

# UNITED NATIONS GLOBAL COMPACT

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***Danish Agro*** 



## About the Danish Agro group

Danish Agro is an international agricultural group, with over 3,500 employees in more than 15 countries, mainly in Scandinavia and the Baltic Region.

The group mainly operates within the sale of feed mixes, ingredients and vitamin mixes, fertiliser, crop protection, seeds and energy, plus the purchase of crops from farmers.

The group is also distributor of a number of strong farm machinery brands, and runs an extensive chain of hobby and leisure retail outlets.

Danish Agro was founded in 1901, and is now one of the biggest and most important agri-business groups in Northern Europe.

We are an independent, cooperative company, owned by approx. 12,000 Danish farmers.

The group is a member of industry trade organisations DAKOFO, the Danish Grain and Feed Trade Association, and the Danish Agriculture and Food Council.





## Focus on sustainable development

We are convinced that the sustainable development of society is dependent on productive, competitive and efficient business.

Care for the environment and the community shall go hand-in-hand with the financial objectives of the business.

Corporate social responsibility and care for the environment are therefore integrated into our commercial activities.

Our initiatives within CSR focus on the areas relevant to the business, and in which we have expertise and know-how. Everyone - our business, society and the environment - should benefit from the activities we are involved in.

We take a proactive approach to social and environmental responsibility throughout the value chain based on the UN Global Compact's 10 principles.

Within social responsibility, we focus on a personnel policy with the emphasis on safety at work, training and a healthy working environment.

We want to engage in constructive and innovative dialogue with our suppliers based on the principles of human and labour rights.

This includes focus on health and the working environment, and we do not tolerate forced or child labour.

With regard to the environment, we focus on making as little impact as possible. Development and changes in the group's production systems plus the way we deal with ingredients and waste products are always conducted with the environment in mind.

We also work hard to ensure that our suppliers have acceptable levels of care for the environment in their own production processes.

When it comes to our own business practices, we oppose any form of corruption, including blackmail and bribery.

We conduct our commercial activities in accordance with international, national and local laws and regulations relevant to our business.

Our trading on the world market is on the basis of free competition and in accordance with competition laws. Trade restrictions applied by the UN are always respected.

This is the first Progress Report from Danish Agro, and we look forward to continue working with the Global Compact principles in the years to come.



Christian Junker  
CEO, Danish Agro

### **The UN principles about social responsibility and sustainability**

*The business should*

1. Support and respect the protection of internationally-proclaimed human rights, and
2. Make sure that it is not complicit in human rights abuses.

### **Activities and results**

The group's support and respect for international conventions on human rights are reflected internally, including by our HR policies, and externally by the collaborative trading and activities we engage in internationally.

Danish Agro's Supervisory Board worked on applying the recommendations of the Committee for Good Corporate Governance, dated 6 May 2013, in 2014. 'Good Corporate Governance' is a universal term for a number of actions and initiatives that form part of good management for large companies.

The board devised a proposed revision to the group's Articles of Association on the basis of the recommendations concerning the appointment of freely-elected board members and the setting up of a nominations committee for screening and recommending candidates for board positions at Danish Agro.

The objective is that certain competences rather than who best represents a given region will be the decisive factor for election of such representatives.

The nominations committee's objective will be to identify candidates for the board based on predetermined criteria that meet the need for competences within the board at any given time.

Candidate recommendations from the committee will be sent to members along with notification of the general meeting and regional meetings. The board believes that the above recommendations will bring a healthy element of dynamism to the board's composition in the future.

Danish Agro believes in diversity amongst its employees - including gender equality for the Supervisory Board. We have therefore set a target of increasing the current mix to 15% female representation, equivalent to 1 person, over the next 4 years.

This target will require that Danish Agro can attract a higher proportion of women to the board than the representation of self-employed female farmers.

Consequently, a policy is being devised to draft more women into the group's management team.

### **Policies**

Danish Agro supports and respects internationally-recognised human rights throughout its organisation.

That means that we support and respect international agreements on human rights. We do not accept forced labour and/or child labour, and respect the right of our employees as to choice of trade union and to take part in collective wage bargaining.

We also observe relevant standards concerning working hours throughout the group. Finally, we ensure that wages comply with the law and industry standards in those countries in which we are active.

### **The UN principles about social responsibility and sustainability**

*The business should*

3. Uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. Support the elimination of all forms of forced and compulsory labour;
5. Support the effective abolition of child labour; and
6. Eliminate discrimination in respect of employment and occupation.

Danish Agro created a two-year trainee programme in 2014, aimed at young people with an agricultural qualification interested in selling to the wholesale sector.

The objective is for 4-6 trainees to undertake a customised course focusing on either pigs, cattle or arable farming, in which they get to explore every inch of the agribusiness industry.

The course will involve periods at the academy and practical experience postings with the parent company and subsidiaries, focusing on sales. The trainees will be given an extensive insight into how a multinational agribusiness group works, plus strong theoretical know-how to help them in their career.

### **Activities and results**

Danish Agro and several of the group's Danish companies are members of the GLS-A employer's federation. Membership acts as a guarantee for decent conditions for the company's employees, via collective and local wage agreements.

We focused on implementing and integrating the group's overall HR policies throughout our subsidiaries in 2014 to ensure consistency.

During the year, we also focused strongly on job satisfaction in the workplace, performing monthly HR surveys in which employees could provide anonymous feedback on their level of job satisfaction via an online questionnaire. The questions they answered primarily concerned stress, health, mood, creativity and efficiency. The surveys were actively used by the HR team and management in general to promote job satisfaction.

Up to 400 employees pass through Danish Agro's own Group Academy per year on courses covering everything from management to sales. The academy's overall objective is to boost employee competences.

### **Policies**

We will provide an exciting, attractive, effective and involving workplace for all group employees.

That means that we will provide a multifaceted and inclusive workplace, offering opportunity for everyone. We will provide space for our employees to progress in their job and develop leaders able to inspire their personnel to achieve their best.

We will persistently strive to ensure efficient working processes throughout the group. We offer competitive terms for our employees and focus on creating a safe, healthy working environment.

Finally, we offer working conditions that comply with the law, relevant guidelines and the standards of the UN Global Compact.

Danish Agro has a working environment committee tasked with ensuring the best conditions for our employees. The group also has a collaboration committee in which the management and employees are represented, to support job satisfaction and dialogue within the group.



### The UN principles about social responsibility and sustainability

*The business should*

7. Support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and
9. Encourage the development and diffusion of environmentally friendly technologies.

### Activities and results

The Danish Agro group applies consistent focus to its impact on the environment. This is particularly true of the immediate area in which we are located. We focus strongly on having the most efficient logistics setup possible, to reduce unnecessary transport by road and sea.

The group is focusing generally on the implementation of ISO 14001 Environmental Management Certification. Certification systematises planning, control and evaluation of environmental improvements, and will benefit the environment, customers and the business. Customers will be guaranteed greater transparency for environmental aspects of our production processes.

Our subsidiary Vilomix, specialising in pre-mix and vitamin production, achieved certification in 2013. The parent company Danish Agro a.m.b.a. expects to achieve certification in 2015.

In partnership with the Danish Agriculture and Food Council and several other Danish agricultural businesses, Danish Agro is part of an agreement to ensure sustainable soya production in South America and Southeast Asia.

The agreement lays down guidelines for international trading houses on ensuring the eradication of child labour and that soya production is performed with responsible use of pesticides.

We have also procured 'certified soya', i.e. soya that is guaranteed to fulfil a number of production requirements.

Intensive production of soya protein in South America and Southeast Asia can be detrimental to the environment and the local population, and Danish Agro wants to help ensure more sustainable production.

### Policies

Danish Agro wants to reduce its impact on the environment as much as possible, not least within the areas in which we are located.

That means that we promote sustainable processes within the group, and are in constant dialogue with stakeholders on environmental issues.

We focus on saving energy and reducing consumption of materials by constantly monitoring and optimising the way we operate.

We comply with all relevant legislation and requirements, and take a proactive approach to the principles of the UN Global Compact.

### The UN principles about social responsibility and sustainability

*The business should*

10. Work against corruption in all its forms, including extortion and bribery.

### Activities and results

The Danish Agro group has a fixed set of internal competition rules to be followed by all our employees at all times.

They are designed to ensure that our employees abide by the law in Denmark and the corresponding national laws in the countries in which we operate.

The objective of such laws is to protect free enterprise in a healthy, competitive economy, which is the basis of Danish Agro a.m.b.a.'s business.

Group international sales and delivery terms will be drafted in 2015, which will protect against and distance us from unethical business practices. All our employees are expected to comply with them.

Danish Agro will not accept unethical business practices.

### Policies

Integrity is in focus in every aspect of our business.

That means that we set high standards of commercial ethics throughout the value chain and the group.

We tackle dilemmas according to our values, and strive for transparency in our commercial decisions and practices.

We abide by the law and adopt a proactive approach to the principles of sustainability in the UN Global Compact.

