



Sustainability Targets 2022

Better farming, Good health
and Less waste. Naturally.

CHR HANSEN

Improving food & health



Introduction from our President and CEO

The world is at a turning point. We need smarter, healthier and more sustainable solutions, if we are to feed a growing population and provide affordable health care for an ageing population.



Sustainability is at the heart of Chr. Hansen's purpose, which is to deliver natural, innovative solutions that address global challenges by advancing food, health and productivity.

Every day Chr. Hansen's ingredients are consumed by more than 1 billion people, which gives us a unique opportunity to work with our partners and help develop a more sustainable agriculture, enhance human and animal welfare and reduce food waste. How we do it is outlined in our corporate strategy, Nature's no 1™, Sustainably.

Our commitment to sustainability is fully aligned with the UN Global Goals for Sustainable Development (UN Global Goals) and 82% of our revenue contributes to the UN Global Goals 2, 3 and 12.

We have made three tangible commitments:



Better farming:

We help feed the growing population by promoting sustainable agriculture
Read more on pages 6-7



Good health:

We improve global health, through healthier, safer and more nutritious products.
Read more on pages 8-9



Less waste:

We help customers reduce food waste and produce more with less.
Read more on pages 10-11

To strengthen our innovation platform, we continuously rethink how we operate.

We strive to reduce the environmental footprint of our own operations, while promoting safe, responsible and environmentally sound practices throughout the supply chain.

Our 2022 Sustainability targets is a commitment from us to help pave the way for a more sustainable future, and we invite partners to join us.

Mauricio Graber
President & CEO



Our company purpose

Together, we deliver natural innovative solutions that address global challenges by advancing food, health and productivity.

Why

The world is at a turning point. The population is growing and global food production will have to increase at least 70% by 2050 to support a growing world population (Source: American Society on Microbiology). At the same time, people are getting older and health care expenses are rising all over the world.

As an integral part of our customers' value chains, our natural solutions help meet the demand of a growing population for healthy, safe, and nutritious products in both food, health and agriculture.

“Chr. Hansen’s natural plant protection product, NEMIX®C, is a great example of how we can use ‘good bacteria’ to help address some of the world’s big challenges. Feeding the world by 2050 will require at least a 70% increase of the productivity in agriculture, and chemicals alone will not get us there. Especially as more and more countries are banning more and more chemical products.”

Henrik Joerck Nielsen
Vice President, Animal & Plant Health

Our new sustainability strategy

Building on more than a century of expertise in microbial solutions for industrial applications, we are committed to enable the adoption of natural ingredients and bioscience solutions to address important global challenges within food, health and agriculture.

Better farming: We help farmers increase productivity, while using fewer chemicals and less antibiotics. We also work in close partnerships with our natural color suppliers to help strengthen their good agricultural practices.

Good health: With our competencies in human health and natural colors, we develop new innovative solutions that can reduce salt and sugar in food, replace artificial colours and lead the development of next generation health, leveraging the human microbiome.

Less waste: With our strong expertise in dairy, we will help the industry reduce its food waste in yogurt and help customers produce more with less - thereby also reducing CO₂.

Our operational foundation

It is important for Chr. Hansen to stand on a strong operational foundation. We therefore continue to set high standards within responsible sourcing, environmental sustainability, workplace responsibility and business integrity.



Our 2022 commitments



Better Farming (SDG 2)

We help our customers meet the rising food demand in a sustainable way. We enable our customers to offer products "free from pesticides" and "antibiotics reduced", while safeguarding the environment, local communities and animal welfare.

2025 Goal

25 mio hectares

Cover 25 million hectares of farmland with our natural solutions. Equivalent to the size of the UK.



Good Health (SDG 3)

Our natural ingredients help food manufacturers to produce tasty food with less salt, fat and sugar, and eliminate the need for artificial additives and colors. We offer natural bacteria and probiotics that can boost good health and potentially reduce sick days.

2022 Goal

6 new products

Launch 6 new products with a documented health effect. Equivalent to reaching half the American population with a Chr. hansen product.



Less Waste (SDG 12)

Our products help food manufacturers and retailers use nature's own resources to increase yield, reduce waste and CO₂ throughout the supply chain and offer consumers products that are safe and stay fresh for longer.

2022 Goal

1.2 mt waste reduction

Reduce global yogurt waste by 1.2 million tons. Equivalent to the annual yogurt consumption in Germany.

Our operational foundation

Responsible sourcing

Environmental sustainability

Workplace responsibility

Business integrity

We work hard to improve our operational foundation and have ambitious targets for our performance. Please see our reporting on all targets at www.chr.hansen/sustainability



Our approach

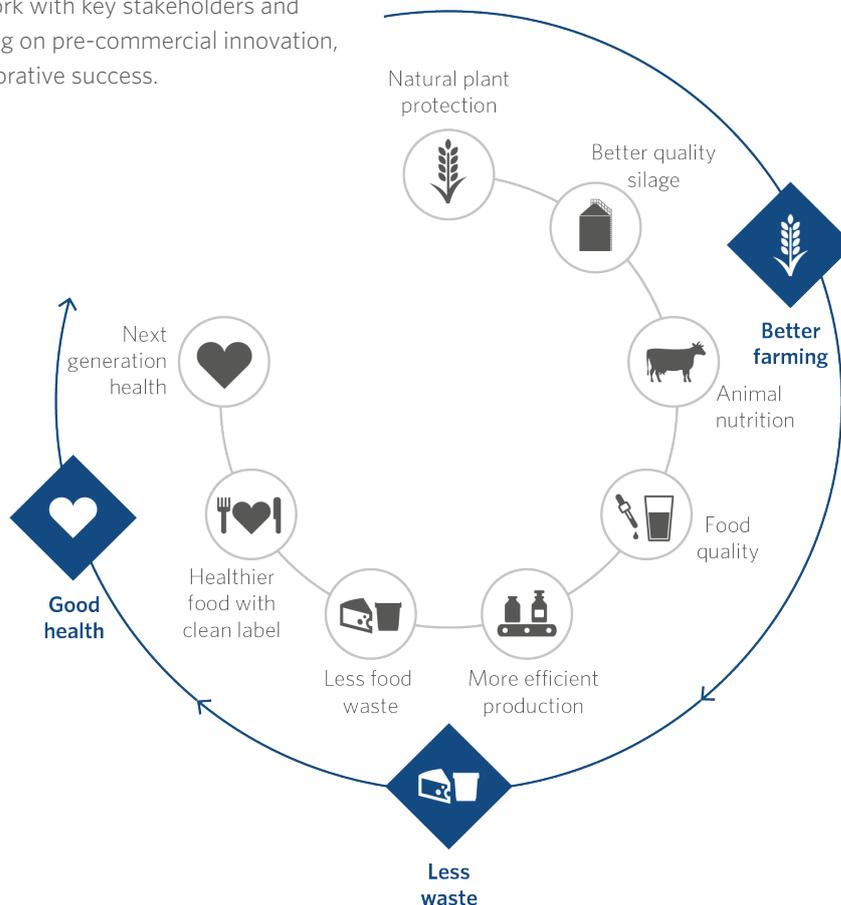
How we will deliver on our commitments

Our approach to sustainability is innovation-led. Through pioneering science we provide our customers with an effective, natural solution throughout the entire value chain, from farm to fork (see diagram below).

At the same time, by rethinking how we operate, we will reduce the environmental footprint of our own operations and work with our suppliers to help spread best practice throughout our supply chain.

We also know that creating systemic change requires strong partnerships. To maximise our sustainability efforts we will work with key stakeholders and partners, including on pre-commercial innovation, to achieve collaborative success.

Sustainability from farm to fork





Our contribution to the UN Global Goals for Sustainable Development

The Sustainability Strategy is aligned with the UN Global Goals. They were adopted by all Member States of the United Nations in 2015 and set the direction for how to address the world's global challenges over the next 15 years.

Based on an extensive stakeholder engagement process and a detailed analysis of Chr. Hansen's current and future impact on the UN Global Goals, it was decided to zoom in on three focus areas, where we can make the biggest difference:

- › **Better Farming**
UN Global Goal 2 – Zero hunger and sustainable agriculture
- › **Good Health**
UN Global Goal 3 – Good health and well-being
- › **Less Waste**
UN Global Goal 12 – Responsible production, consumption and reduction of food waste

82% of Chr. Hansen's revenue contributes to the UN Global Goals. We have set targets to help us measure our progress and report on them on our website.

UN Global Goals for Sustainable Development



Better farming

UN Global Goal 2 on sustainable agriculture

“By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.”

UN Global Goal #2.4

Feeding an increasing world population is not just about growing much more food; we need food production systems that are also environmentally and socially progressive.

Global Challenge

The world will need to increase global agricultural outputs by a minimum of 70% by 2050.



Source: World Resources Institute

Other major challenges



Population is expected to reach more than nine billion by 2050. That's two billion more people than today.

Source: UN World Population Prospects



Arable land is degraded and polluted as a result of improper use of fertilizers and pesticides.

Source: Food and Agriculture Organization



15% - the contribution of livestock production to global greenhouse gas (GHG) emissions.

Source: Food and Agriculture Organization

Our Solutions

Our products help farmers to meet rising food demand in a way that protects the natural environment, boosts communities and safeguards animal welfare.



Our probiotic solutions help animals grow faster and healthier. Probiotics are known to help improve animal welfare and can reduce the use of hormones and antibiotics.



Biological solutions for plant health can increase yields and reduce the use of toxic chemicals in agriculture.



Silage inoculant products can reduce the waste of fodder for a typical EU dairy cow by more than 15%.

Our 2025 goal

25 million hectares of farmland have increased their productivity using natural solutions

25 mio hectares

Sustainable agriculture in Kenya

Chr. Hansen and CARE have joined forces to advance sustainable agriculture in Kenya. The partnership is funded by Danida and will help local farmers increase their productivity using natural plant protection.

By introducing a safe and natural plant protection solution, which is effective in harsh weather conditions, the farmers will be better positioned to create decent and safe jobs and replace the worst forms of chemicals that are harmful to both farmers and the environment.



Good health

UN Global Goal 3 on healthy lives

“By 2030, reduce by one-third premature mortality from non-communicable diseases through prevention and treatment, and promote mental health and well-being.”

UN Global Goal #3.4

The health challenges related to food and nutrition are changing as people live longer and diets change. There are now more overweight people in the world than underweight, increasing the prevalence of lifestyle-related illnesses.

Global Challenge

Global spending on health is expected to increase to \$18.28 trillion worldwide by 2040.

\$18.28tn



Global health estimated spending in 2040

\$2tn



Global obesity cost

Source: Dieleman JL, et. al., The Lancet, 2016 & WHO

Other major challenges



There will be two billion people over 60 in 2050, up from 605 million in 2000.

Source: WHO



Worldwide, 12% of the population suffers from constipation. In some regions, the prevalence of irritable bowel syndrome is as high as 23%.

Source: IFFGD



International scientists indicate that it is best for children to avoid artificial colours. Many food manufacturers are therefore moving to more natural colours and solutions.

Source: Prescire International

Our Solutions

Our natural ingredients allow nutritious food to be produced efficiently, helping more people to enjoy healthy, balanced diets throughout their lives.



Our natural ingredients give food companies the opportunity to remove salt, sugar, and fat without reducing taste.



We are investing heavily in research of the human microbiome and its therapeutic potential in preventing and treating metabolic, gastrointestinal and other diseases.



We enable customers to replace artificial ingredients with natural colors, vegetable concentrates and juices.

Our 2022 goal

Products

Launch 6 new products with a documented health effect.

The impact of documented probiotics

Probiotics means 'for life'. They are live microorganisms, which when administered in adequate amounts confer a health benefit. Chr. Hansen owns some of the world's best documented probiotic strains.

Chr. Hansen has initiated a socio economic impact study to assess the effect of probiotic on public health expenditures in the US.



Less waste

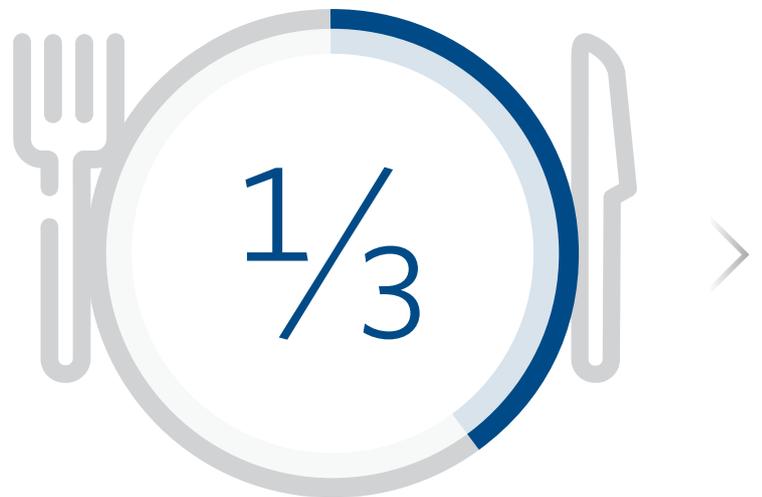
UN Global Goal 12 on food waste

“By 2030 halve per capita global food waste at the retail and consumer level, and reduce food losses along production and supply chains including post-harvest losses.”
UN Global Goal #12.3

As the world struggles to feed a growing global population, reducing food waste is a major priority.

Global Challenge

Roughly $\frac{1}{3}$ of food produced for human consumption gets lost or wasted globally.



Source: Food and Agriculture Organization

Equivalent to



Throwing away food grown on 1.4 billion acres of arable farmland.



Emitting 3.3 billion tons of greenhouse gas (GHG) emissions.



Consuming water equal to the annual flow of Russia's Volga River.

Our Solutions

Our products use nature's own protection to reduce waste throughout the supply chain, increase retail shelf life and freshness for consumers.



Enable customers to produce more food using fewer resources, e.g. producing more cheese using less milk.



Extend shelf life and reduce food waste through natural bioprotection in e.g. dairy, meat, salmon and cut salad.



Enable customers to turn waste into food. E.g. use camel milk, which is often discarded, for cheese production.

Our 2022 goal

Reduce global yogurt waste

1.2 million tons waste reduction

Our fight against food waste

The dairy industry is a significant contributor to global food waste and loss and 17% of all yogurt is wasted. One of the main challenges is contamination by yeast and mold. But there is a natural remedy: Bioprotection, which is a natural preservative made from good bacteria, can extend the shelf life of products and reduce the risk of spoilage from yeast and mold.

80% of total yogurt waste happens because its use-by-date expires somewhere in the supply chain. If bioprotection was applied to all yogurt in the EU, the waste could be reduced by up to 30%. This would be a significant CO₂ saving and a saving to the European economy.

Source: Impact Study by QBIS

Our business

Chr. Hansen has been unlocking the brilliance of bacteria since 1874

Chr. Hansen is a global bioscience company that develops natural solutions for the food, nutritional, pharmaceutical and agricultural industries.

We develop and produce cultures, enzymes, probiotics, plant protection and natural colours for a rich variety of foods, confectionery, beverages, dietary supplements and even animal feed.

All solutions are based on strong research and development competencies coupled with significant technology investments and close customer relationships.

We have been in business since 1874 and have more than 3,000 dedicated innovative and technically skilled employees in over 32 countries.





