

Partnership

Sustainable Partnership

Corporate Social Responsibility Report 2016



F. Uhrenholt Holding A/S

F. Uhrenholt Holding A/S

CSR report 2016

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Welcome

Welcome to the F. Uhrenholt Holding A/S CSR report 2016

It provides you with an insight and a review on the way we handle and integrate our corporate social responsibility in our daily business.

The Uhrenholt CSR report is prepared as a part of our Financial statements 2016 in accordance with the Danish Financial Statement Act § 99 a.

In addition, our CSR work is structured along with the framework and principles of the UN Global Compact. This means, that we have committed ourselves to report on improvements in the areas of human rights, labor, environment and anti-corruption.

Global Compact is the world's largest corporate responsibility initiative with more than 12,000 voluntary business and non-business participants in 170 countries.

For more information about Global Compact visit: www.unglobalcompact.org

March 2016



Message from the CEO

Dear Reader

Compared to a number of historic changes that emerged in 2016 – only time will show if they really were historic – the declaration signed by the International Dairy Federation (IDF) and the UN Food and Agricultural Organisation (FAO) in Rotterdam in October 2016 is less spectacular.

The core of the declaration is the recognition of “the UN 2030 Agenda for Sustainable Development and the importance of dairy for food security and poverty reduction and not least the critical contribution the dairy sector makes to sustainable development including the essential role of dairy products for balanced nutritious and healthy diets”.

In Uhrenholt we fully subscribe to the long-term commitment associated with this declaration. Being an exporting company with our roots deeply planted in the dairy world we align our commercial market activities and partnerships with a continuous strive for the sustainability agenda. The value chain of dairy products from raw milk production to sales is long and complex. Our specialist skills are to facilitate and handle this process, which includes that we recognize our responsibility to require our partners also to adhere to these demands.

The matter of sustainability and its importance to the globe's future after we have left the building is here to stay. It will not go away by a new election in four years time and it has not been invented by a political union that you can decide to leave by a referendum.

Enjoy reading our 2016 report

Sune Uhrenholt
CEO



About Uhrenholt

Uhrenholt is a global food company supplying mainly dairy products and frozen vegetables to a broad range of retail, wholesale, foodservice and industrial customers in more than 80 countries around the world. While our head office is situated in Denmark, we have offices and representatives in more than 20 countries and employ 450+ on a global scale. Our products are sold under the brand names Emborg™, Friendship™ and Amigo™ or as commodities and industrial sales

Uhrenholt was founded April 1 1978 in Denmark by Frank Uhrenholt. The main business was international trading of table cheeses and cheese for processing and soon Uhrenholt became one of the largest privately owned dairy companies in Denmark. In 2005 Uhrenholt acquired Emborg Foods A/S and in 2009 all activities of the former Uhrenholt and Emborg Foods companies are merged and marketed under the Uhrenholt name.

In 2007 Sune Uhrenholt took over the role as CEO and has undertaken a restructuring of the company to include sales to the retail channel and focus on branded products.

Frank Uhrenholt created the original ship logo in 1978 by folding a paper ship from a newspaper page and painting it red and white. He was inspired by the Hans Christian Andersen fairytale, The Steadfast Tin Soldier, who went to conquer the world in a ship of paper.

Today the logo has been simplified and is mirrored in the water. This visualizes that Uhrenholt is a modern food company and all our actions.



Facts

Founded: 1978 by Frank Uhrenholt

Number of employees: 450+

Ownership: F. Uhrenholt Holding A/S is a 100 % family owned business

CEO: Sune Uhrenholt

Location Denmark: Head office in Middelfart

Location worldwide: Represented in more than 20 countries

Sales: Selling products in more than 80 countries across the world

Uhrenholt Global Organisation

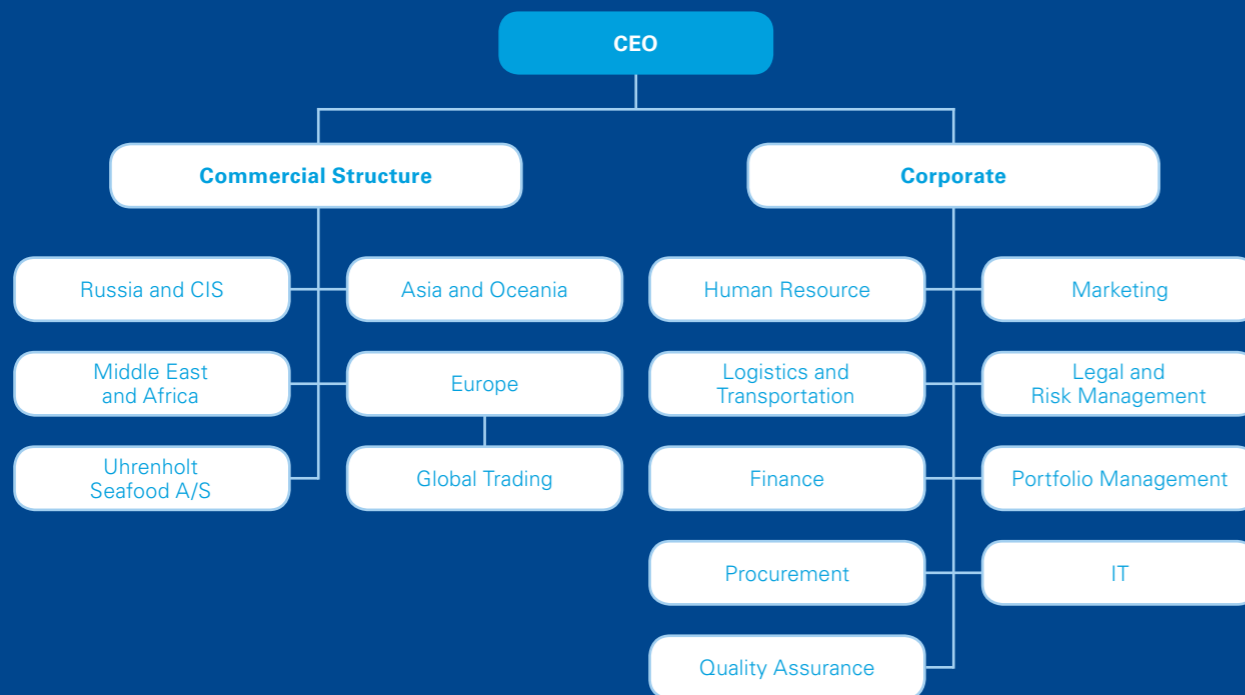
F. Uhrenholt Holding A/S employs more than 450 dedicated people. Our commercial organization is structured in four regions: Russia & CIS, Middle East & Africa, Asia & Oceania and Europe.

Our Global Trading section focusing on commodities and industrial sales are integrated in the Europe Division. Uhrenholt Seafood A/S handle the groups trading in this area.

All regions are supported by our expert corporate functions including Legal and Risk Management, Quality Assurance, Procurement, Portfolio Management, Marketing, Logistics & Transportation, HR, Finance and IT to secure that we deliver the highest quality and standards and meet the diversity demands worldwide.

The commercial organization is responsible for sales in the regions and divisions as mentioned above. The regions are apart from the geographical differences also different in terms of business focus.

Unique for the region Russia & CIS is the large distribution setup in Moscow. Here Uhrenholt distribute own products and external brands to the retail- and foodservice channel.



Business Areas and Product Portfolio

Uhrenholt has a long tradition and experience within sales of food products B2B and B2C. Reliability, tailor-made service and the ability to spot and seize opportunities together with our partners and customers has made Uhrenholt a preferred business partner for many years.

Our partners and customers benefit from the Uhrenholt extensive global network of selected suppliers. This enables us to offer unique tailored food solutions across the entire portfolio.



Dairy

We supply a full range of dairy products sourced from around the world. To obtain the best quality, we aim to source cheese from local origin. All products are packaged in various shapes and sizes according to consumer and market needs.

At our Grøndal Dairy we produce approx. 5.000 tons per year of cheeses like Fontina, Havarti and Kefalotyri. The Uhrenholt dairy portfolio also contains whey products, lactose, butter, yogurt, UHT-milk and cream.



Vegetables

Uhrenholt is a proud supplier of delicious vegetables. Through our wide assortment, we have a focus on providing the very best in every bag of Emborg Frozen Vegetables.

We offer a range of classic vegetables individually quick-frozen, for example peas, peas & carrots, sweet corn, beans and mixed vegetables. In addition, we have an exciting range of different vegetable mixes, grilled vegetables, and breaded onion rings.

For more information about Uhrenholt please visit uhrenholt.com

Our Values are our DNA

Being part of a worldwide food industry, we touch many lives in one way or another on a daily basis. We want to continuously improve our business and the way we navigate in the global marketplace.

We firmly believe that our shared corporate values serve as a compass and lead the way for our actions and daily work. We strive to follow them in everything we do to the benefit of our customers, our employees, our business and society as a whole.

WINNING

We value partnerships and win-win solutions in everything we do – when we develop great products, provide service to our customers and work together with suppliers. Our goal is to create an environment where we are inspired to perform our very best together.

PARTNERING

Our business is based on long-term partnerships with customers and suppliers around the world. We strive to add value in our partnerships by continuously exploring new opportunities and by working together to create mutual, sustainable value.

EXCELLENCE

Professionalism and commercial excellence is the foundation for our behaviour internally and externally. We deliver results through strong solutions for our customers and our organisation.

PASSION

We are passionate about food and enjoy an exciting and dynamic atmosphere in our daily work. Our enthusiasm is reflected in our way of working with markets, products, partners and colleagues.

Passionate about Partnerships

To create attractive food solutions, we firmly believe in strong partnerships and networks, and for more than 35 years, this has been our main focus around the world.

We are a partnership-driven corporation and consider knowledge-based partnerships as the core of our business engine. Through close cooperation with our partners, we are able to deliver a wide variety of competitive, high-quality goods and services to a global audience. A value chain of the best companies working closely together for a common goal is always stronger than any individual company by itself.

Partnership for Growth

Teaming up with the best players in the market enables us to collectively add value and growth to our mutual businesses. That is why we strongly promote Partnership for Growth, through which we create easy, fast and efficient access to affordable and attractive food solutions. We are able to do so because we are independent, market-driven and have strong, global partnerships.

THIS IS OUR PARTNERSHIP PROMISE

Attractive Products and Tailored Solutions

We aim to grow our partners' businesses by identifying consumer needs, providing attractive food products and flexible solutions according to market demand.

Attractive Business Opportunities

We help to grow our partners' businesses by developing attractive market opportunities and making the route-to-market more efficient.



Invitation to Responsible Partnership

Our philosophy is to use our global network to learn from and influence all partners involved.

We will build bridges between our different projects around the world making sure that we bring out the best practice to all corners of the world. We need you to join and challenge us!

The ambition is to invent sustainable solutions with the highest food safety standards.

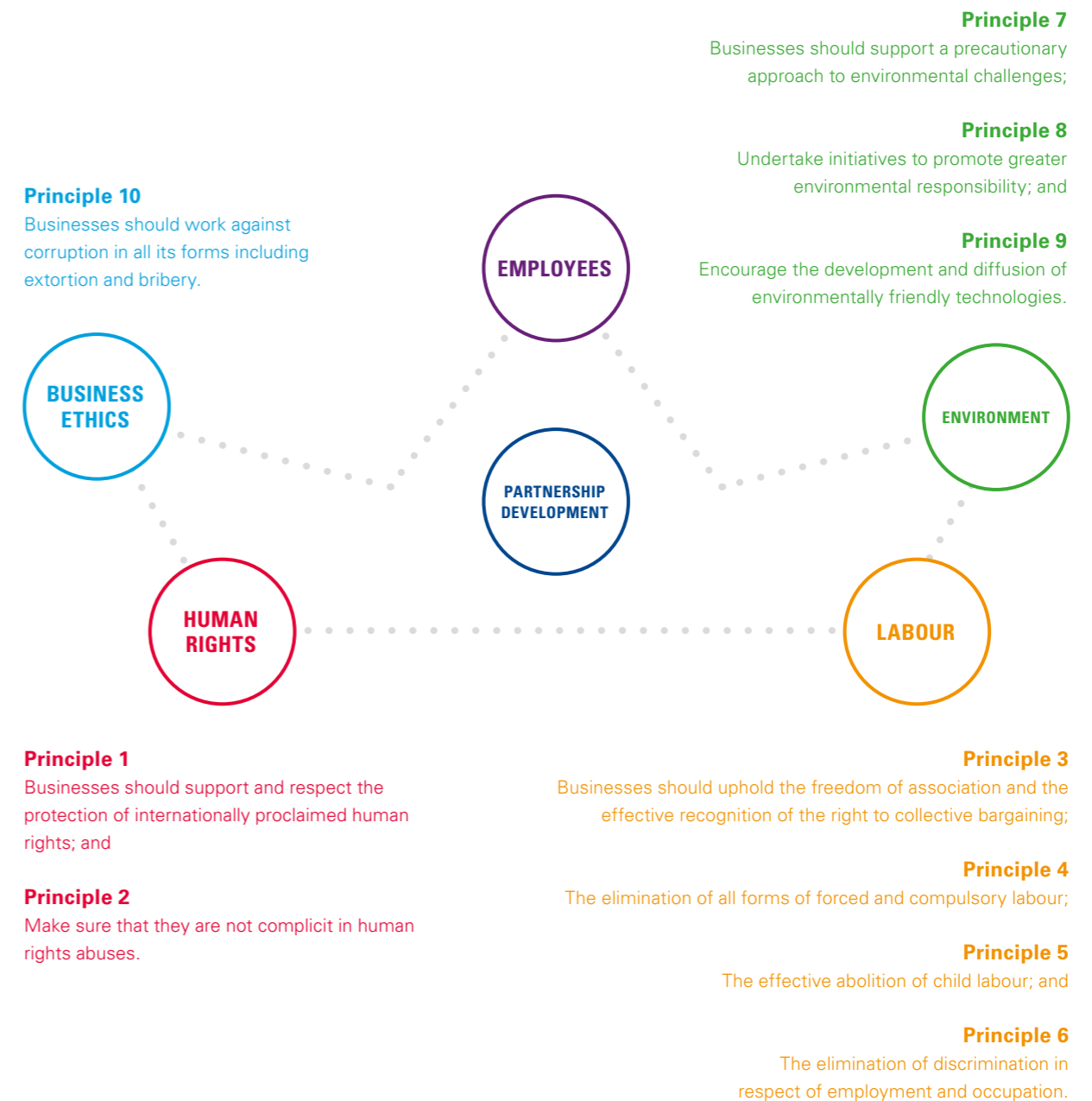
We will take the role as the link between producers, customers/end-users, organizations/NGOs and government.

You are invited to join us for commitment to projects with focus on:

- Respect and improvement of the Global Compact principles of human rights, labour, environment and anti-corruption.
- Highest food safety and quality assurance standards.
- Certified sustainability (Organic, MSC, ASC, Global G.A.P., AEO etc.)
- Establishment and development of unbroken cold chains in new markets

CSR Focus Areas

We have structured our CSR work around six focus areas. These areas are most relevant to our business and we focus our efforts here. The ten principles of Global Compact complement our work and activities and therefore we describe our progress and efforts in these areas.



Business Ethics

Uhrenholt Business Principles

The core competence of Uhrenholt is the ability to source, sell, distribute and market food products in a way that respect all the regulations and red tape that follows international food business. It is our promise to our stakeholders, partners, consumers and the societies in which we operate, that we continuously develop our procedures to maintain this status.

The traditional skills required of the individual trader remain – but every day the surrounding commercial world changes and the administrative burden is increasing. To cope with this we decided to prepare a written catalogue of our Uhrenholt Business Principles for internal use to frame and codify our key commercial rules and habits.

All together the Uhrenholt Business Principles concerns the way we care about our image, brands, employees, compliance, documents and not least our money. As more colleagues join our company across our global market the Uhrenholt Business Principles also clearly define how we expect employees to behave, act and work together internally and externally.

It is reviewed regularly and employees are urged to familiarize with those parts that are relevant in their specific position.



Code of Conduct

As we operate in more than 80 countries it is only natural that employees working in the frontline find our business ethics challenged from time to time. It is of paramount importance that all employees share Uhrenholt's interpretation of moral and ethical values. Serving as an educational tool, as a moral obligation and as a support in daily decision making our Code of Conduct is perceived as an important tool. All employees have signed the Code of Conduct.

Uhrenholt will continuously seek to improve the level of business ethics even further. We care about choosing business partners, whose business standards and ethics match ours.

Being a global trading company we inevitably also operate in a number of countries, that according to the corruption index developed by Transparency International, are high risk areas.

There is a close link between these Business Principles and our Code of Conduct. Therefore, an updated version of Code of Conduct will follow in 2017 to assure that these two documents correspond.

Uhrenholt A/S is an AEO certified company

In December 2012, Uhrenholt A/S officially received the AEO certificate proving our status as an Authorized Economic Operator (AEO). In 2016 our compliance has been reviewed and sustained by the Danish Tax Authorities.

The AEO certificate confirms that Uhrenholt A/S is a reliable partner in all economic, custom and safety related operations. Uhrenholt A/S meets all the common criteria regarding:

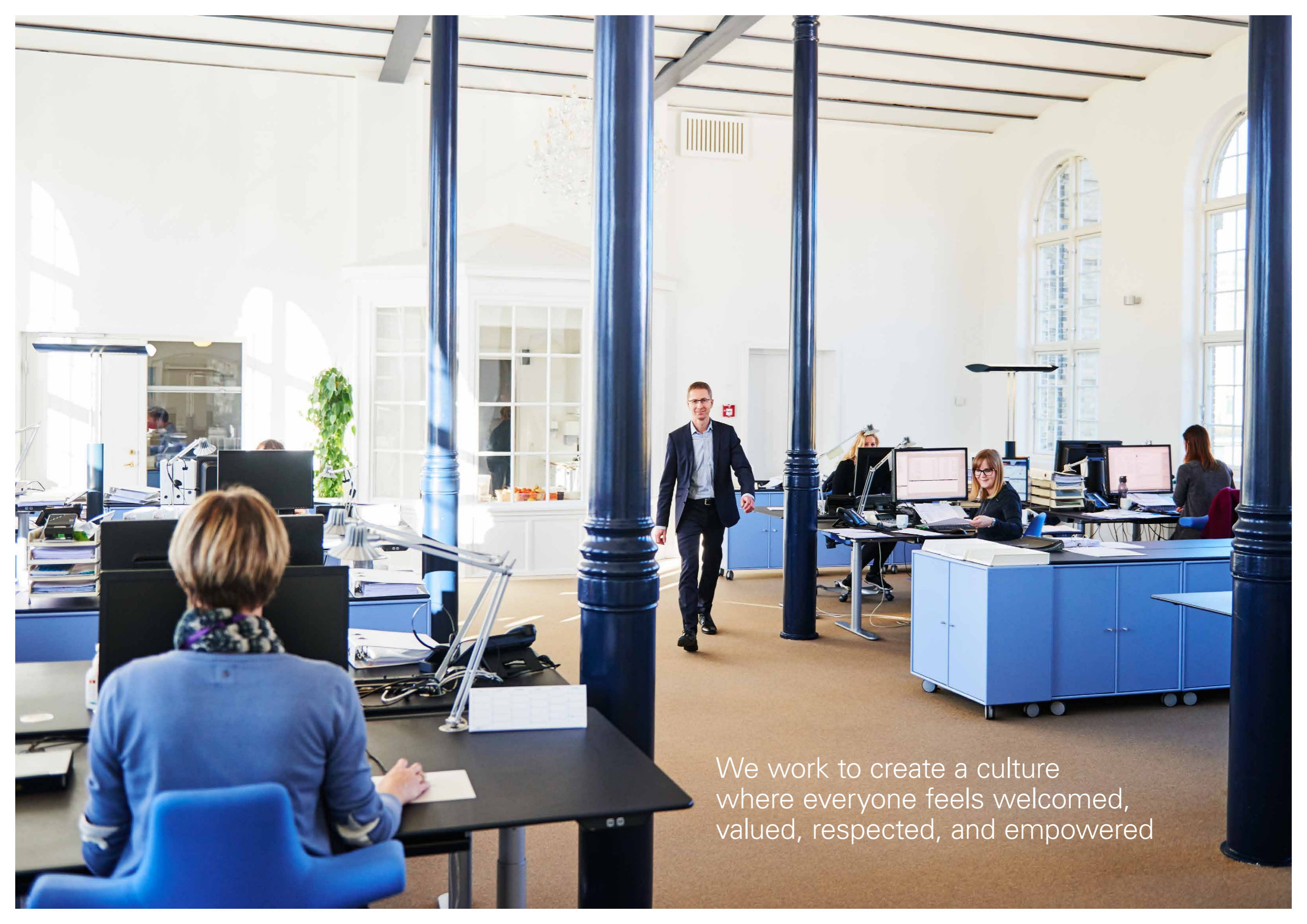
- security and safety standards
- record of compliance with customs requirements
- satisfactory system of managing commercial and transport records, which allows appropriate customs controls
- proven financial solvency



To the benefit of our partners, the AEO certificate allows goods handled by Uhrenholt a preferential treatment in certain procedures of customs control of goods and documents. First of all at the EU level, but in the long term it will become much more global. So far mutual recognition is in place with USA, China, Japan, Norway and Switzerland.

Uhrenholt is among the frontrunners in the Danish food sector to obtain the AEO certificate and as such we are in due time to face the future.

Companies with AEO status are recognized as safe, secure and compliant business partners in international trade.



We work to create a culture where everyone feels welcomed, valued, respected, and empowered

IT security

Our new IT security system was fully implemented in 2015 with a number of improving features. The service to protect against virus and get rid of spam will evaluate all external mails before they are delivered to our mail server. If the service encounters a mail where rating is not possible, it will forward a message to the receiver and let that person determine if the mail is to be released or deleted.

In order to minimize the risk of hacking we have invested in a new generation firewall that protect not only against external attacks but also protects the inside of the network. This will increase the chance of stopping infected PC's from communicating to outside hackers with intentions of getting access to our internal network.

The new backup and restore solution include a number of new functions – e.g. extends our options of testing the validity of completed backups. Our backup system has been improved not only internally but also by external backups located in a Microsoft datacentre elsewhere.

Employees

An Inclusive and Diverse Culture based on Values

In Uhrenholt we harness our people's diverse experiences and backgrounds to better understand the needs of global customers, drive innovation, and enhance employee engagement. We work to create a culture where everyone feels welcomed, valued, respected, and empowered.

Diversity has always been an important trademark of Uhrenholt. We are represented in more than 20 countries and have 23 nationalities employed. We want to reflect the variety in society in terms of culture and way of thinking.

At the same time our focus is on ensuring that our partners, customers and consumers experience a high level of service whoever they address.

In Uhrenholt we want to promote not least gender diversity at all levels of management. In 2015 we reached our goal to increase the proportion of female managers to at least 40% and we also aim for 25% female directors within the coming three years.

We continuously focus on upgrading the competences among the sales force. Internal and external people within commercial sale have been through our internal Uhrenholt sales training course – these costs are not part of the figures invested in education and training.

After finishing the course the skills are maintained through consistent and structured follow-up by the trainer and the board of directors.

Besides enhancing the competences, it has been critical to bring the Uhrenholt values out in every corner of the world. The phase we enter now is to promote the Uhrenholt CSR profile and efforts to our business partners worldwide.



Flexible Working

We respect and care for each other through an open environment that offers our employees opportunities to learn and grow. Open communication, within offices and across countries, helps us work well together and always strive to do the right thing. Collaboration is at the heart of our culture.

Uhrenholts technologies enable people to collaborate with colleagues around the world. Employees share ideas, brainstorm solutions, and recognize achievements to help us succeed together.

Our Global Brand Team is just one example. It was established cross regional in order to collaborate on new initiatives and ensure knowledge sharing globally, thereby creating a level playing field with regard to new product introductions, sales and marketing. By conducting monthly conference calls the team ensures dissemination of information and alignment on joint decisions going forward aiming to achieve greater focus, synergy and added value to each employee, our company and our partners.

Generally, our technologies promote flexible working that can enhance health and well-being by enabling people to better balance work and personal commitments. In addition flexible work practices also help us meet our environmental goals by reducing the need for air and car travel.



	2014	2015	2016
Total employees	644	537	479
Female	42%	43%	44%
Male	58%	57%	56%
Average age	39,4	40,7	41,2
Average seniority	3,9	4,1	6,3
Sick leave percentage	2,4%	1,6%	2,5%
Number of promotions (next level promotions)	23	25	20
Female manager	38%	40%	49%
Male manager	62%	60%	51%
Female directors	14%	15%	23%
Male directors	86%	85%	77%
Investment in education and training (external) - € per. Employee	144	112	227
Number of nationalities	22	21	23

Student Work and Internships

At Uhrenholt we continue our work in educating apprentices in 2-year apprenticeships. Nearly 80 apprentices – 3-4 at a time - have over the years been trained, primarily within sales and sales coordination.

We strive to maintain some of the apprentices in the company after finishing the apprenticeship and giving them the possibility to grow and make solid careers.

Besides the apprenticeship program, Uhrenholt has started to offer some university students and recent graduates the possibility for writing their master thesis with our assistance or giving them the possibility for shorter or longer internships at our HQ or at one of the regional offices. This teaches them to put theory into practice, and give them a better understanding of the worklife they are about to enter.



First Aid and Defibrillator

More and more companies choose to invest in an AED (defibrillator). Shock from an AED is the most effective treatment of heart failure and increases the survival chances significantly.

Every minute is vital when someone suffers a cardiac arrest - and it happens for approximately 3500 Danes outside the hospital every year.

At Uhrenholts head office and at our Danish department in Aalborg, we have set up AEDs. These are also registered on TrygFondens list of AEDs in Denmark which means that other people can find them in emergency.



SINCE 1947

70

ANNIVERSARY

Celebrating 70 years of making every day special

Emborg was founded in 1947 so this means that this year is all about celebrating our Emborg's 70th Anniversary. When we celebrate 70 years with Emborg, we are actually celebrating 70 years of making every day special. Running a family can be challenging. To succeed, we must master the art of routine on a daily basis. However, if we are not careful, routine easily ends up mastering us – leaving family life dull, repetitive and uninspired. Emborg helps Families break this pattern by providing them with the inspiration, joy, creativity, playfulness and products that are needed to make every day special. We will, throughout 2017, be celebrating "70 years of making every day special" based on helping Families break their everyday pattern by providing everyday dishes made with Emborg products in fun, festive, decorative and delicious settings with the use of food art.

Bring the real taste home...

Emborg takes real pride in quality. A delicious meal starts with natural ingredients. We select our ingredients based on where they have the best conditions. With expertise and passion, we make sure that our quality meets the consumers' requirements for real taste. We are present at the table at one of the most treasured moments of everyday life: dinnertime. This is a responsibility that we recognise and value, and we take the job, of ensuring an enjoyable and tasty dinnertime experience for everyone in the family, seriously. With Emborg, you get real, tasty and nutritious food of a consistently high quality and a wide selection of family-friendly food products at affordable prices. For all our products, we strive for the highest quality. The products are made with nourishment in mind, making them appetising in flavour, texture and appearance. All our products are produced in accordance with European production standards and are subject to our own strict quality control.



Human rights/Labour

Supplier management

Uhrenholt cooperates with a global network of suppliers.

It is crucial that our suppliers demonstrate professional care for our interests ensuring that products delivered to Uhrenholt are safe and produced under secure and responsible conditions.

Therefore our suppliers undergo critical risk assessment regarding food safety, quality assurance and corporate social responsibility including elements which are part of our AEO approval.



Risk assessment of suppliers is based on the following criteria's:

- Duly signed "Uhrenholt Supplier Requirements"
- Level of food safety and quality assurance management at the supplier
- Food safety risk profile of the products to be produced by the supplier
- Country of production
- Brands to be produced at the supplier / overall commercial impact for Uhrenholt

Based on risk assessment, onsite audit at the supplier's production and storage facilities can take place by Uhrenholt to ensure compliance with our requirements.

Uhrenholt Supplier Requirements covers the following elements:

Food Safety and Quality Assurance:

- Compliance with laws and regulations
- Food safety management system
- Product specification
- Food contact packaging materials
- Genetically Modified Organism (GMO)
- Irradiation
- Allergens
- Chemical, physical and microbiological contamination
- Certificate of Conformance COC / Certificate of Analysis COA
- Handling of claims
- Crisis Management and recall/withdrawal of products

Corporate Social Responsibility:

- Human rights
- Labour standards
- Environment
- Workplace environment
- Anti-Corruption

Authorised Economic Operators (AEO):

- Secure premises and conditions
- Reliable staff
- Protection against unauthorized interference

Uhrenholt prefers suppliers holding a food safety certificate approved by GFSI (Global Food Safety Initiative) like BRC Global Standard, IFS Food Standard, FSSC 22000, SQF 2000 level 2 and others.

Suppliers not holding a food safety certificate approved by GFSI are required to answer the Uhrenholt Supplier Self-Assessment Questionnaire.

The Uhrenholt supplier network is continuously developing and consequently the supplier risk assessment and approval process is ongoing.

Per 31.12.2016 the following numbers of our suppliers have signed the Uhrenholt Supplier Requirements and passed our supplier risk assessment:

- 75%** of the total number of suppliers (71% in 2015)
- 86%** of the top 100 suppliers measured on purchase value (91% in 2015)
- 96%** of the suppliers representing 90% of the GM (91% in 2015)

In 2017 our goal is to increase further the number of suppliers who have signed the Uhrenholt Supplier Requirements and passed our supplier risk assessment:

Suppliers who have signed the Uhrenholt Supplier Requirements and passed our supplier risk assessment	2015	2016
% of total number of suppliers measured on purchase value	71%	75%
% of the 100 suppliers measured on purchase value	91%	86%
% of the suppliers representing 90% of the GM	91%	96%

Environment and climate

At Uhrenholt we want to minimize our impact on the environment which means that we always are looking for sustainable and environmental friendly routes-to-market.

Environmental responsibility is a moral obligation for any commercial business. Protection of our nature including biological diversity on earth is an important issue when reviewing different business areas.

Uhrenholt follows the environmental legislation in the countries we are placed, but acknowledge that our responsibility includes our business in other countries and an effort for further improvement.

Our company structure leads to different areas on which we can influence the environment. These include our offices around the world, our cooperation with food producers and suppliers worldwide of cause our own dairy plant Grøndal.

Grøndal Dairy is FSSC 22.000 certified

Since 2012, Grøndal Dairy has maintained certification in concordance with FSSC 22.000. As a result of the certification and the work with continuous improvement of quality and food safety, the dairy has had success in:

- Upgrading the whole organization with knowledge and awareness on food safety
- Signal that our management system to control food safety is in place and up to date
- Ensuring ongoing focus internally on continuous improvements

The work continues towards improvements to maintain the highest food safety and quality of the products.



Sustainable seafood

MSC, ASC, Global G.A.P. and B.A.P.

In our seafood business we continuously focus on promoting MSC products for wild caught seafood and Global G.A.P. and ASC for farmed seafood.

Our focus areas:

- Using MSC and Global G.A.P. as a sales parameter for our retail and manufacturing channels with focus on Denmark, Germany and UK.
- Expand the knowledge about certified sustainable seafood products inside the Group.

Organizations managing global standards for responsible seafood aquaculture:

MSC: Marine Stewardship Council

ASC: Aquaculture Stewardship Council

Global G.A.P.: Global Good Agricultural Practice

BAP: Best Aquaculture Practice

Uhrenholt Seafood is a member of Sedex: Supplier Ethical Data Exchange

Sedex is a non-profit membership organization dedicated to driving improvements in responsible and ethical business practices in global supply chains.

The online database allows members to store, share and report on information on four key areas: Labour Standards, Health and Safety, Environment, Business Ethics

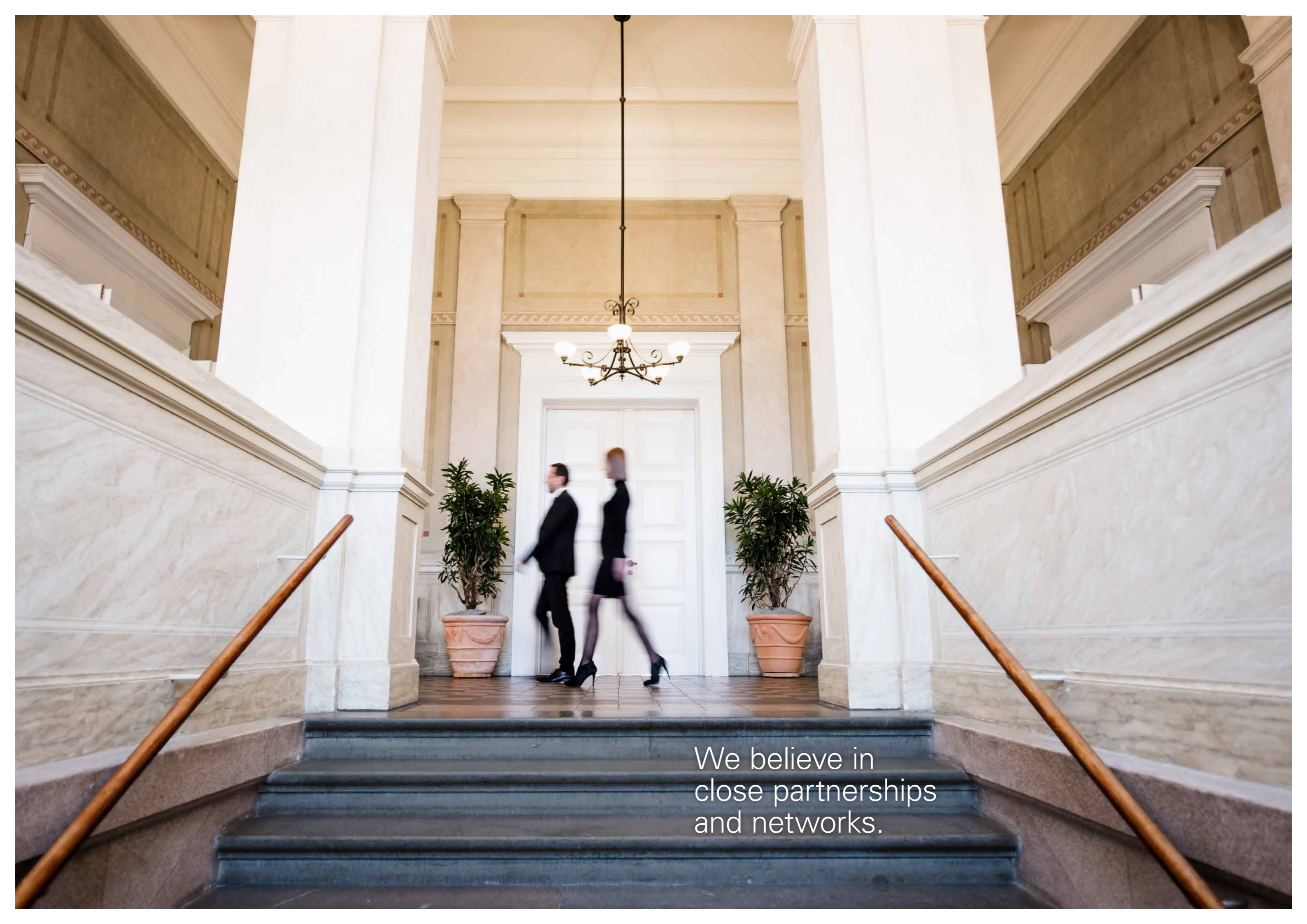
Sustainable Palm Oil

The Roundtable on Sustainable Palm Oil (RSPO) unites stakeholders from the palm oil industry: Oil palm producers, processors or traders, consumer goods manufacturers, retailers, banks/investors, and environmental and social non-governmental organizations (NGOs), to develop and implement global standards for sustainable palm oil.

The RSPO has developed a set of environmental and social criteria which companies must comply with in order to produce Certified Sustainable Palm Oil (CSPO). When they are properly applied, these criteria can help to minimize the negative impact of palm oil cultivation on the environment and communities in palm oil-producing regions.

The RSPO has more than 1,700 members worldwide who represent all links along the palm oil supply chain. They have committed to produce, source and/or use sustainable palm oil certified by the RSPO. Totally 20% of palm oil globally is certified by RSPO (2015).

Palm oil is used in some Uhrenholt products mainly because of excellent technical functionalities of palm oil in many food applications. Our aim is to use Certified Sustainable Palm oil wherever possible. This work continues together with our suppliers in 2017.



We believe in
close partnerships
and networks.

Uhrenholt goes Organic

In 2015 Uhrenholt decided to explore opportunities to enter the organic route within dairy products. Therefor we signed membership of the two leading Danish trade organizations Økologisk Landsforening (Organic Denmark) and Bio aus Dänemark in order to support the continued expansion within the production and sales of organic dairy products.

In dairy, we aim to introduce a range of primarily Danish produced organic quality products to our already existing and new clients. In this field we mainly focus on the Scandinavian countries as well as Germany.

Our vision is to build an export platform for independent Danish organic dairy producers, and help them to expand outside of Denmark.

Uhrenholt has the expertise and know-how in handing international clients, and the dairies with whom we have signed export contracts are excellent in production and product development as well as organizing domestic sales in Denmark, but may lack the know-how and logistical expertise as Uhrenholt possesses.

In addition we are pleased to announce that we will launch our first Emborg Organic vegetable products, in the beginning of 2017. Initially we launch four different types of frozen vegetables within this category: Garden Peas, Sweet Corn, Spinach and Mixed Vegetables.

Consumers today are more health sensible and pay attention to product ingredients – they expect premium quality. At the same time they are much more conscious of the nutritional values and the origin of the products that they buy.

Emborg Organic Vegetables are fulfilling these criterias. They are grown on fields that are selected with care and prepared for organic farming – free from pesticides and 100% naturally grown whilst ensuring sustainability. All our organic products are produced in accordance with European quality standards and have the recognisable and well-known EU organic logo.



NATURALLY GROWN ORGANIC VEGETABLES



Bring the real taste home

Partnership Development

Cold chain in Africa

Year by year we increase and develop our activities and collaboration with partners primarily in Africa. The unbroken cold chain project that was launched in 2012 has been developed further and today freezers have been distributed to local business partners in 11 countries.

The project continuously aims at:

- Improving food safety and developing our access to market
- Allowing the retail stores to store frozen products correctly and offer products from an unbroken cold chain
- Allowing our local business partners to offer a broader range of products, which are stored correctly and with due respect to food safety principles
- Supplying freezers that have been assessed from an environmental view to avoid excessive electricity consumption
- Providing freezers that are purchased and serviced locally.

The envisaged target of creating 2-3 more workplaces per country involved has been achieved.



Local production

Danida Explorer project 2016 – Uhrenholt A/S

Assisted by the Danida Explorer program we were able to make further progress in our efforts to complement our exports to the African market with products sourced and processed locally.

We aim for partnerships with local dairy companies that are likely to have access to increased amounts of raw milk and who we can join to develop the African dairy market in terms of scale, assortment and quality. The goal for the Explorer project has been to map the opportunities in the East and South African region for local processing of dairy products based on local raw material to be marketed at payable prices.

Realization of local production in Uhrenholt brands will initially focus on long shelf life liquid products – white milk and flavored milk. Yoghurt may be next step. Cheese is an option for the long term but is a much more demanding challenge.

We have gained our first experiences already from a smallscale UHT-milk production in Kigali, Rwanda that was started in 2016, but the Danida-explorer project has provided us with a broader overview and valuable inputs on how, where and with whom we can move on. Countries like Ethiopia, Tanzania, Kenya, Uganda and Zimbabwe stand out as key opportunities for Uhrenholt.

There is a huge potential for the local farmers and industries to grow in these regions and increase self-sufficiency. However, it takes time and patience to build the necessary bridges to develop trustful partnerships and joint ventures between low technology local industries and external investors.

Transport

Uhrenholt has a huge focus on optimizing the transportation need, and aim for using the most direct way to the customer, which gives the lowest impact on the environment with less CO2 emission. There is an increased focus on developing more environmental trucks, and the trucking companies we are using must live up to the CO2 norm valid for the involved countries.

A big part of our volumes are shipped in containers by sea, and the vessel operators have a big focus on using fuel with less impact on the climate, and further developing of vessels which have a very low fuel consumption.

Grøndal Dairy

In 2016, the machinery at Grøndal was modernized and upgraded further. To utilize the whey from the cheese production in the best possible way we made an investment in a whey concentration plant. It adds value to a biproduct and allows us to recycle whey in a much more sustainable way as it is changed into a valuable raw material.

Regarding our cheese production 2016 was a very stable year with a good flow almost at full capacity like in 2015.

The implementation of new equipment has of course increased Grøndals use of energy and water resources as well as the CO2 emissions. Also the total amount of garbage produced was significantly higher which relates directly to the installments. All in all 2016 therefor is not really comparable to 2015. In order to find a new benchmarking baseline for our environmental impacts we plan to have a mid-term review in 2017 to compare Q3-Q4 2016 with Q1-Q2 2017

Results 2015

	Production 2016	
Cheese	4.705 m.t. (-4.8%)	
Whey concentrate	2.539 m.t	
	Total use 2016 vs. 2015	Use 2016 vs. 2015 pr kg cheese produced
CO2	+1.9%	+6.6%
- Electricity	+2.2%	+6.7%
- Gas	+1.5%	+6.3%
Water	+7.4%	+11.9%
Waste	+12.6%	+16.8%



 charity: water

Charity

The 2016 Uhrenholt Christmas Donation

It has become a tradition that Uhrenholt at Christmas time to donate for charity the money we would otherwise spend on a present to our customers and business partners.

According to our donation policy it can be given:

- Anywhere around the world
- To an international humanitarian organization, whose primary aim is to improve conditions for children

This year the donation was given to Charity Water - a nonprofit organization bringing clean and safe drinking water to people in developing countries.

Our donation is earmarked water projects in Cambodia.

In Cambodia Charity Water works closely with the local organization Clear Cambodia to implement a bio sand filter technology in order to fight one of the highest infant and under-five mortality rates in Southeast Asia.

Projects 2016

Focus Area	Activity and goal 2016	Result 2015
Employees		
Education	Enhanced the CSR framework/foundation through our regional offices in Dubai and Kuala Lumpur (internal employees/distributors)	✓
Human Rights/Labour		
Supplier Management	Get suppliers to sign Uhrenholt Supplier Requirements and perform supplier risk assessment in order to approve suppliers for Uhrenholt Goal: Improve the figures compared to 2015	75 % of the total number of suppliers (71% in 2015) 86 % of the top 100 suppliers measured on purchase value (91% in 2015) 96 % of the suppliers representing 90% of the GM (91% in 2015)
Partnership Development		
Sustainable Production	Expansion and awareness of certified sustainable wild caught and farmed seafood	✓
Cold chain Africa	Continue to expand and develop business through the cold storage facilities	✓
Local sourcing Africa	Exports to neighbouring countries from our local sourcing in Kigali, Rwanda Preparing further local production in East and South Africa based on explorer project completed in 2016	✓
Donation	The annual Christmas donation given to Charity Water earmarked water projects in Cambodia	✓
Environment/Climate		
In depth analysis of potential further local production activities in East Africa		
Grøndal Dairy	New whey concentration plant into use to add value to the byproduct and recycle it in a more sustainable way.	✓
Palm oil	Mapping products with palm oil and together with suppliers initiate change over to Certified Sustainable Palm oil wherever possible	✓
Organic	Added vegetables to the Uhrenholt organic product portfolio. Further development on the dairy side	✓
Business Ethics		
Uhrenholt Business Principles	Written catalogue evaluated and updated for stakeholders and employees	✓
AEO certificate	Maintenance and renewal	✓

Projects 2017

Focus Area	Activity and goal 2016
Employees	
Internships	Allowing university students and recent graduates the possibility for shorter or longer internships at our HQ or at one of the regional offices Packaging projekt
Human Rights/Labour	
Uhrenholt Quality Assurance for suppliers	Further improve the score of suppliers who have signed and perform in accordance with the Uhrenholt supplier requirements
Partnership Development	
Local production Africa	Mak at least one more partnership ready to fly
Accommodate customers religious and cultural preferences	Enhance our conscious approach to halal and kosher products to accommodate religious and cultural preferences of customers
Environment/Climate	
In depth analysis of potential further local production activities in East Africa	
Grøndal Dairy	Review the 2020 environment goals and action plan after switching from semi hard cheese to hard cheese production
Organic	Furhter develop our organic assortment
Business Ethics	
Uhrenholt Business Principles	Written catalogue to be evaluated and maintained annually
AEO certificate	Maintenance and renewal

Thanks

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The CSR team 2016:

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