies – would benefit from being at the forefront of these efforts.*

*We know that there is a concern that the media and the general public may misunderstand the figures because they form part of a complex context. While we recognise this concern, we believe that the media and the general public may be trained if these figures are disclosed and if the companies dare engage in the debate, if relevant. The more companies taking this step, the easier it will be, and ranked as the most sustainable Company in the world in 2019, Chr. Hansen should be at the forefront.*

*Our second proposal also concerns reporting and transparency, but as mentioned it focuses on the climate. Very few large or medium-sized companies would claim that the sustainability agenda and in particular climate change do not impact their businesses – for better or for worse. Changed physical conditions across the globe, climate-related regulation, new market terms etc. provide business challenges and opportunities. Seen in a climate perspective, Chr. Hansen's product portfolio definitely forms part of the solution, and according to the annual report customers increasingly demand this kind of solutions. One of many challenges faced by the food sector – and this is a quote from the report – is that 8% of the combined greenhouse gas emissions are due to food waste. In this and other contexts, Chr. Hansen plays a key role.*

*The recommendations of the "Task Force on Climate-related Financial Disclosures", TCFD in everyday speech, provide a consistent framework for evaluating and reporting on climate-related risks and opportunities. The recommendations were issued in 2017, and they were developed based on companies' and investors' need for a decision-making basis in a changing market – and based on the global community's need for combating global climate change.*

*In less than three years, TCFD has become a launch pad for 'best practice' and support for the task force is growing steadily. TCFD is currently changing very fast from being 'soft law' to being 'hard*



*law'. The European Commission has incorporated the recommendations into its guidelines for non-financial reporting, and as late as October the Danish government encouraged Danish companies to adopt the TCFD.*

*Overall, we are satisfied with the Board of Directors' ambition in relation to the Paris Agreement. We agree that mapping of emissions in accordance with the Greenhouse Gas Protocol is important and that the Science Based Targets are the right approach to setting goals. We also fully agree that this complements and supports TCFD. However, TCFD is the lacking strategic tool that could actually make this theme a focus area of the annual report and the Board of Directors. In our view, the fact that the annual report points out a minor issue such as a voluntary green pension scheme for the Danish employees, as one of three climate initiatives, indicates that Chr. Hansen is not quite there when it comes to working with climate strategically. We await specific goals, strategy and suggestions for risk management and governance, just like in many other companies – Novo Nordisk, Novozymes, Carlsberg, Ørsted, Vestas and other companies.*

*We are pleased that the Board of Directors has put TCFD on the agenda, but we are sorry that the Board of Directors is not yet ready for TCFD, and we hope to find it in the next annual report. We understand that the Board of Directors finds that it would be a step out of line to follow the TCFD recommendations and that Chr. Hansen has already come a long way. In our view, it is very difficult – commercially, ethically and socially – to postpone the handling of climate change at a strategic level. We agree that Chr. Hansen has come a long way, and merely a partial implementation of TCFD would be a good and manageable start. TCFD is designed as a process and there is no expectation of being perfect from the start.*

*We hope that you will join just like companies such as Novo Gruppen, Chr. Hansen's largest shareholder. If not, we will continue to press for TCFD implementation."*

The Chairman of the meeting continued to the formal adoption of the proposals under respectively agenda item 9a and 9b.

**Re item 9a: Proposal from shareholders AkademikerPension and LD Fonde, regarding the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)**

Turning to the proposal under agenda item 9a, the Chairman of the meeting emphasised that the Board of Directors does not support the proposal to apply the TCFD framework in the Annual Report from the financial year 2020/21 and gave the floor to the Chair of the Board of Directors.

The Chair of the Board of Directors thanked AkademikerPension and LD Fonde for their proposals. Further, the Chair noted that the shareholders had proposed that going forward and starting from the 2020/21 financial year, the Company must apply the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as the framework for climate-related disclosure in the Company's Annual Report.

The Chair explained that Chr. Hansen has an ambitious climate agenda, and in 2019/20 the Company joined the “Business Ambition for 1.5°C”. As part of this, Chr. Hansen has committed to set ambitious carbon reduction targets through the Science-Based Targets initiative (SBTi). This year, Chr. Hansen has also set out new ambitious targets for shifting to 100% renewable electricity, 100% recyclability of key packaging material and 100% circular management of biowaste streams. It is a reflection of the direction where Chr. Hansen is heading.

The Chair said that Chr. Hansen is already working on and covering elements of the TCFD framework, and it will be a natural next step for the Company in terms of climate reporting. Ultimately, when and how to commit to the TCFD framework will be discussed by Chr. Hansen’s Sustainability Board, chaired by the Company’s CEO, during the financial year 2020/21.

The CEO proceeded by expressing that sustainability is an essential part of the DNA of Chr. Hansen and that the Company has several initiatives under way in 2020/21. The Board of Directors and Management have had the opportunity to discuss the proposal with several of the large Danish and international shareholders. The majority of them support the Board of Directors’ voting recommendation to reject the proposal, as does the proxy advisor ISS. The reason for their support is that the proposal as written is very prescriptive on the timeline for implementation. The CEO emphasized that Chr. Hansen supports the notion of implementing the TCFD reporting and stated that in fact Chr. Hansen have already taken the first steps and have initiated an internal assessment with the view to outline a plan for adopting the TCFD reporting standards. Once the assessment is completed, this will transparently be communicated to the shareholders.

The Chairman of the meeting noted that there were no comments to the proposal and concluded that based on the number of votes received the shareholders’ proposal was rejected with a majority of more than 3/4 of the votes.

**Re item 9b: Proposal from shareholders AkademikerPension and LD Fonde regarding an assessment of the ability of the Company to publish country-by-country tax reporting in line with the Global Reporting Initiative’s Standard (GRI 207: Tax 2019)**

Turning to agenda item 9b, the Chairman of the meeting noted that the Board of Directors’ supported the proposal.

The Chair of the Board of Directors addressed the proposal that the Board of Directors must complete an assessment of the ability of the Company to publish corporate country-by-country tax reporting in line with the Global Reporting Initiative’s standard (GRI 207: Tax 2019) starting from the financial year 2021/22. The findings of the assessment should be made public before the AGM in 2021.

The Chair stated that the Board of Directors supported this proposal. Chr. Hansen supports openness on taxes through Chr. Hansen’s public position on Tax, which provides insight on relevant tax

matters such as our tax governance, tax structure and that Chr. Hansen only base decision on business reasons as opposed to aggressive tax arguments etc.

The Chair further stated that Chr. Hansen acknowledges that there is a trend towards providing more detailed tax information on jurisdictions where multinationals have operations. Therefore, Chr. Hansen has started the internal considerations on how to share more detailed tax information, but similar to companies that have recently started publishing such tax information, Chr. Hansen will require that there is a balance between publishing detailed tax information versus the competitive disadvantage of publishing such information.

The Chairman of the meeting noted that there were no comments on the proposal and concluded that the shareholders' proposal was adopted by the general meeting with the required majority.

**Re item 10 on the agenda**

The Chairman of the meeting informed the Annual General Meeting that the Board of Directors had proposed that the Chairman of the meeting be authorised (with a right of substitution) to notify the Danish Business Authority of the resolutions adopted and to make any such changes and additions to the documents submitted as would be required by the Danish Business Authority.

There were no objections or comments on this proposal, which was subsequently adopted.

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As there were no further comments or queries, the Chairman of the meeting gave the floor to Dominique Reiniche, who thanked the shareholders for their attention and concluded the Annual General Meeting.

The Annual General Meeting was adjourned at 17.40 p.m. CET.

As Chairman of the Annual General Meeting:

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Niels Hering