

CELEBRATING TODAY
MEXICO 2016

CO₂
NEUTRAL



CORPORATE SOCIAL RESPONSIBILITY

REPORT 2016

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ABOUT THIS REPORT

This is Palsgaard's seventh annual CSR report, covering the 2016 calendar year. It aims to provide a balanced overview that identifies the impacts and risks of our work with food ingredients and functional polymer additives, as well as our activities to counter these and to make positive contributions towards a more sustainable world. This report forms part of the management report in the company's annual report in compliance with the Danish Financial Statements Act, Section 99a.

REPORT SCOPE

The scope of the report focuses on Palsgaard's manufacturing companies, and the research and development company Nexus A/S. Where noted, data also includes the Schou Foundation, Palsgaard Estate A/S and additional subsidiaries.

These entities are collectively defined and referred to as 'Palsgaard' throughout the report. The underlying methodologies of the reported data are defined in the table 'Reporting Practice' on page 46.

REPORTING PRINCIPLES

This report has been prepared in accordance with the comprehensive principles in the Global Reporting Initiative's G4 Sustainability Reporting Guidelines, and the associated supplement for the food processing sector. See our GRI Content Index on page 48 for a list of GRI indicators and references.

The topics included in this report, and the material aspects we cover, were selected and prioritised by Palsgaard management on the basis of their interest and relevance to our own and our stakeholders' reporting needs. These are detailed in the section on Materiality on page 11.

We consider our most important stakeholders for sustainability to be our customers, our employees, trend-setting retail trade, regulatory authorities, the local community, the media, industry competitors and NGOs.

INDEPENDENT REVIEW

This report and its data were reviewed by an independent auditor, which has provided limited assurance. See the auditor's statement on page 44.



This COP qualifies for the Global Compact Advanced level

WELCOME TO OUR 2016 CSR REPORT

Dear Reader,

2016 was a year of steady progress on the sustainability front for Palsgaard. As the inventor of the modern, vegetable-based emulsifier, and a foundation-owned enterprise with a long history of social responsibility, we have continually expanded our pioneering agenda to help lead the way in CO₂ emission reductions, sustainable palm oil production and more.

Palsgaard's sustainability agenda has always focused on maximising the benefits of our activities for the world, while minimising the impact of our necessarily energy-intensive production. We continue to support the UN Global Compact and, more recently, we considered our food technology capabilities in light of the organisation's 17 Sustainable Development Goals (SDGs).

2016 PERFORMANCE

Thanks to focused efforts and investments, we became the first and only company of our kind to offer a full range of RSPO SG-certified products. The year also put us on track for several of our 2020 targets, with a reduction in work-related accidents and successful CO₂-neutrality at Palsgaard Mexico. We also increased investments in our polymers business, supporting food safety and potentially helping to reduce global food wastage.

By streamlining plants and production flows, CO₂ emission per kg of finished product remained the same, despite increased production volumes. Total energy consumption fell 5%, creating

a net win. Waste water increased, a temporary effect due to insufficient cooling capacity for re-using technical water, and actions are underway to meet this challenge.

GOING FORWARD

We are a constantly growing company, which challenges energy use and other sustainability targets. We also need to recruit and train many new employees, and bring new production facilities, product types and capabilities on line.

Despite such challenges, we continue to plan and introduce new activities to achieve CO₂-neutrality at all production facilities by 2020. We will also continue to identify greener fuel alternatives and more sustainable sources of electricity, and refine waste-handling, water usage and waste emissions.

Palsgaard remains a dedicated partner to our customers, innovating to bring them sustainable advantages and supporting the wider community wherever possible.



Birger Brix
Group CEO
Schou Foundation
Palsgaard 28 April 2017



Jakob Thøisen
CEO
Palsgaard A/S
Palsgaard 28 April 2017

Figure 1:

CORE CSR FIGURES AND TARGETS	2012	2013	2014	2015	2016	Target 2020
CO ₂ emission (kg CO ₂ per kg finished product)	0.18	0.17	0.17	0.12	0.12	0
Energy consumption (gross) (kWh per kg finished product)	1.17	1.11	1.36	1.34	1.27	1.05
Waste water emissions (l per kg finished product)	1.53	1.39	1.64	1.42	1.56	1.00
Raw material consumption (kg per 100 kg finished product)	106.49	107.37	108.39	107.71	107.11	104.00
RSPO-certified palm oil (% , Denmark)	–	–	8	100	100	100
Accident frequency (accidents with absence per million working hours)	14	11	16	18	13	3

CO₂ emissions from production increased slightly, despite lower total energy usage. This was due to increased production volume and, therefore, greater CO₂ emissions at Palsgaard Malaysia, along with the fact that these emissions cannot be counter-balanced by the energy savings at our already CO₂-neutral sites.



Group CEO Schou Foundation, Birger Brix,
and CEO Palsgaard A/S, Jakob Thøisen



AMONG THE LEADERS IN CSR

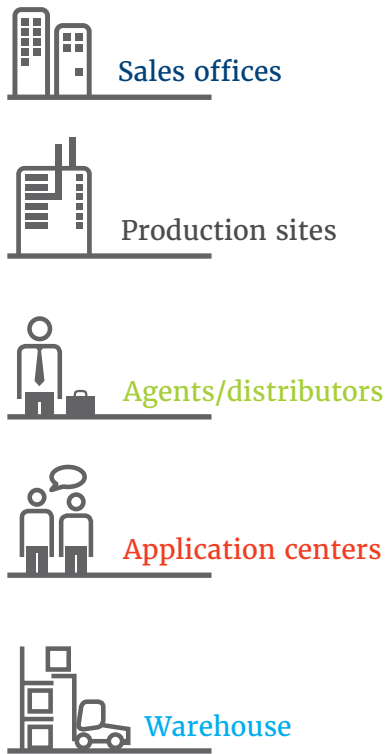
EcoVadis operates a collaborative platform providing Supplier Sustainability Ratings for global supply chains.

In 2016, for suppliers assessed by EcoVadis in the category Manufacture of Other Food Products, PALSGAARD A/S GROUP achieved the following scorecard ratings:

- Environment – among the top 10% of suppliers assessed
- Labour Practices – among the top 23%
- Fair Business Practices – among the top 17%
- Suppliers – among the top 1%
- Overall Category – among the top 4%

We were also described as being in the top 3% of all suppliers assessed by EcoVadis across all categories.

OUR BUSINESS



HELPING BUSINESSES MAKE BETTER PRODUCTS

Palsgaard develops and manufactures emulsifiers, stabilizers and other ingredients for the food industry. Some are highly specialised, such as emulsifiers for the confectionery market. Our main customers are food manufacturers, but we also supply non-food manufacturers with polymer additives, personal care ingredients and products for other technical applications.

Established in 1908 and still headquartered at the historic Palsgaard Estate in Denmark, the company has expanded significantly. Palsgaard's activities have

become increasingly global. Today, our products are marketed and sold in over 100 countries primarily under the Palsgaard and Einar trademarks.

Our product application areas include:

- Bakery
- Confectionery
- Dairy
- Ice cream
- Margarine
- Mayonnaise & dressings
- Processed meat
- Soya-based products

- Personal care
- Polymers

During 2016, Palsgaard's turnover was DKK 1.2 billion. We paid an effective tax rate of 27.6 %, with tax being paid where it is earned, and provided 423 jobs by the end of the year.



INVENTING THE FUTURE OF FOOD – AND MORE

We do not just adjust the formulation of existing emulsifiers to meet the needs of our customers.

Nexus is an independent sister company to Palsgaard that engages in research and development work. Nexus serves Palsgaard with innovation, quality control, and physical and chemical analysis services. Its efforts help to develop and improve emulsifiers, and make the benefits of vegetable-based, sustainable emulsifiers more widely applicable. Typically the end goal is to create alternative and less resource-intensive

processes in terms of raw materials, energy, capacity or other aspects.

Nexus organises all larger projects in focused efforts comprising experts from across the company. Each project is managed and documented through our quality assurance system. This ensures efficient, targeted and sustainable development where all issues are considered – from customer needs and requirements for resource utilisation to potential environmental impacts.

THE SCHOU FOUNDATION

The Schou Foundation oversees the activities of its companies that work to fulfil the foundation's aims, including Palsgaard A/S and its subsidiaries. The foundation is charged with preserving and further developing the Palsgaard Estate, where Palsgaard's head office and its factories are located, as a beautiful and pleasant workplace for employees and an enjoyable park area open to the general public. The Schou Foundation also supports the Palsgaard Foundation (see Page 38), and establishes and sustains research and development companies in areas that promote its activities.

The companies that share the Schou Foundation's legacy have a common extended history and the same special culture. Our company's founder, Einar Viggo Schou, particularly valued responsibility, community and the environment. These are the standards that frame our traditions and our business conduct. They have served as essential cornerstones for Palsgaard for over a century, well before the development of the term "Corporate Social Responsibility".

The Schou Foundation and its subsidiaries own 4,242 hectares of forest and cultivated land in Denmark, Latvia and Lithuania. A large area of uncultivated land, lakes, the manor park and buildings situated near the Palsgaard Manor also belong to The Palsgaard Estate. The Danish forests are PEFC-certified (Programme for the Endorsement of Forest Certification). Audited annually, the certification ensures sustainable management with high levels of forestry and administrative expertise, including sustainable principles in terms of financials, consideration for the environment and recreational conditions. The agricultural land managed under the Palsgaard Estate in Denmark is cultivated with wheat, malt barley, rapeseed and grass. The straw from the farmland is used in Palsgaard's own straw-fired heating plant, which provides indoor heating for our Danish buildings. It is a significant priority that this agriculture is carried out under conditions that respectfully consider nature, the environment and employees.

THE OBJECTS OF THE SCHOU FOUNDATION



Einar Viggo Schou, Founder of Palsgaard

- A. To own companies that the Board of Directors of the Foundation may find appropriate for the fulfilment of the other objects of the Foundation.
- B. 1) To preserve and further develop Palsgaard Estate with all its splendours, as a beautiful and pleasant workplace for all employees.
- 2) To preserve the main building through maintenance and renewal in a manner consistent with the architecture and history of the building, not as a lifeless monument but in accordance with its purpose and structure as a vibrant family home for either the Director of the Foundation's activities or for another person linked to the Foundation, who is considered to be a suitable candidate by the Board of Directors of the Foundation in terms of publicly representing the Foundation.
- 3) To preserve – or expand – the park through maintenance and renewal, which must always be in accordance with the natural conditions and aesthetic values of the Estate.
- C. To establish, own and support independent companies within research and development in connection with the areas that the Foundation's Board of Directors may find appropriate to promote the activities of the Foundation.
- D. To support the Palsgaard Foundation to the extent that the Schou Foundation deems to be consistent with the other objects of the Schou Foundation.



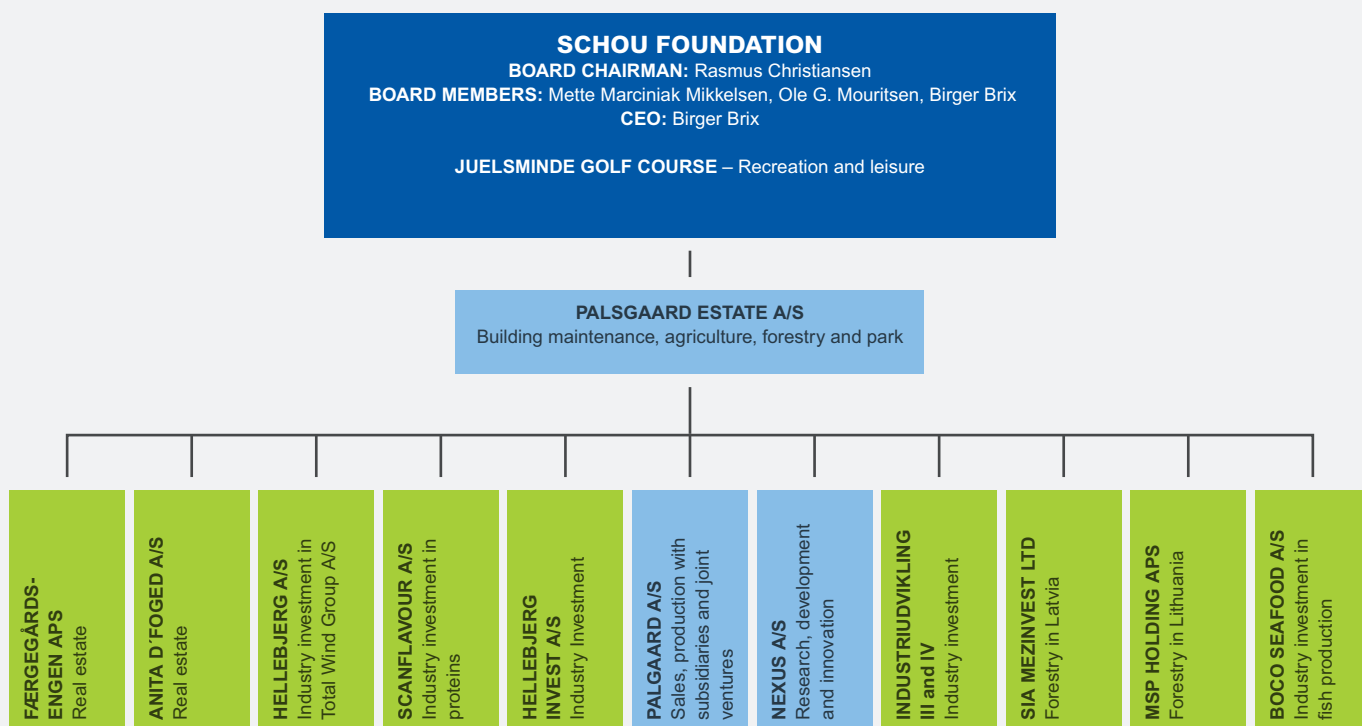


Palsgaard Manor

Figure 2:

ORGANISATION

The organisation chart below shows entities owned or partly owned by the Schou Foundation. Entities in light blue are explained further in the Reporting Practice section and denoted Palsgaard A/S++ (see page 46). Entities that are not in scope for this report are shown in green.



OUR SUSTAINABILITY APPROACH

At Palsgaard, we make a positive difference to society, and we are committed to mitigate any adverse impacts that our operations have on our surroundings – particularly environmental impacts. Our long-sighted, strategic approach to CSR is facilitated by our ownership structure and tradition of responsibility.

OUR ATTITUDE

Our company’s culture is embodied in our tagline Heart Working People®. This sums up our caring approach towards colleagues, stakeholders and our surroundings, and reflects our close collaboration and knowledge-sharing with customers, and dedication to day-to-day work and food as well as non-food product innovations.

OUR VISION & VALUES

We will be the preferred, responsible partner and supplier of quality products, services and knowledge for regional and multinational food companies, as well as non-food manufacturers within polymers and personal care.

Our values are **loyalty, responsibility** and **commitment**.

OUR MISSION

With a good workplace and advanced technology as our foundation, we produce and sell highly refined, customer-tailored emulsifier and stabilizer solutions for the global food industry, as well as non-food markets such as polymers and personal care.

OUR 4 FOCUS AREAS

CORPORATE GOVERNANCE

Build long-term value by aligning with national and international legislation and best practices so that the rules and processes that direct and control us balance the interests of stakeholders in our company, our supply chain and the communities in which we work.

See pages 16-21

ENERGY & ENVIRONMENT

Contribute to sustaining and replenishing our natural environment in the way we select raw materials, consume energy, handle waste and conduct logistics.

See pages 22-29

PRODUCTS

Meet our responsibility toward the company, our customers and society to develop high-quality products that are effective, safe, and cost-efficient, and to produce and market these products in a responsible manner.

See pages 30-35

EMPLOYEES

Create an inclusive workplace that is rewarding, safe, healthy and motivating for our employees, and in balance with the wider context of their lives.

See pages 36-40

MATERIALITY

Palsgaard's CSR efforts and reporting focus on customers, owners, management, employees and competitors. We use a core set of priority issues to guide our corporate responsibility strategy. These reflect the topics of highest concern to Palsgaard and its stakeholders. Since defining a set of priority issues in 2011, we have completed several rounds of review and

refinements, and a yearly review is conducted to identify any changes in materiality issues. Changes recommended by our internal review process and by Palsgaard's external CSR advisors contributed to Palsgaard winning the CSR Award 2015, hosted by FSR Danish Auditors, the Confederation of Danish Industry and The Danish Business Authority.

Figure 3:

MATERIALITY ANALYSIS

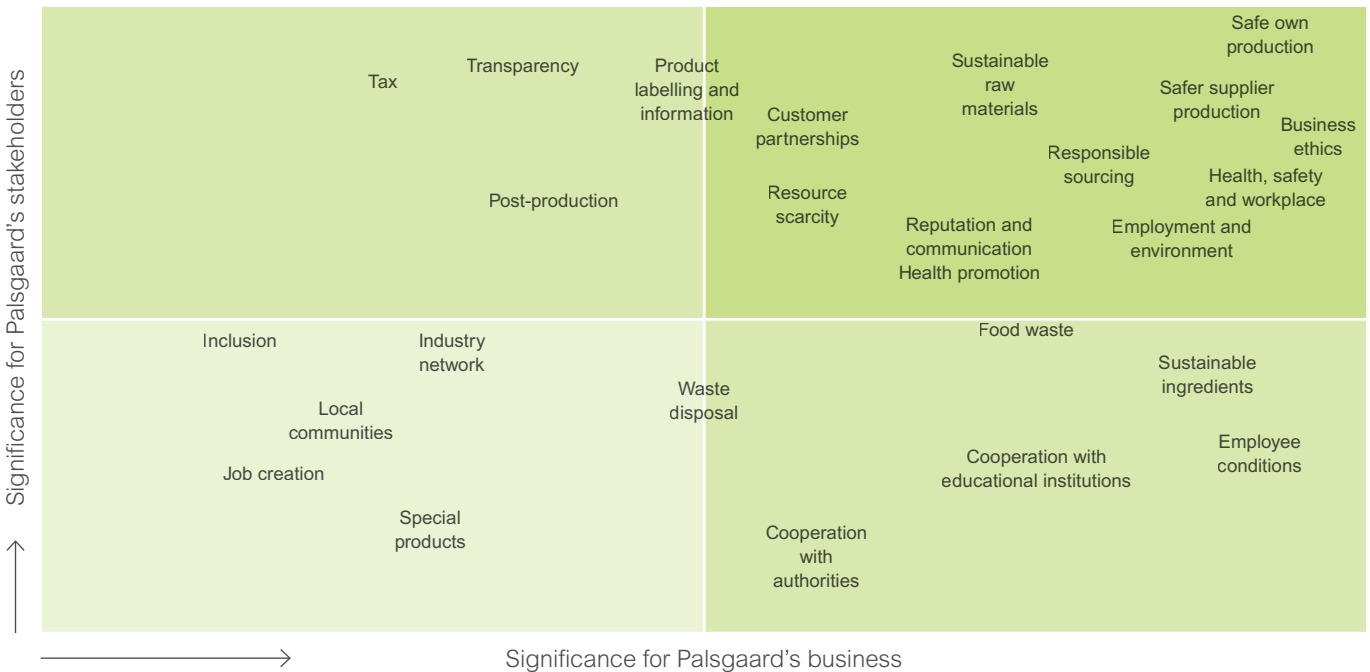
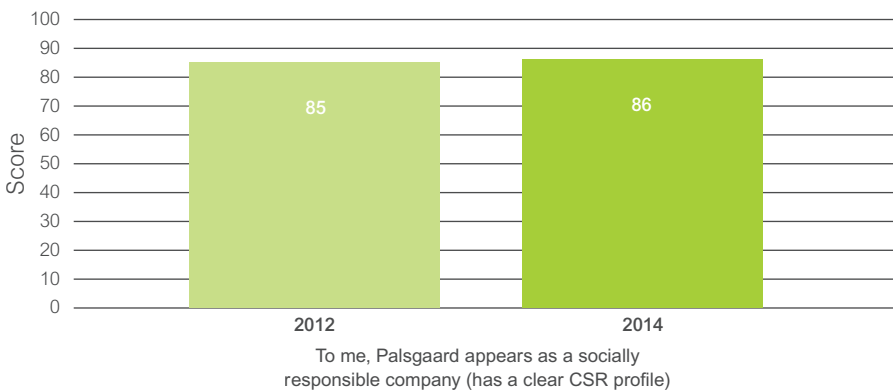


Figure 4:

CUSTOMER FEEDBACK ON OUR CSR PROFILE



Customer (procurement and technical contacts) perceptions of Palsgaard as a sustainable supplier are considered to be key performance indicators and were last measured in 2014 by the research firm Ennova. An excerpt of the data appears beside. The next measurement is due in 2017.



Oil palm nursery and worker



SUSTAINABLE DEVELOPMENT GOALS

The UN's 2030 Sustainable Development Agenda encourages companies to advance broader societal goals, emphasising collaboration and innovation.

While the arrival of the UN's Sustainable Development Goals (SDGs) may not have an immediate impact on Palsgaard's already advanced CSR roadmap, the goals are welcomed in their potential to more closely unite and focus the efforts of companies like our own around the world.

Thorough analysis has reviewed the 169 objectives underlying the global goals to identify those where Palsgaard can make an authentic and worthwhile difference.

Palsgaard is also an active member of the following key associations with relevance for our CSR activities.

- Roundtable on Sustainable Palm Oil (RSPO)
- Supplier Ethical Data Exchange (Sedex)
- UN Global Compact
- The Confederation of Danish Industry
- The Confederation of Danish Enterprise
- Business Network for Social Responsibility (VFSA)
- The European Food Emulsifiers Manufacturers Association (EFEMA)

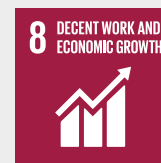
Palsgaard directly or indirectly supports most of the SDGs. Those where we believe we can make the most difference are:



End hunger, achieve food security and improved nutrition and promote sustainable agriculture
See page 34



Ensure healthy lives and promote well-being for all at all ages
See page 33, 38



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
See page 20, 29



Ensure sustainable consumption and production patterns
See pages 26, 29, 34



Take urgent action to combat climate change and its impacts
See pages 24-25



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
See page 18

CREATING SHARED VALUE

OPPORTUNITIES & INITIATIVES

WE WORK WITH OUR SUPPLY CHAIN TO:

ENSURE RESPONSIBLE SOURCING BY

- Carefully selecting suppliers
- Constantly refining our supplier policies
- Encouraging ethical supplier behaviour
- Strengthening purchasing policies
- Sourcing sustainable palm oil
- Encouraging transparency in the supply chain and due diligence processes to reduce risk situations

IMPACTS AND RISKS

- Controlling suppliers one or more links away is a challenge
- Our global reach carries potential for encountering corruption and cartels
- Palm oil is a key raw material for most of our products
- Some raw materials are transported internationally over long distances
- During transport, food safety requires careful control to avoid contamination

OUR VALUE CHAIN

01 SUPPLIERS



IN OUR PLANTS
WE WORK TO:

REDUCE ENERGY & EMISSIONS BY

- Setting ambitious targets for CO₂-neutrality and energy reduction

REDUCE WASTE BY

- Improving raw material utilisation
- Exploring ways to reduce waste water

IMPROVE OUR WORKPLACE BY

- Creating a safer workplace for our employees
- Maintain work enjoyment
- Increasing employee skills
- Promoting work/life balance

INFLUENCE INDUSTRY STANDARDS BY

- Aligning with existing food safety standards
- Raising the bar for responsibility in food ingredients production

WE WORK WITH
CUSTOMERS TO:

INCREASE EFFICIENCY BY

- Obtaining more sustainable food formulations and processes
- Enabling more efficient use of raw materials in production

ENSURE FOOD SAFETY AND MEET CONSUMER PREFERENCES BY

- Meeting international food safety and food labeling standards
- Guiding and improving the use of food emulsifiers to get the optimal benefits from the application of the ingredients in food to meet consumers' interest in healthy, lean and delicious food

REDUCE FOOD WASTE BY

- Extending the shelf life of food products
- Improving and maintaining product appeal via polymer packaging additives

WE HELP
CONSUMERS TO:

LIVE HEALTHIER LIVES BY

- Enabling lower calorie content in confectionery, baked goods, ice cream, margarine products, and mayonnaise and dressings
- Supporting the production of more sustainable food choices

EAT SAFER FOOD PRODUCTS BY

- Preventing safety issues via our quality control systems and processing practices
- Applying food-grade additives to polymer processing to avoid undesirable chemicals entering food

REDUCE HOUSEHOLD FOOD WASTE BY

- Enabling foods with longer shelf life and lasting appeal in taste and texture

- Production of emulsifiers and stabilizers requires high amounts of energy
- Local legislation, arrangements and infrastructure can make it difficult to implement sustainability measures
- High production temperatures present a risk for personnel
- Increased production volumes and variations in demand present challenges for resource consumption patterns

- Food production uses considerable amounts of energy and raw materials
- We often need to travel internationally to visit customers or attend conferences
- When selling directly from Palsgaard's plants, we have little influence on transport vehicle sustainability
- Goods may become contaminated during transport

- Consumers are eating foods with high levels of fat – and saturated fats in particular
- Foods that quickly lose their appeal in the household are often disposed of earlier than necessary
- Many consumers see emulsifiers as undesirable additives, forcing manufacturers to strive for 'clean' labels

02 PRODUCTION



03 FOOD MANUFACTURER



04 CONSUMER



100%

of targeted sales and procurement employees have been instructed in anti-corruption behaviour

6

formalised internal CSR policies guide our actions



FOCUS AREA

01 CORPORATE GOVERNANCE

We build long-term value by aligning with national and international legislation and best practices so that the rules and processes that direct and guide us balance the interests of stakeholders in our company, our supply chain and the communities in which we work.

CHALLENGES

- We source globally, making transparency of supply and control over suppliers difficult
- Business practices and regulations differ among countries and regions
- Corruption is present in some industries and countries in which we operate
- Our sustainability ambitions can be held back by local development realities – and by the speed of supplier progress

97%

of all raw materials used are sourced centrally by head-quarters



73%

of key suppliers (based on current scope of top 85% of spend) have been assessed by our Responsible Sourcing Programme



PRINCIPLES

WE EMPHASISE

- The social responsibility example set by founder Einar Viggo Schou and by his son Herbert Schou
- The priorities and principles of the Schou Foundation
- Being a responsible producer and business partner
- Responsible, sustainable sourcing
- Helping food producers to lift their sustainability
- Combatting facilitation payments and cartels
- Payment of tax where income is earned

WE ALIGN/COMPLY WITH

- The UN Global Compact
- ISO 9001/26000/FSSC 22000
- Sedex (4-pillar SMETA audit)
- Relevant EU regulations
- Local rules and regulations
- Internally established policies
 - Code of Conduct
 - Anti-corruption guidelines
 - Environmental policy
 - Product and quality policy
 - Supplier Code of Conduct
 - Procurement policy
 - Employee policy

2016 ACTIONS

- Upgraded our Responsible Sourcing Programme
- 73% of suppliers (based on top 85% of spend) are now within responsible sourcing scope for product raw materials and packaging and 9% of the remaining suppliers are in the process of evaluation
- Implemented process ensuring that all new, relevant employees and agents/distributors receive anti-corruption guidelines when contracting with Palsgaard
- Further evaluated corruption risks
- Implemented a new CSR management system, including more frequent sustainability reporting from subsidiaries
- Achieved Gold rating with EcoVadis for overall CSR performance
- Participated on the committee for sustainable palm oil under the Confederation of Danish Industry
- No grievances or significant fines were noted concerning labour practices, food safety or environmental matters

FUTURE

- Increase the percentage of key suppliers by spend assessed for sustainability by our Responsible Sourcing Programme
- Continue to advance and work transparently with sustainability in our supply base
- Intensify CSR assessment in the selection process for new suppliers
- Continuously integrate new CSR initiatives in subsidiaries
- Maintain measurement in the CSR evaluation section of our biennial customer satisfaction survey
- Devise and implement internal anti-corruption training programme
- Update Code of Conduct and other policies
- Revise our CSR strategy

STRUCTURE & RESPONSIBILITIES

FOUNDATION-OWNED

Palsgaard A/S and its sister company, Nexus A/S, are owned by Palsgaard Estate, which is owned by the Schou Foundation. Palsgaard's governance is closely connected with the interests and principles of the Foundation. Foundation ownership gives the company the freedom to focus on long-term, responsible growth rather than short-term financial returns alone.

Palsgaard A/S is governed by a three-member board. Responsibility for the development, approval and updating of the company's purpose, value and mission statements, strategies, policies, and goals related to economic, environmental and social impacts lies with management and ultimately the company's CEO.

SUSTAINABILITY GOVERNANCE

- A CSR working committee is chaired by a Senior CSR Specialist, with members selected by executive management
- Over 50 years of combined experience qualify the committee members
- Critical CSR concerns may be raised with management via the CSR specialist or the CEO
- The sustainability report is approved at its highest authority by the Palsgaard CEO and the Group CEO

POLICIES

Palsgaard conducts its business according to approved, frequently updated overall policies and guidelines. Key written policies comprise:

- Code of Conduct
- Environmental policy
- Product and quality policy
- Employee policy
- Procurement policy
- Supplier Code of Conduct
- Anti-corruption guidelines

ISO-certified quality assurance systems, supplemented by guidelines in the employee manual and our approved strategy, ensure compliance with current policies, applicable standards and legal requirements.



We participate in the fight against corruption, educating our suppliers and staff via anti-corruption guidelines and procedures. And we contribute to transparency through memberships of the UNGC, GRI and Sedex and other institutions.

BRIBERY AND CORRUPTION

Palsgaard believes business should be conducted without facilitation payments, and internal analysis has been undertaken to highlight countries with heightened risk of corruption. Employees must register exposure to attempted corruption, bribery or cartel formation and alert senior management.

As of 2016, 100% of targeted sales and procurement employees have confirmed that they have received guidance in anti-corruption behaviour, and a new anti-corruption booklet was circulated to employees, agents and distributors.

Our Code of Conduct describes our attitude to corruption and cartels. Employees receive materials outlining their duties in this respect, and all relevant employees must comply with the stance of the company and know the consequences of non-compliance. Non-compliance with anti-cartel stipulations, for example, results in dismissal with considerable penalties.

FINANCIAL RESPONSIBILITY

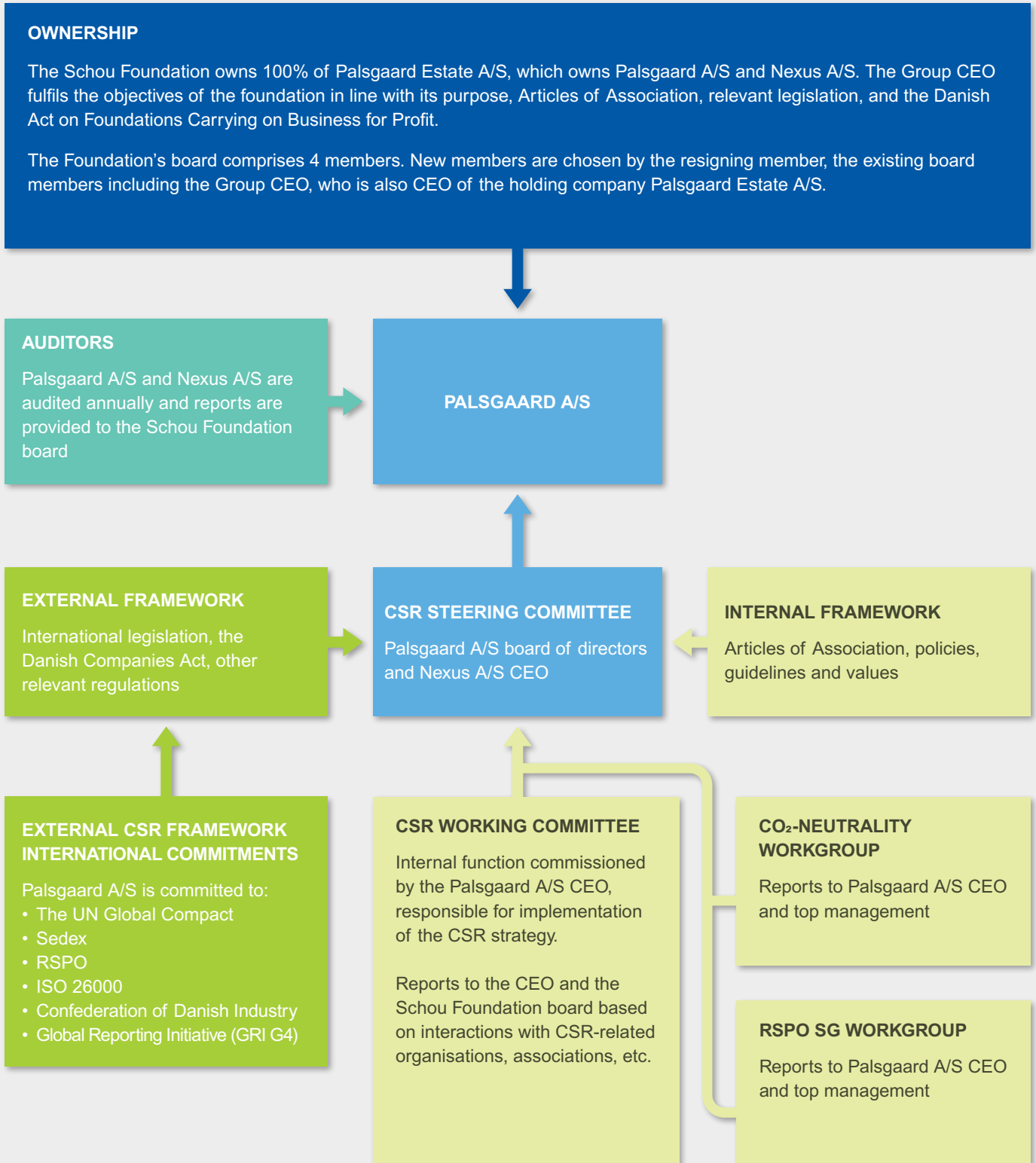
We comply with all relevant legislation and engage in analysis and guidance with our subsidiaries to set correct product prices in accordance with common market conditions. And tax is paid where it is earned.

GRIEVANCE PROCEDURES

A customer complaint system is included in Palsgaard's established ISO 9001 instructions. These and other grievances are normally referred for the CEO's attention.

Figure 5:

CSR GOVERNANCE STRUCTURE



RESPONSIBLE SOURCING

SUPPLIER EVALUATION AND MANAGEMENT

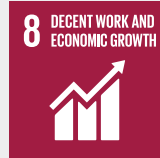
Supplier management has long been an integral component of our quality assurance system. Our supplier Code of Conduct, based on the UN Global Compact (UNGC) and our corporate culture and ethics, dictate supplier due diligence and define the requirements we set for suppliers and partners.

Selected new suppliers sign a Supplier Code of Conduct that includes a provision identifying Palsgaard as a signatory to the UNGC and answer a CSR Supplier Information Sheet (CSR SIS). By signing the documents, suppliers warrant that they will conduct business pursuant to the UNGC’s 10 principles within four areas; Human Rights, Labour, Environment and Anti-corruption. Suppliers are reassessed at regular intervals.

Supplier sustainability evaluations take place three times a year, and are part of the overall Quality Management System evaluation.

THE RAW MATERIALS CHALLENGE

The majority of our finished products include palm oil or palm oil-based ingredients, sourced mainly from South-East Asia. Raw materials are also sourced from India, Pakistan and China. Here, environmental activities and employee conditions, including forced and compulsory labour, may contrast with Palsgaard’s own ambitions and principles – and certified environmental reporting in the supply chain is not a focus area for most.



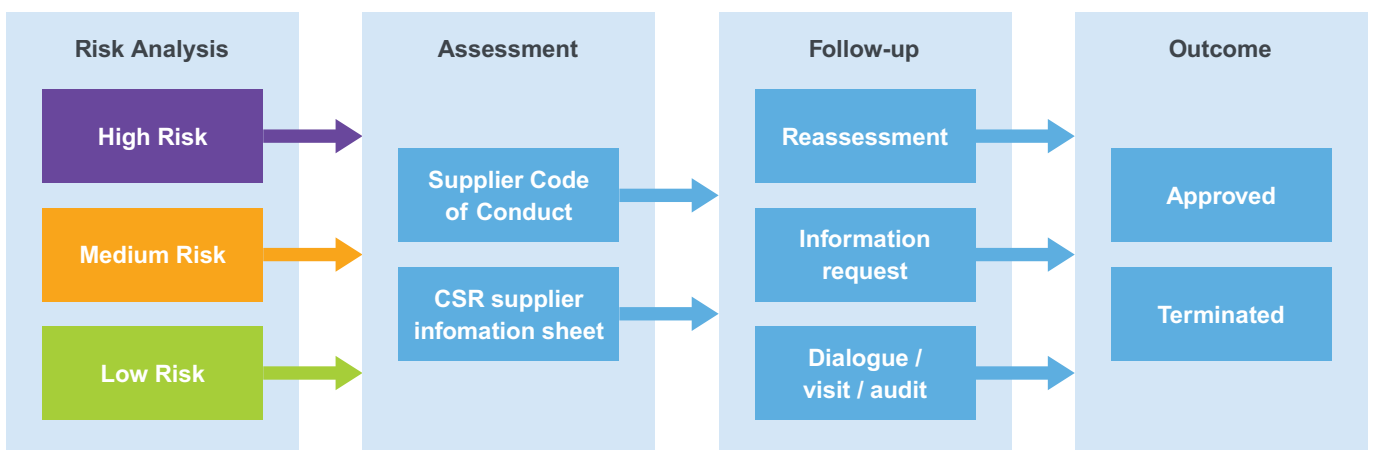
We require suppliers to provide good conditions for their workers. And we support sustainable growth through our responsible sourcing programme and by sourcing raw materials from RSPO-approved suppliers.

As a smaller global participant, our ability to set and monitor CSR requirements is limited. But while influencing suppliers more than one link away is difficult, we still set ambitious goals, express our attitudes and exploit every opportunity. For example, one supplier in India achieved an award for good corporate citizenship from the local chamber of commerce, partly as a result of Palsgaard’s encouragement. Overall, most suppliers are well on the way to improving sustainability, while the remainder require further dialogue.

Whether Palsgaard will collaborate with a supplier is based on an overall evaluation that includes specifications, food safety and CSR. A risk profile is created based on country of origin, production and location of harvest, and a plan is made where necessary to guide the supplier via dialogue to a higher level of sustainability.

Figure 6:

MANAGING RESPONSIBLE SOURCING



For 85% of spending on raw materials and packaging, our suppliers are given a CSR SIS based on a point system to determine their sustainability status.

Tanks for raw materials
at Palsgaard A/S.



Our Responsible Sourcing Programme is managed by headquarters, which sources 97% of all raw materials. During 2016, we expanded the proportion of our spend that should be sourced from suppliers assessed under this programme from 80% to 85%. As a result, the percentage of suppliers within this scope that have been assessed decreased from 84% to 73%.

During 2016, we continued to refine our routines for responsible supply management, including the guidelines for possible further dialogue, and we intensified the requirements to have all suppliers sign a Supplier Code of Conduct and to complete the CSR SIS.

THIRD-PARTY SUPPLIER EVALUATIONS OF PALSGAARD

A number of external parties have assessed Palsgaard's CSR performance. All production sites are now in the Sedex database; Denmark and Netherlands are SMETA (a global ethical audit format) 4-pillar audited. Malaysia was registered during 2016 and will be audited early in 2017. More recently, EcoVadis has assessed Palsgaard and accorded its Gold standard (see page 5).

100%

CO₂-neutrality was achieved in 2015 at our Danish manufacturing plant



100%

CO₂-neutrality was achieved in 2016 at our Mexican manufacturing plant



We offer
100%

of our palm oil-based products as RSPO SG certified



FOCUS AREA

02 ENERGY & ENVIRONMENT

We contribute to sustaining and replenishing our natural environment in the way we select raw materials, consume energy, dispose of waste and conduct logistics.

CHALLENGES

- Our production processes are energy-intensive
- Implementing RSPO SG currently poses waste and workplace challenges, due to packaging solutions
- It can be difficult to achieve wide-spread adoption of sustainable palm oil in the industry, especially outside Europe
- We transport large quantities of goods over long distances
- As a global company we need to travel internationally
- It is difficult to find alternative energy sources for our Malaysian plant, where production volume is increasing
- Local circumstances can make sustainability ambitions difficult to fulfil

KEY TARGET:

WE AIM TO BECOME CO₂-NEUTRAL AT ALL FACILITIES BY 2020

100%

of indoor heating at Palsgaard Denmark comes from straw-fired burners



100%

of our waste water in Malaysia is cleaned above and beyond the required standard



5%

less energy per kg of finished product was used during 2016



PRINCIPLES

WE EMPHASISE

- Reducing energy consumption and emissions
- Reducing and appropriately sorting product waste and waste water
- Optimising raw material consumption
- Minimising product transport requirements

WE ALIGN/COMPLY WITH

- The UN Global Compact
- Roundtable on Sustainable Palm Oil (RSPO)
- Internationally and locally applicable legislation

2016 ACTIONS

ENERGY AND EMISSIONS

- Projects toward 100% CO₂-neutral production in Netherlands and Malaysia
- Reduced worldwide energy consumption by 5% per kg of finished product
- By streamlining plants and production flows, CO₂ emissions remained the same, despite increased production
- Arranged wind energy and biogas supply from 2018 in the Netherlands
- Achieved CO₂-neutrality at Mexican site by installing more solar panels and supplementing with offsets

WATER

- Temporarily* increased water consumption worldwide by 11% compared with 2015
- Temporarily* increased waste water by 9% per kg of finished product

RAW MATERIALS

- Raw materials consumption per kg of finished product reduced by 0.6%
- Reduced derivative products per kg of finished product by 13% by streamlining production in Denmark
- Prepared Mexico for RSPO certification

FUTURE

- Become CO₂-neutral at all plants by 2020
- Reduce energy consumption per kg of finished product to 1.05 kWh
- RSPO SG certification in Mexico
- Change from light fuel oil to green alternatives in Malaysia (in cooperation with the Danish embassy)
- Introduce LED lighting at more of our facilities
- Reduce waste water to 1 litre per kg of finished product in 2020
- Reduce raw material consumption per 100 kg of finished products to 104 kg by 2020
- Greater focus on handling by-products and product waste

*Rectified during the year with new equipment and streamlined work and production flows. Consumption is expected to normalise for 2017.

TOP PRIORITY: 100% CO₂-NEUTRALITY BY 2020



We take urgent action to combat climate change and its impacts. Over the past 10 years we have reduced our CO₂ emissions year after year, and we are on track to achieve CO₂-neutrality for all our production entities by 2020.

The production of food ingredients such as emulsifier and stabilizer solutions is energy-intensive. Yet Palsgaard's target for all production entities is to achieve CO₂-neutrality by 2020.

By focusing on energy savings and conversion to renewable energy, Palsgaard has achieved an overall 5% saving in energy consumption and a reduction in Denmark of over 16,000 tonnes of CO₂ emissions using the 2006 emissions per kg of finished product as a benchmark. The independent auditor has verified (see www.palsgaard.com/deloitte-verification) that Palsgaard has offset its consolidated CO₂ emissions related to electricity consumption and natural gas consumption for the Juelsminde, Denmark production site in 2016.

We are now even closer to achieving our goal of global CO₂-neutrality for our other production facilities. By 2017, we also attained CO₂-neutrality at our Mexican production plant. Since 2012, 400+ solar panels have been installed, generating 95% of the electrical energy needed to run the factory. The remaining 5% have been compensated through offsets, resulting in 100% CO₂-neutrality, a further step towards our 2020 target. The independent auditor's verification of CO₂-neutrality can be found in the link above.

Further projects are underway to support CO₂-neutral production in the Netherlands in 2018 by securing access to alternative energy sources, although the solution for Malaysia is still in the early stages of its development.

Palsgaard has not registered any grievances in relation to environmental impacts in the reporting period.

Figure 7:
CO₂ EMISSIONS PER KG OF FINISHED PRODUCT (KG)

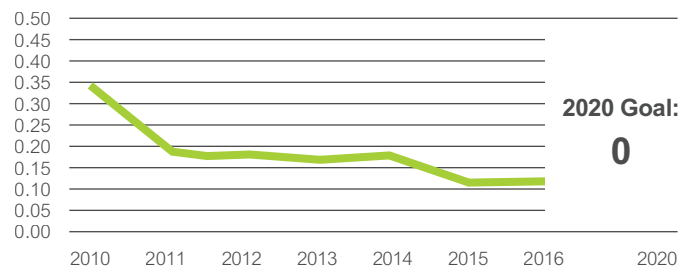


Figure 8:
ENERGY USAGE PER KG OF FINISHED PRODUCT (KWH)

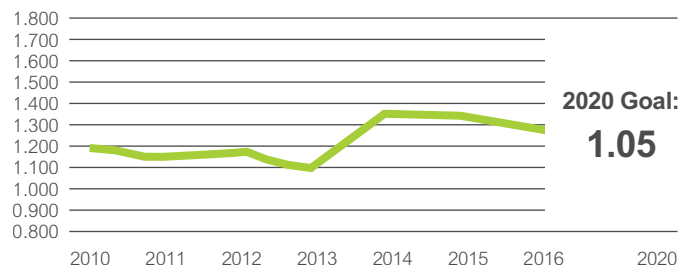
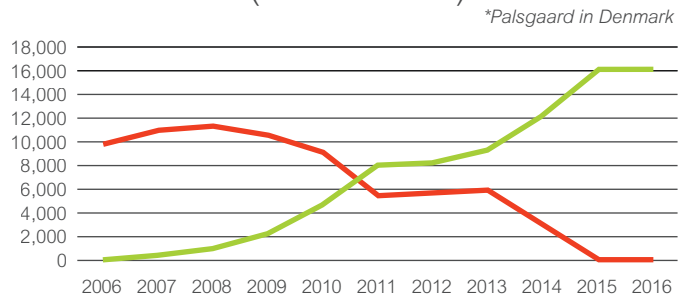


Figure 9:
ANNUAL CO₂ EMISSIONS VS. SAVINGS (IN TONNES)*



The accumulated reduction in CO₂ emissions for 2016 in Denmark of 16,284 tonnes corresponds to the emissions of approximately 4,200 households

— Savings in CO₂ emissions due to reduction activities
— CO₂ emissions

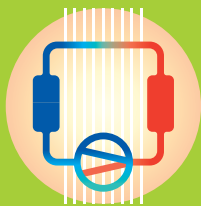
2005



2009



2010



2011



2013



2015

CO₂-NEUTRAL
IN DENMARK



2016

CO₂-NEUTRAL
IN MEXICO



2020

CO₂-NEUTRAL
WORLDWIDE



STRAW-FIRED HEATING

Waste straw from grain produced in our own fields fuels our indoor heating. Combusted at our large-scale straw burning plant, straw is thus a renewable energy source and a CO₂-neutral alternative to fossil fuels.

BOILER CONVERSIONS

Industrial boilers are at the heart of our production plants. We converted all boilers at our Danish plant from heavy fuel oil to natural gas.

MORE EFFICIENT PLANTS

When rebuilding two of our largest production plants, we took the opportunity to install regenerative heat exchangers that boosted heat recovery efficiency by over 30%.

WIND ENERGY

Wind power has helped our Danish plant to become CO₂-neutral. In 2011, we began purchasing RECS-certified wind energy from Energi Denmark A/S.

LIGHTENING THE LOAD

We converted to more energy-efficient lighting options as part of a comprehensive effort to minimise electricity consumption via, for example, sensors and LED technology.

BIOGAS

All consumption of natural gas has been converted entirely to biogas by purchasing offset certificates from HMN Naturgas A/S, enabling Palsgaard Denmark to become 100% CO₂-neutral.

SOLAR PANELS

We achieved CO₂-neutrality in Mexico, mainly through solar panels and the remaining through offsets.

FUTURE SOLUTIONS

A variety of new projects and initiatives are already underway to ensure we can achieve our 2020 ambition.

WASTE & WATER

PRODUCTION WASTE

Our production waste is very limited and mostly comprises by-products and packaging material. Palsgaard strives to increase our material utilisation rate and to optimise production processes, minimising the amount of by-products and products that do not meet specifications. We work to discharge these products according to their waste hierarchy where possible – using them for alternative food, or feed or energy production.

In 2016, we used 107.11 kg of raw materials to produce 100 kg of finished product – a 0.6 % reduction compared with 2015. We continue to aim for a level of maximum 104 kg per 100 kg of finished product by 2020. Derivatives will receive increased focus in the future, as resource efficiency is an important parameter for Palsgaard.

The quantity of derivative products for 2016 can be seen in the data summary on page 47.

Implementing RSPO SG-certified products, while overwhelmingly positive, necessitates greater waste for a period, as SG raw materials typically arrive in smaller volumes on pallets and in sacks. This also presents workplace handling challenges, potentially impacting safety. And it increases packaging waste.

PACKAGING

At less than 1.5% of the overall weight of our products, outbound packaging volumes are small. In Denmark, all packaging cartons are FSC-certified* and labelled as such, while many bags are FSC-certified. All inbound packaging is sorted for recycling. Specialised external companies handle the majority of our inbound packaging for recycling purposes, while transport pallets are sold for re-use.



We responsibly handle, optimise and transparently report on raw material consumption, CO₂ emissions and waste products.

ENVIRONMENTAL CONDITIONS, WASTE AND WASTE WATER

Process waste water mainly comes from cleaning of containers and pipes, and contains remnants of oil, fat, protein, phosphorus and nitrogen. Our own pre-treatment plant removes the majority of these remnants before release into the municipal water treatment plant.

We are working to reduce water consumption and waste water via cooling water recycling systems, optimised cleaning procedures, the production of larger batches, reduction of water usage in vacuum pumps, automatic closure valves and more.

During 2016, fewer energy and environmental projects were conducted in Denmark than in earlier years. Primary focus has been optimising the flow of products to streamline production processes. We saw an increase in water consumption and increased waste water – a temporary effect due to insufficient cooling capacity for the re-use of technical water. A new solution has now been designed and implemented to rectify this.

Our goal is to reach 1 litre per kg of finished product by 2020. In Malaysia, 100% of our waste water is cleaned to 'A' level, above and beyond the locally required 'B' standard.

* FSC® (Forest Stewardship Council) standards for ethical and responsible forestry and wood products.

Figure 10:

WASTE WATER EMISSION PER KG OF FINISHED PRODUCT (LITRE)

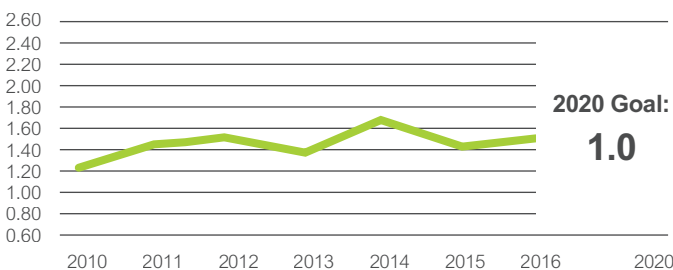
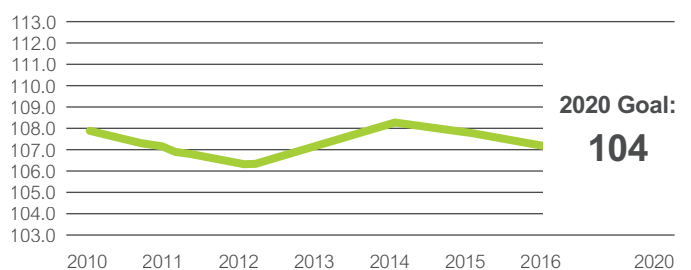


Figure 11:

RAW MATERIAL PER 100 KG OF FINISHED PRODUCT (KG)





Production employees are trained in cleaning procedures.

RECYCLABLE WASTE

Since 2010, Palsgaard has actively worked to recycle as much waste as possible via sorting. Approximately 20% of Palsgaard's combustible waste is recycled as products or raw materials. The rest is used for generating energy.

CHEMICAL WASTE

Chemical waste at Palsgaard originates in small quantities from our control and quality laboratories' use of analytical chemicals. All such waste is collected, classified and sent to environmental companies to ensure it is handled in an efficient and safe manner, for the benefit of humans as well as the environment.

GOODS TRANSPORT

Whenever Palsgaard can influence inbound and outbound transport, trucks and freight containers are optimally loaded. We currently have no strategic CSR targets in the transport area, but we are convinced that our actions already have a positive environmental and economic impact.

SUSTAINABILITY ON TOP

Palsgaard Mexico has invested in environmental activities for a number of years, reducing electricity and water consumption, ensuring proper handling of gas emissions and optimising disposal of water and solid waste. By the end of 2016, 95% of the electricity required for our Mexican manufacturing plant was generated by photovoltaic solar panels.

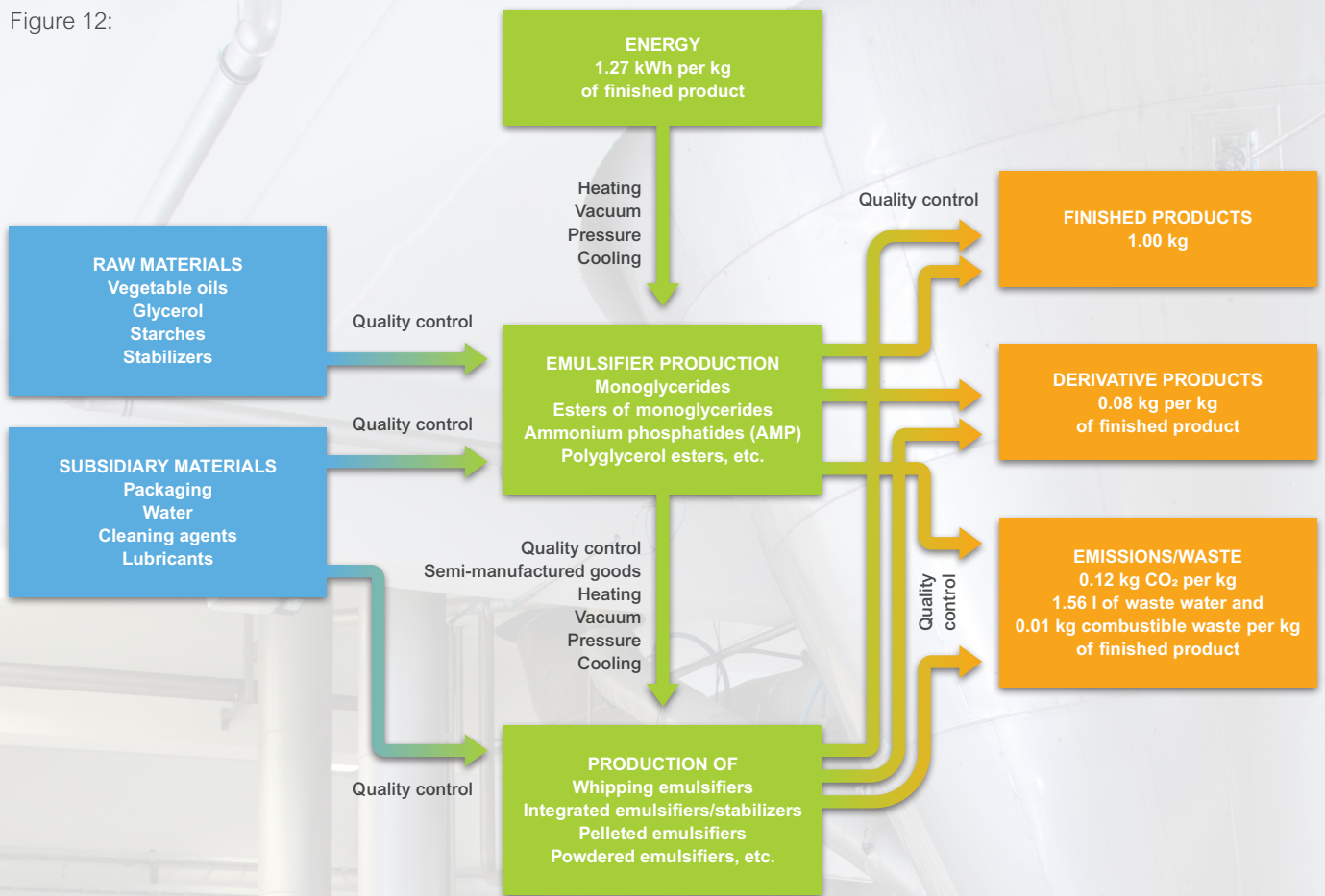
Environmental initiatives extend to our personnel in Mexico, too, training them in environmental issues so they bring know-how to their communities to create and strengthen a culture of caring for the environment. Mexican employees can even join a company programme that helps fund the installation of solar panels in staff homes.

OUR PRODUCTION PROCESSES

Palsgaard's production processes comprise emulsifier production. Some products are sold as finished goods, others are processed further before sale.

Palsgaard Denmark's most important production processes are illustrated in figure 12. Material and resource streams are calculated per kg of finished product.

Figure 12:



SUSTAINABLE PALM OIL

RSPO MB- AND SG-CERTIFIED

Palm oil is an important raw material for Palsgaard products – particularly our emulsifiers. The social and environmental effects of palm oil production have traditionally included the clearing of important forest areas and habitats for endangered animals, and poor plantation working conditions. These damaging effects, combined with increasing global palm oil consumption reinforce the importance of using sustainable palm oil.

The Roundtable on Sustainable Palm Oil (RSPO - www.rspo.org) was founded to promote the production and use of sustainable palm oil, bringing social and environmental NGOs together with all sectors of the palm oil industry (see rspo.org). Palm oil can be processed or traded through 1 of 4 supply chain models: Identity Preserved (IP), Segregation (SG), Mass Balance (MB) or Book and Claim (B&C).

We are able to exclusively rely on RSPO-certified palm oil raw materials, having achieved certification to the RSPO Supply Chain Certification Standard (SCCS), MB and SG levels. This enables us to offer our complete range as MB- or SG-certified products.

Palsgaard joined the RSPO in 2008. In 2012, our Danish plant achieved the RSPO Supply Chain Certification Standard (SCCS) for MB, and in 2014, for SG. Integrating SG products into our product range, in particular, is a resource-intensive task. We are audited annually on our application of the standard and the requisite RSPO PalmTrace commitment.

HELPING TO PROMOTE RESPONSIBILITY

As a frontrunner in the production of RSPO-certified emulsifiers, we provide guidance for suppliers and customers toward using RSPO certified palm oil.

We also inform our subsidiaries, agents and distributors via an expanded intranet and seminars, and participate in the Confederation of Danish Industry's Business Initiative for Sustainable Palm Oil. Palsgaard participates in RSPO and EPOA (European Palm Oil Alliance) conferences and seminars.



We emphasise fair working conditions for plantation staff, and the well-being of individuals and communities affected by growers and mills.



We support sustainable production and protect natural resources by being at the forefront of sustainable palm oil and palm oil-based ingredients sourcing – and in encouraging others to learn from our know-how.

RSPO certification for growers promotes:

- Commitment to transparency
- Environmental responsibility and conservation of natural resources and biodiversity
- Compliance with applicable laws and regulations
- Responsible consideration of employees, and of individuals and communities affected by growers and mills
- Commitment to long-term economic and financial viability
- Responsible development of new plantings
- Use of appropriate best practices by growers and millers
- Commitment to continuous improvement in key areas of activities



Licence no.: RSPO-1106336

OUR EXPERTISE

Primarily based on vegetable raw materials and other natural components, Palsgaard's sustainable emulsifiers and emulsifier/stabilizer solutions are developed mainly for use in foods such as bakery products, dairy products, chocolate, ice cream, margarine products, mayonnaise and dressings.

The main purpose of our products is to give processed food the required consistency, and to ensure stability and shelf life while helping to reduce, for example, calorie content. And to provide anti-fogging and anti-static properties for packaging.

100%

increased shelf-life can be achieved for many bread types



FOCUS AREA

03 PRODUCTS

We meet our responsibility toward the company, our customers and society to develop high-quality products that are effective, safe, and cost-efficient, and to market these products in a responsible manner.

CHALLENGES

OUR IMPACT/RISKS

- Our products require significant quantities of palm oil
- Most of our products comprise one or more additives (though with internationally recognised E-numbers)
- Constant effort is required to maintain the highest standards of food safety

OUR CHALLENGES/OPPORTUNITIES

- Helping to make many foods healthier
- Supporting lean or clean label trends
- Improving raw materials utilisation in production
- Reducing food wastage in production and in households
- Providing emulsifiers free of allergens and with non-GMO-based ingredients
- Converting our entire production to use 100% sustainable palm oil and palm oil-based ingredients

Our products help to achieve a stable chocolate with up to

20%

fewer calories without using more production energy



50%

fat reduction can be achieved in puff pastry margarines without affecting functional properties



All of our emulsifiers are

100%

based on vegetable oil



PRINCIPLES

WE EMPHASISE

- All oils used in our products originate from vegetable, non-GMO sources
- The purity of our products as a key competitive differentiator
- Ensuring excellent food safety procedures
- Halal and Kosher suitability
- Supporting the food industry with sustainable raw materials and processes

WE ALIGN/COMPLY WITH

- International and national legislation including EU Regulation 852/2004
- ISO 9001 and ISO/FSSC 22000 (Denmark, Mexico, the Netherlands, Malaysia)
- Kosher/Halal certification of plants, relevant raw materials and finished products

2016 ACTIONS

- Achieved the ability to offer an entire range of RSPO MB- and SG-certified products
- Invested in facilities, machinery and new employees to significantly expand our capabilities in sustainable emulsifiers for the polymers industry

FUTURE

- Continue and expand dialogue with our customers about using sustainable raw materials
- Expand the use of sustainable emulsifiers for polymers in packaging applications

SAFER FOODS

Food safety in the supply chain is critical to Palsgaard's many stakeholders and a key element in EU food safety legislation. To date, we have not had to recall products for food safety reasons and, during 2016, no incidents of non-compliance with regulations or voluntary codes were registered.

- Our quality management system is certified according to ISO 9001.
- We manage food safety via our HACCP (Hazard Analysis and Critical Control Points) system.
- Our food safety management system is certified to ISO/FSSC 22000, which contains requirements for the management system, methods and controls, thereby complying with the additional requirements for PRPs (Pre-Requisite Programme) stipulated in ISO/TS 22002-1. Smoking is prohibited in all production areas.
- Our production facilities in Denmark, Mexico, the Netherlands and Malaysia are all certified according to ISO 9001 and ISO/FSSC 22000 for food safety management.

We conduct ISO/HACCP courses in food safety for all new employees, and we systematically analyse and manage food safety around our position in the supply chain.

EFFICIENT COMMUNICATION

A permanent cross-company group is tasked with ensuring efficient communication routes via our Food Safety Team and work groups. This ensures that we effectively assess, align with and manage changes and new requirements from authorities and customers.

SAFER CHOICES

Our vegetable-based emulsifiers can also replace petrochemical products in traditional technical/chemical applications that require emulsions or suspensions. For example, our products are used in personal care products, replacing undesirable chemicals with natural, plant-based ingredients. Additionally, our polymer products can replace undesirable chemicals for anti-fogging and anti-static properties in packaging.

Figure 13:

FOOD TRACEABILITY PROCESS OVERVIEW



During 2016, in response to a customer enquiry, we were quickly able to determine that none of our products were affected by a possible palm oil supplier issue, due to our highly effective food traceability system.

HEALTHIER FOODS

A BETTER BALANCE

We continuously seek to address consumer health and well-being. For example, to prove that enough expertise and the right emulsifiers can create healthy recipes to match traditional cakes, we revisited the Devil's Food cake – a fluffy, rich, moist chocolate treat loaded with sugar and saturated fats, and baked using chlorinated flour.

The result was a gluten-free, sugar-free cake that is every bit as delicious, but without trans fats, shortening or hydrogenated oil and able to be created in under 3 minutes. And, instead of several production steps, the new cake demands only a single round, saving time and energy.

TRANS FATS IN FOCUS

Recognising that trans fatty acids may negatively affect health, we also develop emulsifiers with reduced trans fatty acid content, but without compromising their useful functionality in food products. The vast majority of our emulsifiers have a trans fatty acid content of less than 1%. More importantly, they simultaneously contribute to producing foods with reduced trans fat levels – yet with unchanged sensory and shelf-life quality.

- Conventional puff pastry margarine has up to 80% fat content. We reduce the fat content of margarine by up to 50% without affecting its functional properties.
- In chocolate, fat reduction causes problems during processing, increasing the chocolate's viscosity and making production difficult and energy-intensive. Our products help to achieve appealing chocolate with up to 20% less fat and improved production.
- When fewer unsaturated fats are used, chocolate confectionery becomes more difficult to produce, lengthening the production process and increasing energy consumption. Our products help to counter these effects.
- The coconut oil or partially hardened palm kernel oil often used as a fat source in ice cream is high in saturated fat. We have developed emulsifier/stabilizer solutions that help shape the structure of ice cream so it still has the right mouth feel, melting properties and storage stability, even though fat with a lower level of saturator is used.



While the third SDG does not directly address the global obesity epidemic, we believe emulsifiers have a positive role to play in fighting lifestyle diseases by improving the nutritional profile of food while avoiding undesirable ingredients.



becoming environmentally sustainable together

The annual IBIE (International Baking Industry Exposition) in the USA, recognises suppliers and bakeries in that foster energy conservation, reduced water usage, a decrease in landfill waste, healthy living and/or a reduction of the overall impact on the environment. In 2016, Palsgaard was the Top Honors winner in the Ingredients category.

FEWER ADDITIVES

Most of our food ingredients comprise one or more additives with an internationally recognised E-number or other classification reference. Palsgaard has developed emulsifier and stabilizer solutions whose properties enable only one or two E-numbers to deliver the consistency, shelf life and resistance to temperature fluctuations that several ingredients would normally be required to achieve. This innovation fulfills the requirements of some customer for a leaner labelling system.

REDUCING FOOD WASTE

A PUBLIC PRIORITY

Around a third* of food is lost or wasted throughout the supply chain and in the hands of consumers, amounting to around 1.3 billion tonnes annually. Palsgaard supports the UN Sustainable Development Goal (SDG) target to halve per capita food waste at the retail and consumer level by 2030, and reduce food losses along the food production and supply chains. Our targeted effect is to apply our sustainable emulsifiers and stabilizers to increase shelf life and maintain food product freshness and appeal.

MAINTAINING FOOD QUALITY & APPEAL

With the right blend of emulsifiers, stabilizers and know-how, Palsgaard can help food manufacturers and their distribution chains to keep food appealing for longer. Ice cream, for example, can resist heat shock for longer – making it less likely to be discarded uneaten.

Another way to reduce food waste is to make sure that packaged food appears fresh and attractive on display in supermarkets so that consumers select the products. An important aspect of keeping quality and an attractive appearance, is to control moisture and water accumulation in packaged food such as salad, vegetables, fruits and meat.

Fogging is undesirable for several reasons. It reduces the visibility of the product, makes packaging less attractive, and the presence of water droplets may cause deterioration of prod-

2
ZERO
HUNGER



Our emulsifiers support more efficient, more affordable and less wasteful production processes.

12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION



We help to prolong the shelf-life and quality perceptions of consumer products, reducing food waste.

uct quality. The demand for good and reliable antifog solutions is on a steady growth path, particularly in a food packaging market where consumers are increasingly choosing ready meals and pre-prepared food.

Palsgaard is now offering efficient antifog solutions for a very broad range of food packaging applications, so that problems with undesirable water condensation can be resolved. These products are all based on sustainable emulsifiers made from vegetable oils, such as RSPO-certified palm oil, and are approved as food contact materials worldwide.

RESPONSIBLE SALES AND MARKETING

Palsgaard's brochures, technical articles and marketing material can be downloaded from our website or extranet. At seminars, materials are delivered electronically rather than printed. Printed materials such as brochures are made available for customer visits and trade shows. All material printed in Denmark (approx 95% of the total production) is environmentally certified with the Nordic Swan Mark. Printing is either CO₂-neutral or carbon-compensated according to ClimateCalc, and paper is produced to the standards of the FSC® (Forest Stewardship Council). A small

number of brochures are printed in China, where we also set requirements in terms of environmental production.

It has always been one of our principles to provide objective, accurate and legally compliant information about our products. Our marketing material includes, for example, the results of product testing, often by independent parties. Last but not least, we treat trademarks and IP rights with respect, making correct investigations and monitoring trademark use appropriately.

By using emulsifiers, water droplets in food packaging can be avoided.



*Food and Agricultural Organization of the United Nations (FAO), 2016

Newly established polymer application centre in Denmark.



Vegetable-based, anti-fogging agents are used to keep polymer films and food wrap perfectly transparent and moisture-free to the consumer's eye. They work by reducing the surface tension of the film, so that water droplets cannot form.

10.2 years

average employment
time in the company



3 per

million working hours is
our targeted maximum
frequency of accidents
with absence by 2020



FOCUS AREA

04 EMPLOYEES

We work to create an inclusive workplace that is rewarding, safe, healthy and motivating for our employees, and in balance with the wider context of their lives.

CHALLENGES

- We work in a global organisation with diverse cultures
- Legislation and local regulations vary from country to country
- Our company is growing – bringing new challenges to our ability to maintain Palsgaard's unique culture
- It can be difficult to maintain close, frequent contact – and thereby a deeper understanding of employee well-being in all our subsidiaries
- Night shifts may pose a health risk to employees
- At our manufacturing plants, most working accidents involve hot substances

423

employees at
year end

74 points

were measured out of a possible 100 in the most recent job satisfaction survey, indicating "high job satisfaction"

8.5%

staff turnover
rate in 2016



PRINCIPLES

WE EMPHASISE

- Being an attractive, safe and stimulating workplace
- Improving workplace conditions
- Aligning working conditions around the world, as far possible, with those in Denmark
- Accommodating both productive and less productive phases in a working lifetime
- Bringing new employees quickly and positively on board
- Increasing employee skills
- Employees' rights to join collective bargaining or other labour organisations without disclosure

WE ALIGN/COMPLY WITH

- Applicable European and local legislation
- UN Global Compact
- GELx (Global Employee and Leadership Index)
- International Labour Organisation (ILO)
- Sedex, including SMETA 4-pillar audits

2016 ACTIONS

HEALTH & SAFETY

- Reduced workplace accidents from 11 in 2015 to 8 in 2016
- Conducted health and well-being survey of shift workers in Denmark
- Conducted first-time and refresher courses in first aid and fire safety in Denmark
- Programme lifting safety awareness in the Netherlands
- Installed safe walkways at heights in the Danish production plant
- Began monthly factory OSH-guided 'safety walks' in Denmark
- Began changing from button-activated to motion-sensing alarms in Denmark
- Upgraded Russian office ergonomics

PERSONAL AND SKILLS DEVELOPMENT

- Develop and implement optimal recruitment and onboarding processes to ensure high staff retention
- Introduced 60-day feedback to support employee onboarding
- Increased number of adult students join the operator education

FUTURE

HEALTH & SAFETY

- Reduce the frequency of work accidents with sick leave to 3 or less accidents per million working hours by 2020
- Focus on safety culture, near-miss incidents and preventive actions
- Initiate an extra new employee induction course focused on safety, repeated every second year

WELL-BEING

- Strengthen our efforts to ensure a diverse work force
- Conduct an employee satisfaction survey every second year

PERSONAL AND SKILLS DEVELOPMENT

- Revise our strategy for employee development
- Greater focus on developing the skills of production employees through the process operator education

EMPLOYEE WELL-BEING

SETTING THE STANDARD

We seek to improve the lives of all employees, where possible extending the same or similar employment conditions globally. For example:

- Palsgaard has offered a unique pension scheme for all employees in Denmark through the Palsgaard Foundation Pension Fund since 1941.
- In Russia and Malaysia, we have set up health insurance and company life and accident insurance schemes.
- In Russia, we offer more vacation days than legally required.
- In Mexico, we offer insurance for medical expenses for close family and life insurance for employees.
- In Mexico, we provide a Life Quality programme for all employees and their families.

WELL-BEING AND RETENTION

Our relationship with Palsgaard's employees rests on the premise that a working life should be able to accommodate both strong and weak phases.

- We arrange absence interviews in the event of long-term illness, discussing measures that may reduce the employee's period of absence, initiate gradual return, or adapt the job.
- Our HR manager provides confidential job-related advice and supports vulnerable staff.
- We endeavour to retain or relocate employees no longer able to carry out their original jobs.

We work closely with local authorities and job placement services to help people in the community to get further in their working life.

FOCUS ON SHIFT WORKERS

During 2016, we carried out a mandatory survey of Palsgaard's shift workers in Denmark, which included health and safety assessments to mitigate the potential challenges often seen when working at night. The results were overwhelmingly positive.

The survey saw 80% of night shift staff report that they have established good sleep patterns. And self-reported stress levels were below the Danish national average. Shift workers were also offered health checks during the year.



The health and well-being of our employees is very important to us. For that reason, we have had a particular focus on employee conditions and employee benefits in for example Mexico, Malaysia and Russia.

SATISFACTION SURVEY

Since 2006, we have conducted a biennial Ennova (ennova.com) employee satisfaction survey at all locations. Using Ennova ensures the results can be compared with other European businesses via the GELx (Global Employee and Leadership Index), formerly called the European Employee Index®. And we have continuously implemented initiatives based on the findings, working to raise the GELx level for the whole Palsgaard Group. Figure 14 presents selected results of recent employee surveys.

Palsgaard's low employee turnover rate in 2016 of 8.5% indicates continued high loyalty, despite reducing from the 2015 level of 12.0% – and can be seen as very positive given that the average employee age is high and several retire each year.

Palsgaard regularly celebrates employee anniversaries, the longest of which was for an impressive 65 years of employment at the company. In 2016, 1 employee celebrated 40 years with the company, 2 employees celebrated 25 years and 23 celebrated 10 years.

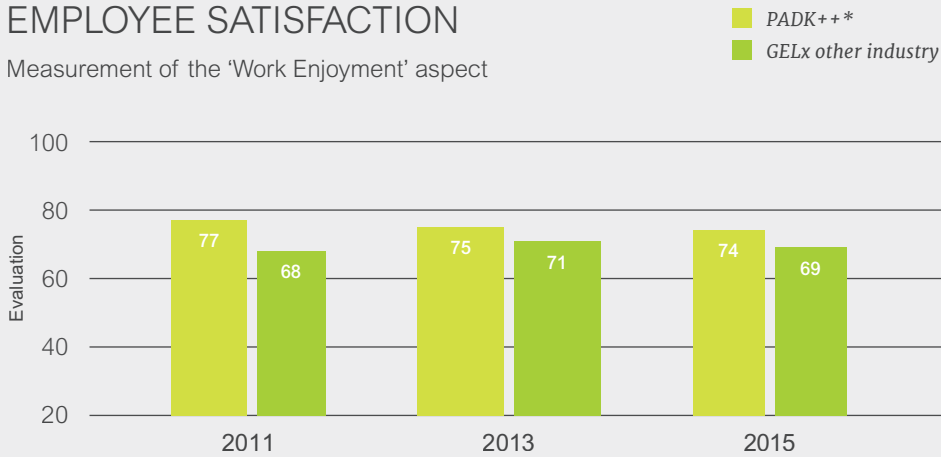
EMPLOYEE DEVELOPMENT CONVERSATIONS

We carry out annual development conversations with all employees, evaluating expectations and possible areas of improvement. Agreements are made regarding personal/professional development for the following year. The conversations also provide room for dialogue on soft values, such as how the individual employee is feeling or if there are areas that the specific manager should be aware of. Business strategy, basic values and skills can also be discussed.

Figure 14:

EMPLOYEE SATISFACTION

Measurement of the 'Work Enjoyment' aspect



RESULT INTERPRETATION

- 80 - 100 point
> Very high job satisfaction
- 70 - 79 point
> High job satisfaction
- 60 - 69 point
> Medium job satisfaction
- 50 - 59 point
> Low job satisfaction
- Under 50 point
> Very low job satisfaction

*See Reporting Practice section

Figure 15:

DISTRIBUTION OF EMPLOYEES

Europe: 76%

Average Age: 47 years
Male: 202, Female: 119 (Of this, new hires in 2016: Male: 21, Female: 14)

Americas: 10%

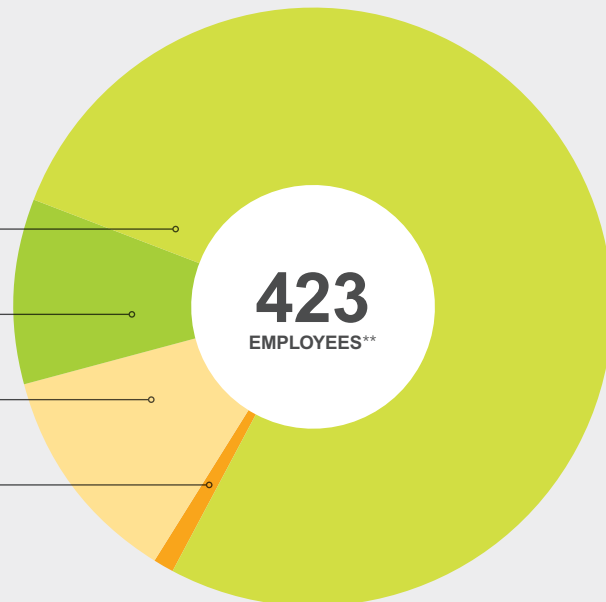
Average Age: 40 years
Male: 29, Female: 14 (Of this, new hires in 2016: Male: 5, Female: 1)

Asia: 13%

Average Age: 36 years
Male: 34, Female: 21 (Of this, new hires in 2016: Male: 10, Female: 4)

Africa: 1%

Average Age: 48 years
Male: 2, Female: 2 (Of this, new hires in 2016: Male: 0, Female: 0)



**Year end 2016

The average age and a relatively low turnover rate are evidence of stability as well as employee loyalty and commitment.

EMPLOYEE HEALTH & SAFETY

THE OSH ORGANISATION

Palsgaard’s OSH (Occupational Safety and Health) organisation comprises working environment committees at Palsgaard A/S and Nexus A/S. At Palsgaard A/S, we have set up seven working environment groups. Our OSH organisation handles workplace issues related to day-to-day operations, as well as workplace risk assessments, industrial accidents and near-misses.

Happily, the number of work-related accidents reduced from 11 in 2015, to 8 in 2016, mainly due to increased focus on safety during the year.

2016 ACTIVITIES

During 2016, we carried out many different activities to increase safety for our staff. For example, in Denmark, we began monthly OSH-guided ‘safety walks’ in our plant to identify potential problems. A project was also initiated to convert personal alarms for Denmark-based staff working alone from

button-activated to motion-sensing operation. Danish plant safety was also improved through the construction of elevated metal gangways, replacing the need to use lifts and safety equipment to reach key plant machinery at heights. And in the Netherlands, we conducted a new safety awareness programme.

In Russia, we moved to new premises, bringing improvements in the standards of the workplace and nearby facilities. We acquired new, more ergonomic office furnishings and equipment. And we strengthened employee safety when transiting between work and home by authorising the use of taxis instead of public transport when working outside normal business hours.

In Denmark, we conducted refresher training in fire safety during the year, and trained new first-aiders as well as refreshing the old ones. We make sure there are first-aid workers on each shift.



Employees at Palsgaard A/S

Figure 16: REGISTERED SICK LEAVE IN DENMARK

YEAR	2013	2014	2015	2016
Days absent with sick leave (%)	2.74	2.38	2.54	3.01
DI statistic*	3.3	3.1	2.9	3.1

Sick leave rates increased slightly in 2016 due to twelve cases of long-term sick leave, and we continue to monitor developments. For Palsgaard employees who suffer from chronic illnesses, we try to offer progressive plans for returning to work.

*DI (Confederation of Danish Industry) statistics are from the year prior to the year of reporting.



CONNECTING WITH TOMORROW'S EXPERTS

Palsgaard collaborates with educational institutions and knowledge centers throughout the world, participating in formal and informal knowledge exchanges. We host study trips, company visits and similar events to stimulate interest in the natural sciences and food chemistry, physics and food technologies. Palsgaard's R&D company, Nexus, hosts work placements for international food engineering students, and our laboratories collaborate with them on independent development projects.

LENDING A HELPING HAND

During 2016, Palsgaard Denmark assisted 16 people to further their education or keep their jobs at the company under special circumstances. This number includes people in flexible jobs, students from Denmark and abroad carrying out their practical work, and students and others in job rotation schemes.

SCHOLARSHIP PROGRAMME

Our subsidiary in Singapore selects 2 students per year for a tertiary food technology qualification. In 2016, we sponsored 6 students in 3 different countries (see page 43).

EDUCATION WORLDWIDE

Additional to Denmark and Singapore, we also work with students in our other subsidiaries including 3 students in our subsidiary in Mexico and 1 in the Malaysian subsidiary.

BØRNEfonden

Children & Youth Foundation

The Children & Youth Foundation works to improve future prospects.



WORKING TOGETHER FOR THE WORLD

The Children & Youth Foundation works with its partners to provide children and youths with opportunities to improve their future prospects. The foundation's activities focus on 5 countries in West Africa – Benin, Mali, Burkina Faso, Togo and Cape Verde.

The work directly addresses many of the UN's SDGs, improving health and education, stimulating local economies and focusing on entrepreneurship and job creation. Projects are followed for up to 5 years afterward to ensure continuity.

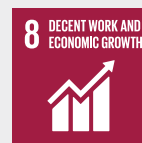
EVERY LITTLE HELPS

The partnership also benefits from an ongoing programme at Palsgaard to reduce food waste. Employees are able to purchase surplus food from the daily lunch buffet, with all proceeds going to the foundation.

17 PARTNERSHIPS FOR THE GOALS



Palsgaard has again renewed its five-year partnership with the Danish-based Children & Youth Foundation (www.bornefonden.dk).



The Child & Youth Foundation contributes to multiple Sustainable Development Goals.

COMMUNITY CONNECTIONS

COMMUNITY SUPPORT IN DENMARK

Palsgaard's headquarters are located within the small Danish community of Juelsminde, which is a town of around 4,000 inhabitants.

In 2016, key local charitable activities included:

- Donation to support the Danish Cancer Society
- Member of Code of Care, a project to bring unemployment beneficiaries closer to the job market
- Donation to support museums in nearby villages
- Donation to local school for establishing multi-sports ground
- Donation to cycling project for socially challenged youths
- Support for local arena in a nearby village to improve childrens' motor skills

Previous CSR reports have described:

- Invested in hotel to encourage tourism in the town of Juelsminde
- Donation of Juelsminde Church and land for parking
- Donation of 16.5 hectares of land to Hellebjerg Sports and Youth College
- Donation of land for a road to Palsgaard to reduce traffic through local village
- Participation as a landowner to complete a 22 km coastal path from Juelsminde to Horsens
- Palsgaard employees that are voluntary fire fighters are available for emergencies during daylight hours
- Support for the local theatre group "Palsgaard Sommerspil" and loan of outdoor staging on the estate
- Established a golf course in Juelsminde

- Work with the local authorities to help people further their education/career, and support with flexible work hours or placements

COMMUNITY SUPPORT BEYOND DENMARK

(PAST AND PRESENT)

WEST AFRICA

- Annual donation to Children & Youth Foundation for sustainable development projects in Cape Verde, Benin and the archipelago Fogo, focusing on development of infrastructure and education, and entrepreneurial support for higher employment and an improved standard of living.
- Local education on hygiene, and the construction of water storage and toilet facilities at a local nursery to improve water quality and reduce waterborne diseases.
- Purchase of a boat for school students to cross a river to school, even in the monsoon season. Donations have also sponsored a trainee, and supported a technical school for young people with scholarships, tools and bicycles for student transport.

SOUTH AFRICA

- Support for B-BBEE (Broad-Based Black Economic Empowerment) which helps the black population achieve a higher socio-economic level.
- Donation to Rethabile Childrens Home, housing 150 male and female children.
- Donation to a local home for children from 6 to 16 years.

MEXICO

- Donation of recycled plastic barrels for water storage
- Participated in the replanting of 330 hectares of forest

THE PHILIPPINES

- Support of local areas in urgent need of help such as donations to help Red Cross provide aid in typhoon-affected areas of the Philippines.
- Scholarship programme for food technology students with support throughout their education.

PAKISTAN

- Scholarship programme for food technology students with support throughout their education.

RUSSIA

- Company and Russia-based employee donations to the 'Children Foundation', which runs an orphanage in the Ural area, applied to the purchase of toys.
- Supporting Ray of Childhood, assisting 'Childrens Houses' and boarding school in Russia.

MIDDLE EAST

- Donated funds to assist refugees in and around Syria.

BORNEO

- Annual donation to support Save the Orangutan, which works to rescue this endangered species and its rainforest home.

SRI LANKA

- Scholarship programme continued for the third year running. Working with universities to get students for scholarship.

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT

TO MANAGEMENT AND THE STAKEHOLDERS OF PALS GAARD A/S

We have reviewed the 2016 Corporate Responsibility Report ('the Report') to provide limited assurance that the data on page 47 have been stated in accordance with the reporting practice specified on page 46. We have also checked that the Report is compliant with the principles and reporting criteria defined in the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines Version 4 (GRI G4: In Accordance – Comprehensive level). We express a conclusion providing limited assurance.

We have not reviewed baseline data, financial information (including GRI Indicator G4-EC1) or forward-looking statements, such as targets and expectations, or individual case stories included in the Report. Consequently, we draw no conclusion on those statements.

MANAGEMENT'S RESPONSIBILITIES

Management is responsible for the preparation of the information in the Report, including the establishment of data collection procedures and internal control systems to ensure reliable reporting.

AUDITOR'S RESPONSIBILITIES

Based on the work performed, our responsibility is to express a conclusion providing limited assurance that the data on page 47 have been stated in accordance with the reporting practice specified on page 46, and that the Report is compliant with the principles and reporting criteria defined in the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines Version 4 (GRI G4: In Accordance – Comprehensive level). We planned and conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and additional requirements under Danish audit regulation.

Deloitte Statsautoriseret Revisionspartnerselskab is subject to International Standard on Quality Control (ISQC) 1 and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by FSR – Danish Auditors (Code of Ethics for Professional Accountants), which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We performed our work at the Palsgaard A/S head office in Denmark in April 2017. We have not visited any other sites or interviewed external stakeholders. The procedures performed by us as part of the review are less in scope than a reasonable assurance engagement. Consequently, the level of assurance provided in our conclusion is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Based on an assessment of the risk of material misstatement, we planned and performed our work so as to obtain all information and explanations necessary to support our conclusion. We used the reporting practice described in the Report combined with the GRI reporting criteria as an appropriate basis for our review. Our procedures included the following:

- Reviewing Palsgaard A/S's procedures for identifying material issues to be included in the Report and challenging the material statements in the Report.
- Reviewing the procedures, tools, systems and controls for gathering, consolidating and aggregating data at group level, performing analytical review procedures and obtaining additional explanations of data performance from both the group functions and from selected country sites.

- Interviewing management staff responsible for data and text in the Report.
- Reviewing internal and external documentation to verify the extent to which it supports the information included in the Report.
- Evaluating the overall presentation of the reporting, including consistency of information.
- Reviewing the Report for adherence to the GRI principles for defining report content and assuring report quality as well as the reporting criteria of GRI G4: In Accordance – Comprehensive disclosure requirements.

CONCLUSION

Based on our work, nothing has come to our attention that causes us to believe that the data on page 47 in the Report have not been prepared in accordance with the reporting practice stated on page 46. Nor has anything come to our attention that causes us to believe that the Report does not comply with the principles and reporting criteria of GRI G4: In Accordance – Comprehensive level.

Copenhagen, 28 April 2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56



Henrik Vedel

State-Authorised Public Accountant



Marie Voldby

Lead Reviewer

AUDITOR'S OBSERVATIONS REGARDING THE GRI REPORTING PRINCIPLES

Materiality and sustainability context

The Report reflects Palsgaard A/S's ongoing commitment to operating its business in a sustainable manner by monitoring and managing material environmental and social risks arising from its activities. The Report demonstrates the Company's understanding of where in its value chain it can most effectively contribute towards more sustainable industry practices.

Comparability, completeness and timeliness

This is Palsgaard A/S's seventh annual CSR report providing a timely update to stakeholders of the Company's CSR performance. Within the reporting boundary and scope defined by the Report, we have not found any significant omissions of important information.

Clarity and balance

The Report provides a straightforward and balanced presentation of Palsgaard A/S's activities, highlighting challenges and dilemmas arising in the business.

Stakeholder involvement

Palsgaard A/S continues to monitor and respond to stakeholders' needs. The Company is committed to procuring certified sustainable palm oil and actively engages in initiatives relating to sustainable palm oil production. Palsgaard A/S has also prepared its response in terms of realising the UN Sustainable Development Goals.

Accuracy and reliability

Palsgaard A/S continues to strengthen its internal data collection and control procedures, particularly for environmental data, to ensure a higher level of quality and reliability. Palsgaard A/S has further refined several accounting principles to enable greater comparability.

Deloitte.

REPORTING PRACTICE

The data basis for this report includes the entities indicated in the summary. All data, except for employee and tax data, only includes production units. We are continuously improving our data collecting system. Our environmental reporting does not cover agricultural and forestry activities. Our reporting period runs from 1 January 2016 to 31 December 2016. The targets listed in Figure 1 on page 4 have been calculated using 2009 as a basis year.

INDICATOR	DATA BASIS	INDICATOR METHOD DESCRIPTION	REPORTING ENTITIES
Raw material consumption	M, C	Annual production volumes are based mainly on company purchasing statistics, production reports and counts.	Denmark
Finished products	M	The statement is based mainly on sales statistics. The volume of finished products is therefore measured."	Palsgaard A/S
Energy consumption, electricity	M	Electricity consumption has been determined on the basis of statement from electricity provider. In Mexico, electricity consumption from solar panels has been measured.	Palsgaard A/S
Energy consumption, fossil	M	Natural gas and oil consumption are measured on basis of invoices.	Palsgaard A/S
Energy savings	C	The result of energy-saving initiatives has been calculated on the basis of energy consumption compared with volume of finished products.	Palsgaard A/S
Emissions	C	Emissions are calculated based on energy consumption and available emission factors. Scope 1: Direct greenhouse emissions (LPG, Diesel, natural gas) Scope 2: Indirect greenhouse emissions (electricity) Emissions from personal and transport vehicles are not included.	Palsgaard A/S
Water usage	M, E	Water usage has been calculated based on own meters or estimations.	Palsgaard A/S
Waste water	M, E	Waste water volumes have been calculated on the basis of meter readings on the waste water system or estimations	Palsgaard A/S
Derivative products	C	The calculation of derivative products is based mainly on sales statistics, production reports and counts.	Denmark
Waste (combustible)	M	Waste volumes have been measured on the basis of invoices from waste removal companies.	Denmark
Chemical waste	M	Chemical waste volumes have been measured on the basis of weight slips received from waste removal companies and bearing of tank.	Denmark
Incidents of Non-compliance	M	Total number of incidents of non-compliance with regulations.	Palsgaard A/S ++
Industrial accidents	M	Industrial accidents have been measured on the basis of accident records for all employees entailing more than 1 day of absence.	Palsgaard A/S ++
Accident frequency	C	Accident frequency has been calculated per 1 million working hours. Number of working hours is a calculated figure of working hours.	Palsgaard A/S ++
Employee turnover	C	Employee turnover has been calculated on the basis of headcount of permanent employees at the beginning of the year, based on Palsgaard's payroll system. Average seniority and average age has been calculated on the basis of the employees at the end of the year 31.12.2016, based on Palsgaard's payroll system.	Denmark ++
Employee satisfaction	M, C	Employee satisfaction is based on Palsgaard's employee satisfaction survey, which is carried out by Ennova every second year and includes all employees. The main indicator of work satisfaction is applied as a general target and is compared with GELx (Global Employee and Leadership Index®).	Denmark ++
Tax	C	The effective tax rate is calculated by the company's external accountant based on the results of the Palsgaard A/S and its subsidiaries and the accounts and tax declarations.	Denmark +
RSPO-certified palm oil	M	The sustainable certified palm oil is measured by RSPO certification, data on purchased amount and use of palm oil.	Denmark

M=Measured, C=Calculated, E=Estimated

China is no longer included as its activities have no impact on our environmental footprint, compliance records, accident data etc. From 2015, the tax rate includes Palsgaard A/S and its subsidiaries, as the contribution of Palsgaard Estate, the Schou Foundation and Nexus A/S to the total tax rate is insignificant. A new production site in Brazil was bought late December 2016 and is not included in the 2016 reporting.

	Schou Foundation	Palsgaard Estate	Palsgaard production sites, Denmark, Netherlands, Mexico, Malaysia	Palsgaard A/S, Denmark	Nexus A/S	All subsidiaries (Palsgaard A/S)
Palsgaard A/S			•		•	
Palsgaard A/S ++	•	•	•		•	
Denmark				•	•	
Denmark +				•		•
Denmark ++	•	•		•	•	•

DATA SUMMARY

INDICATOR	UNIT	2011	2012	2013	2014	2015	2016
ENERGY							
Energy consumption, total (gross)	kWh per kg finished product	1.16	1.17	1.11	1.36 ⁴	1.34 ⁴	1.27
Energy consumption, electricity (gross)	mWh	10,910	11,337	11,539	14,401	15,557	16,282
Energy consumption, fossil (gross)	mWh	31,476	33,068	33,929	42,857 ⁴	45,687 ⁴	45,264
EMISSIONS							
CO ₂ -emissions (gross)	tonnes				13,811 ⁴	14,883 ⁴	15,853
CO ₂ -emissions (net)	tonnes	6,554	6,856	7,021	7,063 ⁴	5,248 ⁴	5,678
CO ₂ -emissions (net)	kg per kg finished product	0.18	0.18	0.17	0.17	0.12	0.12
WATER							
Water consumption	m ³	131,520	154,897	167,311	173,983	161,196	180,981
Waste water	litre per kg finished product	1.42	1.53	1.39	1.64	1.42	1.56
Waste water	m ³	52,267	58,126	56,857	69,173	64,865	75,637
DERIVATIVE PRODUCTS AND WASTE							
Derivative products ³	kg per kg finished product	0.08	0.08	0.08	0.1	0.09	0.08
Waste (Combustible) ⁵	kg per kg finished product	0.011	0.011	0.009	0.01	0.01	0.01
Waste (Combustible)	tonnes	339	341	322	330	358	402
Chemical waste	tonnes	10	18	18	9	11	8
COMPLIANCE							
Number of incidents of non-compliance	number	0	1	0	0	0	0
WORKING ENVIRONMENT							
Work-related accidents, total	number	3	5	4	9	11	8
Work-related accidents, Denmark	number	3	5	4	9	11	8
Work-related accidents, Netherlands	number	0	0	0	0	0	0
Work-related accidents, Malaysia	number				0	0	0
Work-related accidents, Mexico	number	0	0	0	0	0	0
Work-related accident frequency	number per million working hours	8	14	11	16 ²	18	13
EMPLOYEE CONDITIONS							
Employee turnover	turnover rate, %	4.8	5.3	3.1	8.7	12.04	8.5
TAX							
Effective tax rate	%	32.8	29.2	31.4	29.9	33.5	27.6
RAW MATERIALS							
Raw material consumption	kg per 100 kg finished product	107.19	106.49	107.37	108.39	107.71	107.11
RSPO-certified palm oil, Denmark	%	1	1	1	8	100	100

¹ Data not available

² From 2014 all production entities are included in the "Accident frequency" number

³ The calculation method has been changed so that all figures reflect actual amounts without energy-saving reductions

⁴ Change in emission factors to use local calorific values (2014, 2015 and 2016)

⁵ Must never exceed the 2009 level of 0.012 kg per kg of finished product

GRI CONTENT INDEX – DISCLOSURES

The GRI table is based on GRI Sustainability Reporting Guidelines Version 4.0. See the Reporting Practice section for an explanation of the terms used.

GRI REFERENCE	DESCRIPTION	CROSS-REFERENCE OR ANSWER	PAGE NO.	UNGC ACTIVE CROSS-REFERENCE
STRATEGY AND ANALYSIS				
G4-1	CEO Statement		4	High-level Commitment and Strategy
G4-2	Key impacts and risks		14, 15	High-level Commitment and Strategy
ORGANISATIONAL PROFILE				
G4-3	Name of organisation	See Business Overview section.	6	Organisational Profile and Operational Context
G4-4	Primary brands, products, services	See Business Overview section.	6	Organisational Profile and Operational Context
G4-5	Location of HQ	See Business Overview section.	6, 8, 9	Organisational Profile and Operational Context
G4-6	Countries of operation	See Business Overview section.	6	Organisational Profile and Operational Context
G4-7	Ownership and legal form	See Business Overview and Schou Foundation sections.	9	Organisational Profile and Operational Context
G4-8	Markets served	See Business Overview and Products sections.	6, 30	Organisational Profile and Operational Context
G4-9	Scale of organisation	See Business Overview section.	6	Organisational Profile and Operational Context
G4-10	Employees - breakdown	See Business Overview section.	39	Organisational Profile and Operational Context; principle 6
G4-11	% employees covered by collective bargaining agreement	In Denmark 61% are covered by collective bargaining agreement. This is not measured in our subsidiaries.	39	
G4-12	Description of supply chain	See Creating Shared Value section.	14	
G4-13	Significant changes to organisation	There were none in 2016.		Organisational Profile and Operational Context
G4-14	Precautionary approach	The company implements a core principle of 'above and beyond', typically moving ahead of legislation to introduce e.g. product traceability mechanisms or sustainable raw material supply (e.g. RSPO Mass Balance and Segregated) and our target on CO ₂ - neutrality.	10	
G4-15	External principles endorsed	Throughout the report.		Principle 1
G4-16	Memberships		13	
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES				
G4-17	Entities and boundaries	See About this Report section.	9, 47	Organisational Profile and Operational Context
G4-18	Defining report content	See Materiality.	11	
G4-19	List of material aspects	See Materiality.	11	
G4-20	Aspect boundary inside organisation	See Creating shared value.	14, 15	
G4-21	Aspect boundary outside organisation	See Creating shared value.	14, 15	
G4-22	Restatements	See Reporting Practice section and others.	46	
G4-23	Significant changes to report boundaries	See Reporting Practice section.	46	
STAKEHOLDER ENGAGEMENT				
G4-24	List of stakeholders engaged	See Materiality.	11	
G4-25	Selection of stakeholders	See Materiality.	3, 11	
G4-26	Approach to stakeholder engagement	See Materiality.	3, 11	
G4-27	Issues raised and responded to	Customers are asking for raw materials sustainability, fat and sugar reduction.	30, 33	
REPORT PROFILE				
G4-28	Reporting period	See About this Report section.	3, 46	COP Report Profile
G4-29	Date of previous report	See About this Report section.	3	

GRI CONTENT INDEX – DISCLOSURES, Continued

GRI REFERENCE	DESCRIPTION	CROSS-REFERENCE OR ANSWER	PAGE NO.	UNGC ACTIVE CROSS-REFERENCE
G4-30	Reporting cycle	See About this Report section.	3, 46	COP Report Profile
G4-31	Report contact	Senior CSR specialist Lisa Drejer Mortensen, ldm@palsgaard.dk		COP Report Profile
G4-32	GRI Content Index	Yes.		COP Report Profile
G4-33	External assurance	See Independent auditor's report	44, 45	External assurance of COP
GOVERNANCE				
G4-34	Governance structure and Highest Governance Body (HGB)	See Structure & Responsibilities section.	18-19	
G4-35	Delegating authority	See Structure & Responsibilities section.	18-19	
G4-36	Responsibility for Economic, Environmental and Social (EES) topics	See Structure & Responsibilities section.	18-19	
G4-37	HGB consultation on EES topics	See Structure & Responsibilities section.	18-19	
G4-38	Composition of governance bodies	See Structure & Responsibilities section.	18-19	
G4-39	Relationship between Chair and CEO	See Schou Foundation and Corporate Governance sections	8-9, 18-19	
G4-40	Nomination and selection of governance body	See Corporate Governance section.	18-19	
G4-41	Conflicts of interest	Limitations are noted in employment contracts		
G4-42	HGB's role in setting purpose, value and strategy	See Structure & Responsibilities section.	18-19	
G4-43	HGB's knowledge of EES topics	See Structure & Responsibilities section.	18-19	
G4-44	Performance evaluation of HGB on EES topics	The board engages regularly on our CSR performance and the annual CSR report is approved by the board.		
G4-45	HGB's role in identifying EES risks	See Structure & Responsibilities section.	19	
G4-46	HGB's review of management of EES risks	In accordance with ISO-documented procedure.		
G4-47	Frequency of EES risk reviews	3 times a year.		
G4-48	Highest approval of sustainability report		4, 18-19	
G4-49	Raising critical concerns with HGB		18-19	
G4-50	Critical concerns raised and addressed	No specific critical issues were raised in 2016.		
G4-51	Remuneration policies	Described in the Schou Foundation's Articles of Association	4-5	
G4-52	Process for determining remuneration	Described in the Schou Foundation's Articles of Association	4-5	
G4-53	Stakeholder views on remuneration	Not available		
G4-54	Ratio of highest and median compensation	Not disclosed for competitive reasons.		
G4-55	% increase for highest and median compensation	Not disclosed for competitive reasons.		
ETHICS AND INTEGRITY				
G4-56	Values, principles, codes	See Creating Shared Value.	10,13,18	Principle 10

GRI CONTENT INDEX – INDICATORS

MATERIAL ASPECT	INDICATOR	DESCRIPTION	CROSS-REFERENCE OR ANSWER	EXTERNAL ASSURANCE	PAGE NO.	UNGC PRINCIPLE
	G4-57	Internal and external advice mechanisms on ethical behaviour	Anti-corruption guidelines have been introduced to employees.		18	
	G4-58	Internal and external reporting on concerns about unethical or unlawful behaviour	Employees are encouraged to contact local manager or top management.		18	
GOVERNANCE						
Economic performance	G4-EC1	Direct economic value generated and distributed	Business overview	Yes	6	
	G4-EC7	Development and impact of infrastructure investments and services supported	Commercial Investment in high technology factory in Malaysia. In Malaysia and Mexico: Creating jobs and contributing to local infrastructure and economic development. Continuous investment in energy reduction and production optimisation at our production plants.	No	NA	
	G4-FP1	% of purchased volume from suppliers compliant with company's sourcing policy	See Responsible Sourcing section.	Yes	20, 21	
	G4-FP2	% of purchased volume verified to be in accordance with responsible standards, by standard	100% of palm oil is sourced as sustainable, certified by RSPO Supply Chain Certification Standard, module B, SG (Segregated).**	Yes	29	
ENVIRONMENTAL						
Materials	G4-EN1	Materials used by weight or volume	Commercially sensitive information.	No	NA	Principles 7,8
Energy	G4-EN3	Energy consumption within the organisation	See Data Summary section. This figure (gross) does not include the electricity produced by solar panels in Mexico. 1 small LPG-fueled forklift truck is excluded because it uses very little energy.	Yes	23, 47	Principles 7,8
	G4-EN4	Energy consumption outside the organisation	Energy consumption is not measured outside Palsgaard.			Principle 8
	G4-EN5	Energy intensity	See Data summary. We define energy intensity as kWh per kg finished product.	Yes	47	Principle 8
	G4-EN6	Reduction of energy consumption	By optimising production processes	Yes	24	Principles 8,9
	G4-EN7	Reductions in energy requirements of products and services	Examples of products where energy requirements are reduced.	No	24, 33	Principles 8,9
Water	G4-EN8	Total water withdrawal by source	Not provided – currently under review.	NA		Principles 7,8
	G4-EN9	Water sources significantly affected by withdrawal water	No significant impacts on water sources. Waste water reduction/recycling is our focus area.	Yes	26	Principle 8
	G4-EN10	% and total volume of water recycled and re-used	See description of plant in Malaysia. Recycling water pumps in Denmark. Globally we temporarily increased waste water due to production streamlining and insufficient cooling capacity. See also Data Summary.	Yes	23, 26	Principle 8
Biodiversity	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	The Danish site is adjacent to protected area, owned by the Schou Foundation. Furthermore, Palsgaard Malaysia is located close to palm plantations.	Yes	8	Principle 8
	G4-EN13	Habitats protected or restored	Conservation of areas of natural beauty is part of the Schou Foundation's purposes and we support local habitat protection through RSPO membership and via donations to Save the Orangutan (Borneo).	Yes	8, 29, 43	Principle 8
	G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)	See Data Summary section. Scope 1, net emissions: 2,479 tonnes CO ₂	Yes	47	Principles 7,8
	G4-EN16	Energy indirect greenhouse gas emissions (scope 2)	See Data Summary section. Scope 2, net emissions: 3,199 tonnes CO ₂	Yes	47	Principles 7,8
	G4-EN17	Other indirect greenhouse gas emissions (scope 3)	We do not currently measure scope 3 (only GHG Protocol 1 and 2). Vehicles excepted.	NA		Principles 7,8
	G4-EN18	Greenhouse gas emissions intensity	We measure CO ₂ emissions intensity as kg CO ₂ emissions per kg finished product.	Yes	47	Principle 8
	G4-EN19	Reduction of greenhouse gas emissions	See Data Summary section.	Yes	24, 47	Principles 8,9

**100% of our palm-based products can be offered to our customers as certified to RSPO Supply Chain Certification Standard, module B, SG (segregated).

MATERIAL ASPECT	INDICATOR	DESCRIPTION	CROSS-REFERENCE OR ANSWER	EXTERNAL ASSURANCE	PAGE NO.	UNGC PRINCIPLE
	G4-EN20	Emissions of ozone-depleting substances (ODS)	We do not produce, import or export ozone-depleting substances.	NA		Principles 7,8
	G4-EN21	NOx, SOx, and other significant air emissions	We do not currently measure NOx and SOx.	NA		Principles 7,8
Effluents & waste	G4-EN22	Total water discharge by quality and destination	See Waste & Water section.	Yes	26, 47	Principle 8
	G4-EN23	Total weight of waste by type and disposal method	See Data Summary section.	Yes	47	Principle 8
	G4-EN24	Total number and volume of significant spills	No significant spills in 2016.	Yes	47	Principle 8
	G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel convention Annex I, II, III and VIII, and % of transported waste shipped internationally	Not applicable.		NA	Principle 8
	G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	We comply or perform beyond legal requirements for water discharge.	No	NA	Principle 8
Products & services	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Examples of products able to reduce energy consumption are provided.	No	15, 33	Principles 7, 8,9
	G4-EN28	% of products sold and their packaging materials that are reclaimed by category	Omitted: We do not currently measure the percentage of reclaimed products and packaging materials.		NA	Principle 8
Compliance	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No fines or significant non-monetary sanctions due to non-compliance in 2016.	Yes	17	Principle 8
Transport	G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organisation's operations, and transporting members of the workforce	Transport is not within our GHG scope (1 and 2). Several of our raw materials are only available from distant sources.	No	27	Principle 8
Supplier environmental assessment	G4-EN32	% of new suppliers that were screened using environmental criteria	See Responsible Sourcing section.	Yes	20	Principles 7,8
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	The ongoing process has not yet resulted in any termination of relationships.	Yes	22, 29	Principle 8
Environmental grievance mechanism	G4-EN34	Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms	No grievances have been registered in 2016.	Yes	17	Principle 8
LABOUR PRACTICES & DECENT WORK						
Employment	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	See Employee Well-being section. The number of new hires has been listed by gender but not by age group and religion. Employee turnover has no specific listings but it is noted.	Yes	38, 39	Principle 6
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	See Employee Well-being section.	Yes	38	
	G4-LA3	Return to work and retention rates after parental leave, by gender	All employees who have returned to work after parental leave were still employed 12 months after their return, except 1 from Denmark and 1 from Mexico.	Yes	NA	Principle 6
Labour/management relations	G4-LA4	Minimum notice periods regarding operational changes including whether these are specified in collective agreements	We comply with any applicable national regulations and collective agreements.	Yes	37	Principle 3
	G4-FP3	% of working time lost due to industrial disputes, strikes and or lock-outs by country	None of our facilities experienced strikes or lock-outs in 2016.	Yes	NA	
Occupational health & safety	G4-LA5	% of total workforce represented in formal joint management/worker committees that help monitor and advise on occupational health & safety programmes	100% of our workforce is represented in formal joint management/worker health & safety committees in Denmark.	Yes	NA	

MATERIAL ASPECT	INDICATOR	DESCRIPTION	CROSS-REFERENCE OR ANSWER	EXTERNAL ASSURANCE	PAGE NO.	UNGC PRINCIPLE
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region and by gender	In 2016, there were 8 work-related accidents (2 female and 6 male), all in Denmark. We monitor absenteeism in Denmark and aim to expand our monitoring to all production sites.	Yes	40	
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	Not applicable.		NA	
	G4-LA8	Health & safety topics covered in formal agreements with trade unions	In Denmark, our Health and Safety organisation addresses a range of topics including the health and safety committee, training and education, etc. Remaining production sites have a profile in Sedex, which also includes Health & Safety training data.	Yes	NA	
Training & education	G4-LA9	Average hours of training per year per employee by gender and by employee category	Training data collection is being strengthened. 1.14% of working hours (Palsgaard A/S++).		NA	Principle 6
	G4-LA10	Programmes for skills management and life-long learning that support the continued employability of employees and assist them in managing career endings	Described in Employee Development Conversations (MUS). HR is always available to support employees. In involuntary employment termination cases, we offer further support with job-finding.	Yes	38	
	G4-LA11	% of employees receiving regular performance and career development reviews by gender and by employee category	All employees, regardless of sex and region, are having annual development conversations (MUS). We are in the process of implementing common tracking systems in all subsidiaries.	Yes	38	Principle 6
Diversity & equal opportunity	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	In Denmark, we have 24 staff of non-Danish background out of a total of 280. The board of Palsgaard A/S consists of 2 men and 1 woman. The Schou Foundation board consists of 3 men and 1 woman.	Yes	NA	Principle 6
Equal remuneration for women & men	G4-LA13	Ratio of basic salary & remuneration of women to men by employee category, by significant locations of operation	We monitor remuneration levels among our production staff in Denmark. In 2016, the remuneration ratio for males and females was 100.5/97.7.	Yes	NA	Principle 6
Supplier assessment for labour practices	G4-LA14	% of new suppliers that were screened using labour practices criteria	See Responsible Sourcing section.	Yes	20	
	G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken	See Responsible Sourcing section.	Yes	20	
Labour practices grievance mechanism	G4-LA16	Number of grievances about labour practices filed, addressed and resolved through formal grievance mechanisms	No grievances on labour practices in 2016.	Yes	17	
HUMAN RIGHTS						
Investment	G4-HR1	Total number and % of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	We are committed to UNGC and its principles are part of our Code of Conduct. We encourage UNGC compliance among suppliers. Local risks are considered but human rights are not a formal part of our due diligence.	No	NA	Principle 2
	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the % of employees trained	We do not currently provide training in human rights. We encourage a culture of respecting employees and individual human rights.	No	NA	Principle 1
Non-discrimination	G4-HR3	Total number of incidents of discrimination and corrective actions taken	No incidents in 2016.	Yes	NA	Principle 6
Freedom of association and collective bargaining	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Employees have free choice of association and several trade unions are represented in the workforce.	No	NA	Principle 3
Child labour	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	We do not consider child labour in our organisation as a risk. As part of on-boarding, all new employees are introduced to our Code of Conduct and CSR policies. We recognise and monitor the risk of child labour in our supply chain.	Yes	20	Principle 5
Forced labour	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor	We do not consider forced labour in our organisation as a risk. We recognise the risk of forced labour in our supply chain and it is part of supplier monitoring.	Yes	20	Principle 4

MATERIAL ASPECT	INDICATOR	DESCRIPTION	CROSS-REFERENCE OR ANSWER	EXTERNAL ASSURANCE	PAGE NO.	UNGC PRINCIPLE
Security practices	G4-HR7	% of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations	We do not currently train security personnel in human rights as they are externally employed.	No	NA	Principle 1
Indigenous rights	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	No incidents in 2016.	No	NA	Principle 1
Assessment	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	As a member of Sedex we have published ethical data in the database from Denmark, Netherlands and Mexico. There may be increased risk at our subsidiaries in e.g. Malaysia, Mexico, or Russia, but we strive to manage this risk. Sedex membership is planned for Malaysia in 2017.	No	NA	Principle 1
Supplier human rights assessment	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	See Responsible Sourcing section.	Yes	20, 21	Principle 2
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	See Responsible Sourcing section.	Yes	20, 21	Principle 2
Human rights grievance mechanisms	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	No incidents in 2016.	Yes	NA	Principle 1
SOCIETY						
Local communities	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	We do not currently measure operations with local community engagement. CO ₂ -neutrality project in Malaysia involves Danish embassy and local green energy suppliers. See Community Connections section.	Yes	43	Principle 1
	G4-SO2	Operations with significant actual and potential negative impacts on local communities	We do not consider any operations to have a negative impact on local communities.	No	8	Principle 1
Anti-corruption	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	We initiated a risk analysis on our global operations for corruption risks and will continue to monitor and mitigate our risks.	Yes	18	Principle 10
	G4-SO4	Communication and training on anti-corruption policies and procedures	All employees are introduced to our zero-corruption policy and targeted employees receive further anti-corruption guidelines.	Yes	18	Principle 10
	G4-SO5	Confirmed incidents of corruption and actions taken	No incidents in 2016.	Yes	18	Principle 10
Public policy	G4-SO6	Total value of political contributions by country and recipient/beneficiary	It is our policy not to contribute to political interests.	No	NA	
Anti-competitive behaviour	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	No legal action in 2016. All targeted employees sign an anti-cartel agreement.	Yes	NA	
Compliance	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No fines or significant non-monetary sanctions due to non-compliance in 2016.	Yes	NA	
Supplier assessment for labour practices	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	See Responsible Sourcing and Sustainable Palm Oil sections.	Yes	21	
	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	See Creating Shared Value and Corporate Governance sections and Sustainable palm oil.	Yes	14, 16, 29	
Grievance mechanisms for impacts on society	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	No grievances in 2016.	Yes	NA	
PRODUCT RESPONSIBILITY						
Customer health & safety	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	More than 50% of Palsgaard products are designed to assist nutritional aspects of food production.	No	32	
	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	No incidents in 2016.	Yes	NA	

MATERIAL ASPECT	INDICATOR	DESCRIPTION	CROSS-REFERENCE OR ANSWER	EXTERNAL ASSURANCE	PAGE NO.	UNGC PRINCIPLE
	G4-FP5	% of production volume audited by 3rd party to food safety compliancy	100% of our products are manufactured by ISO/ FSSC 22000 certified productions.	Yes	31	
	G4-FP6	% of total sales volume of consumer products by product category that are lowered in saturated fat, trans fats, sodium and added sugars	Our products are not aimed at end consumers but the majority help food processing companies to lower the fat content of their products.	Yes	33	
	G4-FP7	% of total sales volume of consumer products by product category that contain increased nutritious ingredients like fibre, vitamins, minerals, phytochemicals, or functional food additives	Not applicable to our production.	No	NA	
Product & service labelling	G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	Our labels contain the information required by law and any additional information required by our customers.	NA	NA	
	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	No incidents in 2016.	No	NA	
	G4-PR5	Results of surveys measuring customer satisfaction	We will conduct the next survey in 2017.	No	11	
Marketing communications	G4-PR6	Sale of banned or disputed products	Palm oil-based products are discussed in the media and our stakeholders are interested in our position. We have achieved the goal of using only RSPO-certified palm oil. We assist our customers with requirements for RSPO certification and support RSPO learning for customers.	Yes	29	
	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	No incidents in 2016.	No	NA	
Compliance	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No incidents in 2016.	No	NA	

For further details of the GRI standard and terms used in the table, please refer to www.globalreporting.org

PALSGAARD A/S SUBSIDIARIES AND JOINT VENTURES

SUBSIDIARIES

BRAZIL

Palsgaard do Brasil Ltda.
Palsgaard Candon S.A.*

CHINA

Palsgaard China Additive Ltd.

DENMARK

Einar A/S*

FRANCE

Palsgaard France SAS

GERMANY

Palsgaard Verkaufsgesellschaft mbH &
Co. KG

MALAYSIA

Palsgaard Malaysia Sdn. Bhd.

MEXICO

Palsgaard Industri de Mexico S. de R:L.:
de C.V.

NETHERLANDS

Palsgaard Netherlands B.V.

POLAND

Palsgaard Polska Sp . z.o.o.

RUSSIA

OOO "Palsgaard R"

SINGAPORE

Palsgaard Asia Pacific Ptd Ltd

SOUTH AFRICA

Palsgaard South Africa Pty Ltd

UNITED KINGDOM

Palsgaard (Great Britain) Limited*

USA

Palsgaard USA Inc.

JOINT VENTURES

GERMANY

GoodMills Innovation GmbH

**Not included in Palsgaard Denmark++*



Palsgaard A/S, Denmark



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