



DLG GROUP – CSR REPORT 2019

Statutory CSR report in accordance with Section 99a
of the Danish Financial Statements Act



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**Seeking a sustainable future
for both ourselves and future
generations is at the heart of
DLG's social responsibility work**



FOREWORD

In the trendsetting Brundtland Report from 1987, sustainability was defined as "... development that meets the needs of the present without compromising the ability of future generations to meet their own needs." This fundamental wish for a sustainable future for both ourselves and future generations is at the heart of DLG's social responsibility work. We want to deliver sustainable solutions for the world's most important industry: agriculture.

As one of Europe's largest agricultural companies, DLG plays an important role as both a purchaser and supplier of feed, raw materials, crops and other inputs to the first stage of food production. Together with our energy business, this gives us a central position in the Danish and European agricultural and food cluster.

We wish to take the lead and set the course for the industry. This means that, as a company, we take social and environmental responsibility, just as traditions for sustainability and good farming practices are deeply rooted in our business. Our position in the value chain gives us an important role as a supplier of solutions for agriculture – and in optimising our own production and logistics.

DLG is convinced that a company's work with social responsibility must be measured by its concrete actions. DLG has therefore endorsed the UN Global Compact and is working to implement its principles within human rights, labour rights, the environment and anti-corruption in the day-to-day operations of the Group. We are committed to actively communicating the Group's CSR activities and results in an annual progress report – a Communication on Progress (COP).

This is our COP, in which we publish our goals and initiatives for social responsibility. We also describe how we wish to develop in the course of the next year.

We are pleased and proud to confirm our continued support for the UN Global Compact.

Niels Dengsø Jensen
(Chairman of the Board of Directors)

Kristian Hundebøll
(Group CEO)



Chairman of the Board of Directors Niels Dengsø Jensen and Group CEO Kristian Hundebøll

**Sustainability and good
farming practices are deeply
rooted in our business**



WHAT WERE OUR AMBITIONS IN



- ✓ The goal was achieved
- ≈ The goal is continued in 2020
- ÷ The goal was not achieved

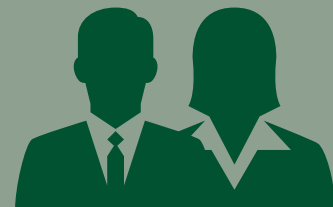
RESOURCE EFFICIENCY

- ≈ Qualify the Group's carbon footprint through data collection, registration of energy consumption and model calculations.
- ≈ Reduction of the Group's movement factor, as well as consistent optimisation of transport (tonnes/load and km/tonne).
- ≈ All business units to scale back their primary energy resource by 2%. Each business unit must specify its primary energy resource and draw up an action plan to achieve the goal.
- ≈ Systematically implement LEAN principles and LEAN tools at Group level.
- ✓ Continue to train the Group's drivers in climate-friendly driving techniques.

RESPONSIBLE COMPANY

- ✓ Be systematically aware of and expand the risk assessment of unusual companies and offers within the trading area that may indicate activities in conflict with current legislation.
- ✓ Quarterly assessment of our business partners. Here, the social responsibility of our partners is a key element of the assessment.
- ✓ Work on formalised management reporting of internal controls and risk management, to ensure that our controls are performed in the right quality and in due time.
- ≈ Disseminate DLG Denmark's implemented control monitoring system, so that this is also anchored in foreign subsidiaries.
- ≈ Continue to incorporate procedures that support DLG's anti-corruption policy.
- ≈ Anchor DLG's Supplier Code of Conduct (SCoC) with all strategic procurement officers at DLG.
- ÷ Objective for a minimum of 25% of DLG's significant suppliers to sign the SCoC.
- ≈ Deploy SCoC to direct procurement. At least 80% of the procurement volume must be subject to the adopted ethical standards.

2019 – AND HOW DID WE DO?



PEOPLE AT DLG

- ✓ Conduct recruitment and information initiatives to elect one owner-elected female member of the Board of Directors in the 2020 election.
- ≈ Increase the ratio of female managers, by focusing on our talent identification and development. We will do this by creating a transparent process and ensuring that our managers are challenged by HR-professionals during the selection process and in conjunction with employee development. Across the Group, we will also share our experience and disseminate the most effective initiatives to other countries.
- ≈ Continue our endeavours to have at least one candidate of each gender represented in all recruitments for managerial and specialist positions.
- ≈ Strengthen our focus on diversity in teams and the unconscious bias in recruitment. We will also explore how we can ensure greater diversity within DLG by also contributing experience from other sectors.
- ≈ Continue our focus on training and education at DLG, and also increase our efforts in countries other than Denmark, e.g. by drawing on experience from the Danish certification and training of sales personnel.
- ✓ Have extra focus on the day-to-day working environment and occupational health and safety during the change process of combining our activities in our new HQ in Fredericia.
- ✓ Changes to the occupational health and safety organisation.
- ✓ Greater priority to Group-wide occupational health and safety cooperation.
- ✓ Implement action points in the action plans identified in workplace evaluations, safety inspection rounds and registration of near-misses.
- ✓ Work with ergonomically optimised solutions to ensure that employees work appropriately and prevent repetitive strain injuries.
- ✓ Establish a system for the management of safety data sheets and workplace user instructions.
- ✓ Reassess the structure and frequency of the execution of safety inspection rounds, which are currently performed annually.
- ✓ Register at least 100 near-misses



ABOUT DLG

The DLG Group is one of Europe's largest agricultural companies, and is a cooperative owned by Danish farmers. From our origins in the local feed associations of the 1890s, and since the formation of DLG in 1969, we are now an international Group with companies in more than 18 countries and revenue of DKK 49 billion in 2019.

The Group is owned by 25,000 Danish farmers and exports to 60 countries. Today we have 5,900 employees, including 3,700 in Germany, which is the Group's largest market.

As a Group, we have many different roles. DLG supplies farmers with feed from its own production facilities, together with seed, fertiliser, agricultural lime, crop protection and fuel for day-to-day operations.

The DLG Group is also one of Europe's largest exporters of malting barley, seed corn, feed and milling grain, and rapeseed. Via the Group's affiliated companies and subsidiaries, DLG is also involved in the processing of vegetable crops, such as rapeseed oil.

WE WORK TO:

- Procure agricultural products of optimum quality for our members.
- Process and sell members' commercial crops.
- Work for the benefit of agriculture in general by ensuring members the best possible production economy via both national and international activities.
- Support members with an extensive array of services and tools.



HOW WE WORK WITH **CSR** AT DLG

DLG'S CSR POLICY

DLG adopted the UN Global Compact in 2012. Since then, DLG has focused on establishing the internal and external framework necessary to create value from working with the ten principles of the Global Compact concerning responsible business activities.

Standards

In addition to the Global Compact, DLG supports the UN Guiding Principles on Business and Human Rights, the FEFAC Soy Sourcing Guidelines, the Danish Alliance for Responsible Soya and the UK Modern Slavery Act. DLG is working to implement the principles concerning human rights, labour rights, the environment and anti-corruption in the day-to-day operations of the Group. We comply with all relevant legislation and regulations in the countries in which we operate. We are dedicated to an open dialogue on CSR issues with our stakeholders.

In addition to the Global Compact, DLG supports the UN Guiding Principles on Business and Human Rights, the FEFAC Soy Sourcing Guidelines, the Danish Alliance for Responsible Soya and the UK Modern Slavery Act.



In 2014, DLG's Group Management adopted a Group-wide CSR Policy, which was renewed in 2018. The policy is based on the Global Compact, the UN Global Goals for Sustainable Development, DLG's core values and our fundamental approach to social responsibility, which is that our initiatives must be strategic, significant and practical. We undertake an annual risk assessment to ensure that our social responsibility initiatives have the maximum positive impact. In 2018, we drew up new Group-wide policies concerning human rights, efficient use of resources and the gender composition of the Board of Directors. Together with the deployment of our forthcoming sustainability strategy, it is a key task to further implement the policies in our business and day-to-day practice. As a consequence of our commitment to working strategically with CSR, DLG does not consider donations to be part of our CSR work.

We always strive to ensure the highest quality and safety in our agricultural products and food production; from farm to fork.

We are ambitious in ensuring responsible value chain management and protecting the Group's reputation.

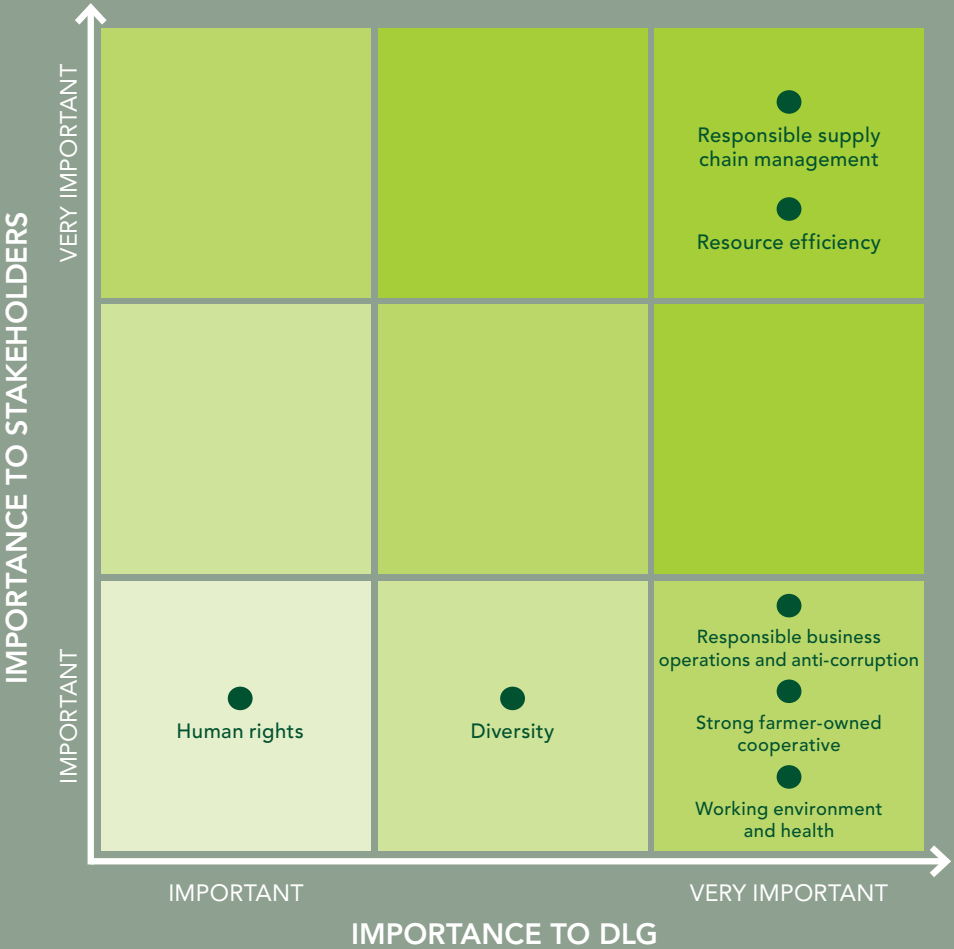
We seek to reduce DLG's energy consumption, minimise our emissions to the environment, use resources efficiently and generally reduce our environmental impact.

We do not accept corruption in any form, including – but not limited to – bribery, extortion or nepotism.

We seek to ensure diversity in the workplace, to maintain safe working conditions and a sound working environment, and to create good development opportunities for our employees and business partners.

We respect internationally recognised human rights, and continuously assess our business to identify instances that might adversely affect these rights.

RISK ASSESSMENT



DLG emphasises the issues that are most important to our stakeholders and where we can combine sustainability with a profitable business. We use this analysis to prioritise and focus our sustainability initiatives.

CSR SCOPE AND REPORTING PRINCIPLES

The managerial responsibility for DLG's work with social responsibility is anchored in the Group's Executive Board. On a day-to-day basis, a CSR coordinator is responsible for coordinating cross-disciplinary activities, internal and external communication, and Global Compact reporting.

The work of preparing goals, action plans and reporting was assigned to a number of cross-disciplinary working groups in 2019. The groups consist of representatives from all parts of the Group, with reporting responsibility to DLG's Group Management. The Executive Steering Committee is responsible for implementing the cross-disciplinary and sector-specific CSR initiatives in practice. The individual business units are responsible for implementing the CSR goals in concrete action plans.

Scope and reporting principles

The report has been drawn up by considering the sustainability areas that we consider to be the most significant for our business, for our stakeholders and for our industry, on the basis of the Global Compact principles and the risk assessment performed.

In 2020, we will continue to work on developing uniform accounting policies for the CSR data to be used in the report, including data concerning energy, employees and supply chain management, etc. We will also continue to develop new KPIs and policies that ensure full compliance with the more stringent requirements laid down in the Danish Financial Statements Act. The report covers DLG's business, which in principle means DLG a.m.b.a. in its entirety, as well as majority-owned subsidiaries. Associated companies in which DLG does not have a controlling interest are not included in the report.

COMPANIES THAT ARE IN PARTICULAR FOCUS IN THIS REPORT

DLG a.m.b.a

DLG Service a/s

Vilofoss

HaGe Kiel

Svenska Foder AB

Team AG

NEW SUSTAINABILITY STRATEGY SETS THE COURSE

In the spring of 2020, DLG is to present an ambitious new Group-wide sustainability strategy. The strategy supplements and expands on the existing CSR policy, as well as putting other existing policies – including DLG’s Supplier Code of Conduct – into a wider framework. The ambition is to lift DLG’s sustainability initiatives to a new level and to definitively include sustainability in the Group’s business strategy.

A recurring aspect of the sustainability strategy will be the DLG Group’s responsibility and ability, as a market-leading agricultural company, to deliver solutions through our position in the value chain. This applies in particular to solutions that can help to increase the sustainability of primary agricultural production.

The new sustainability strategy is a key aspect of the transformation process currently being implemented by the DLG Group, including the gathering in the Group’s new head office in Fredericia. The changes are also an opportunity to consolidate and strengthen the many different sustainability initiatives that are continuously ongoing across the Group’s subsidiaries, as well as national borders.

Finally, our sustainability strategy will strengthen our internal and external communication on sustainability, just as the strategy will be a platform for the dialogue with our stakeholders.

THE **10** PRINCIPLES OF THE UN GLOBAL COMPACT AT DLG

1

The company should support and respect the protection of internationally declared human rights – an integrated element of DLG’s human rights policy, DLG’s Supplier Code of Conduct and our internal DLG Code of Conduct.

2

The company should ensure that it does not contribute to violations of human rights – an integrated element of DLG’s human rights policy, DLG’s Supplier Code of Conduct and our internal DLG Code of Conduct.

3

The company should uphold the right to organise and effectively recognise the right to collective bargaining – an integrated element of DLG’s human rights policy, DLG’s Supplier Code of Conduct and our own occupational health and safety work.

4

The company should support the elimination of all types of forced labour – an integrated element of DLG’s human rights policy and DLG’s Supplier Code of Conduct.

5

The company should support the effective removal of child labour – an integrated element of DLG’s human rights policy and DLG’s Supplier Code of Conduct.

6

The company should eliminate discrimination with respect to work and employment conditions – an integrated element of DLG’s human rights policy, DLG’s Supplier Code of Conduct, our diversity programme, our policy concerning the gender composition of the Board of Directors, and our internal DLG Code of Conduct.

7

The company should support a precautionary approach to environmental challenges – an integrated element of our resource efficiency policy and Supplier Code of Conduct.

8

The company should take the initiative to promote greater environmental responsibility – an integrated element of our resource efficiency policy, sustainability strategy and Supplier Code of Conduct.

9

The company should encourage the development and dissemination of environmentally friendly technologies – an integrated element of our resource efficiency policy, sustainability strategy and Supplier Code of Conduct.

10

The company should fight all forms of corruption, including extortion and bribery – an integrated element of DLG’s anti-corruption programme, our compliance programme, and our internal DLG Code of Conduct.

DLG AND SUSTAINABLE DEVELOPMENT GOALS

The UN's Sustainable Development Goals have been incorporated into our sustainability initiatives. Within the DLG Group, we focus particularly on four of the 17 Sustainable Development Goals, and year by year, they are further integrated into our business. At DLG we use the Sustainable Development Goals to explain what, how and why we do the things we do.



Goal 2: Zero hunger

DLG plays an important role as the first stage of food production – and we take this role seriously. We therefore support a high level of supply reliability, food security and sustainable agricultural production.



Goal 8: Decent work and economic growth

Since DLG's most important resource is our employees, we naturally ensure decent working conditions throughout our value chain, as well as employment in peripheral areas.



Goal 12: Responsible consumption and production

At DLG, we are constantly working to optimise our production and logistics, to make them even more resource efficient. We ensure responsible and sustainable production of the raw materials on which our production is based. Our products support high quality, sustainability, health and animal welfare in livestock production.



Goal 13: CLIMATE ACTION

Our constant aim is resource-efficient production and logistics, minimising our environmental and climate footprint, and developing climate-friendly livestock feed solutions. We help individual farmers to climate-optimize their farms.

CLIMATE DECLARATION CONCERNING FEED

In 2019, DLG focused on several climate-friendly solutions. We were, among other things, the first in Europe to provide a climate declaration for our feed, so that Danish farmers can document their climate initiatives. In 2020, this initiative will be followed up with an actual sustainability strategy.

INTEGRATION PROJECT IN GERMANY

During the past year, HaGe Kiel was involved in a pilot project with the German Red Cross, to train refugees as lorry drivers. Among other things, the refugees received support with language classes and assistance with contact with the authorities. Six refugees from Iran, Iraq, Syria and Afghanistan are involved in the project.

INTERNATIONAL TRAINING INITIATIVE

In 2019, four trainees were the first to complete our two-year international Commodity Trader Trainee programme. They were all subsequently employed by the Group. The initiative is one of a large number of Group-wide training initiatives to optimise employees' skill set.

CROPS OF THE FUTURE

As part of their sustainable agricultural production, Sejet Planteforædling is developing the crops of the future. They work to strengthen the capacity of crops to adapt to climate change and to increase production, so that we can harvest more from less farmland.

CLIMATE-FRIENDLY, LOCALLY PRODUCED PROTEIN

Together with a number of other agricultural companies, DLG has received a grant of more than DKK 14 million to establish production of concentrated protein from grass and lucerne for organic feed and white protein for food products. In future, this will make us less dependent on importing protein crops from other countries for Danish farmers.

RESPONSIBLE COMPANY



GOALS FOR 2020

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

- Continued quarterly assessment of business partners. Here, the social responsibility of our partners is a key element of the assessment.
- Continued anchoring of DLG's Supplier Code of Conduct (SCoC) with all strategic procurement officers in the DLG Group, and the roll-out of SCoC for direct procurement. The goal is that at least 80% of the procurement volume must be subject to the adopted ethical standards.
- Work for all of DLG's significant suppliers to sign the SCoC.

ANTI-CORRUPTION AND THE PREVENTION OF FRAUD

- Continued incorporation of procedures to support DLG's anti-corruption policy.
- Promote DLG Denmark's implemented monitoring system, so that it is also anchored in foreign subsidiaries.
- Work to ensure consistent policies and processes across the Group.
- Continue to be systematically aware of and expand the risk assessment of unusual companies and offers within the trading area that may indicate activities in conflict with current legislation.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

As a responsible agricultural and food Group, at DLG we must have tight control of our value chains and suppliers. This concerns strengthening the Group's control of the risks associated with working with an increasingly more complex and international supply chain.

The Group's Supplier Code of Conduct (SCoC) is at the heart of our responsible supply chain management. Here, we describe the requirements we make of our suppliers and how we manage our supplier relationship. The content of the SCoC originates from our CSR policy, the sustainability

criteria in the UN Global Compact, the FEFAC Soy Sourcing Guidelines, the Danish Alliance for Responsible Soya and the Roundtable on Sustainable Palm Oil (RSPO).

In 2019, our overall goal for responsible supply chain management was focused on deploying the SCoC in practice. This concerned anchoring the document and mindset with all strategic procurement officers in the Group, as well as ensuring that even more of DLG's key suppliers sign and adhere to our SCoC.

DLG is a large and wide-ranging Group with tens of thousands of suppliers. The initiative was therefore concentrated on achieving acceptance and compliance with the SCoC by the suppliers that are strategically vital, business critical or present a potential risk. The work progressed well, not least with regard to anchoring the SCoC in our procurement functions. We have not yet achieved the required number of supplier signatures, however, and the goal is therefore maintained in 2020. This is in progress and it has been signed by around 50% of the relevant suppliers.

Sourcing of raw materials

DLG imports large quantities of raw materials from many parts of the world, such as South America and Asia. Raw materials such as soya meal are used in most feed mixes and are therefore a focus area for our work on sustainability and social responsibility.

DLG a.m.b.a.'s raw materials procurement policy is that at least 90% of our suppliers must have a certified quality management system in place which covers the raw materials that DLG purchases. As high a proportion as possible must be certified in accordance with GMP (Good Manufacturing Practice). In 2019, more than 90% of our suppliers had a certified quality management system, and 75% of the raw materials were GMP-certified.

Svenska Foder, the Group's Swedish agricultural products supplier, procures soya with a focus on fulfilling the requirements set by the ProTerra certification system. This is a non-GMO standard that includes good agricultural practice, use of chemicals, energy consumption, working conditions and respect for local residents and indigenous peoples. In 2019, ProTerra soya accounted for more than

70% of Svenska Foder's total soya purchases. The largest supplier to Svenska Foder delivers 100% GMO-free soya.

Soya meal imports

Together with a number of food producers, such as Arla, Danish Crown and the Danish Agriculture & Food Council, DLG is committed to only buying sustainably produced soya meal that fulfils a large number of production requirements, including requirements related to environmental sustainability, and the prohibition of the use of child labour and the use of certain pesticides in production.

In 2019, DLG also formally joined two initiatives concerning responsible soya. In September, the Group signed a declaration of intent concerning the full implementation of FEFAC's Soy Sourcing Guidelines by 2025, and in October, through DAKOFO, became a member of the Danish Alliance for Responsible Soya.

With imports of 1.7 million tonnes, Denmark receives approximately 0.5% of total global soya production. We are a small operator in the world market, and we as a country cannot influence how the soya in South America is produced. In recognition of this fact, under the European Feed Manufacturers' Federation (FEFAC), DLG participated actively in the development of common guidelines for sustainable soya imports: the FEFAC Soy Sourcing Guidelines. Today, the Guidelines are the highest standard by which European soya importers assess South American soya suppliers. The FEFAC Guidelines have had a significant positive effect in South America, since they have made European soya importers' expectations in terms of sustainable soya production clear to suppliers. In September 2019, DLG signed a declaration of intent on the full implementation of the FEFAC Guidelines by 2025.

In the same way, the Danish Alliance for Responsible Soya is an important initiative whereby the overall agricultural industry, NGOs and retailers have joined forces to promote imports of sustainably imported soya.

DLG AND SOYA

Soya meal is a key ingredient in feed production and represents up to 15% of an ordinary feed compound for monogastric animals. It thus accounts for a large share of DLG's total production.

Via our SCoC, our Charter for Soya Suppliers, and a number of visits to soya producers and suppliers in Argentina and Brazil, we have sought insight into, gained an understanding of, and been in direct dialogue with stakeholders concerning a wide range of CSR-related parameters.

In our SCoC, we set a large number of stringent requirements, e.g. concerning deforestation, correct handling of pesticides, good agricultural practice, labour rights, the local population and health issues. Before they may deliver to us – and thereby also to Danish farmers – suppliers must sign an agreement that they will comply with these requirements. After many years' cooperation with our suppliers, our experience is that we can use good and constructive dialogue to ensure that soya production takes place on an appropriate basis.

Responsible relations with neighbouring areas, environmental

responsibility, good farming practices and long-term economic planning are at the heart of our dialogue with suppliers. Observance of human rights and the Global Compact's criteria is another key aspect of the requirements we make of our suppliers.

DLG'S CHARTER FOR SOYA SUPPLIERS

- The supplier must be a member of the Global Compact
- The supplier must not accept child labour
- The supplier must recognise the employees' right to organise
- Raw materials from rainforest areas felled after 24 July 2006 are not accepted
- The supplier must have a policy to ensure that the use of pesticides takes place in accordance with local legislation and the Stockholm and Rotterdam Conventions

Concerning all of our soya purchases, we require suppliers to comply with our own charter and Supplier Code of Conduct, which has a number of elements, with endorsement of the Global Compact as one of the requirements. Again in 2019, we were in ongoing dialogue with our suppliers concerning responsibility and sustainability in soya production, just as we participate in the public debate on this subject.

We are also involved in a large number of research projects which, in the longer term, can make it possible to cultivate alternative protein crops locally in Europe. In November 2019, DLG published the “From green protein to the refrigerated counter” project, which concerns the establishment of a prototype green bio-refinery plant. The project has received DKK 14 million in support from the Danish Ministry of Environment and Food’s business support scheme, the Green Development and Demonstration Programme (GUDP), and will include the cultivation of grass clover and lucerne on around 2,000 hectares, and a central processing unit to produce concentrated protein, silage, grass juice and a residual product that can be used for biogas production.

Production of around 4,000 tonnes of protein and 25,000 tonnes of dry matter in total is planned. In the longer term, solutions of this type, in the form of locally produced green protein, will reduce European agriculture’s dependence on protein crops, including from South America.

Purchase of palm oil

As with soya meal, DLG purchases palm oil for use in feed production. In order to stay informed about the development in Southeast Asia’s palm oil industry, DLG became a member of the Roundtable on Sustainable Palm Oil (RSPO) in 2012. RSPO brings together interest organisations from various sectors of the palm oil industry with the aim of developing and implementing global standards for sustainable palm oil.

The most important principles behind the certification include transparency, labour rights, use of the best available cultivation methods, protection of nature and the environment, and long-term economic planning. We will continue to support RSPO in 2020.

Purchase of vitamins, minerals and other feed compounds

DLG’s vitamin and mineral activities are gathered under the Vilofoss brand. The raw materials used in the production of vitamins and minerals are procured in other parts of the world and their import is controlled and regulated in accordance with Regulation (EC) no. 1831/2003 laying down requirements for food hygiene, and Directive 2002/32/EC on undesirable substances in animal feed.

We endeavour to be proactive in relation to producers and suppliers concerning their joint responsibility for people and the environment, and on this basis physical supplier audits are conducted both in Denmark and abroad. All producers and suppliers are certified in accordance with the Feed standard (GMP+, FAMIQS, et al.).

The individual raw materials used in vitamins and minerals are approved under the common industry standard and the statutory requirements applicable to feed. In view of the importance of food safety, we evaluate each raw material according to Hazard Analysis Critical Control Points (HACCP), to ensure quality throughout the production chain.

We endeavour to be effective and innovative by leveraging technology and resources better in the future. This will create value for the environment, nature and climate - and for our customers.

Jesper Pagh

Executive Vice President, Animal Nutrition



ANTI-CORRUPTION AND THE PREVENTION OF FRAUD

Since 2015, DLG has worked according to the Group's anti-corruption policy, which we continue to implement, as well as controlling compliance therewith.

Corruption in any form is not acceptable at DLG. This is not consistent with our way of doing business, and we take the view that our employees should neither practice nor accept corruption. This position is underlined by our adoption of the UN Global Compact, which encourages companies to 'work against corruption in all its forms, including extortion and bribery'.

The anti-corruption policy explains DLG's stance on corruption, and how it is avoided, and also provides guidance on how to deal with corruption as a DLG employee. The policy also describes how DLG employees should act in situations where doubt may arise as to whether the purpose bears any characteristics of bribery or corruption. All new employees are instructed in the policy, and all employees must annually study and confirm that they understand the policy.

Anyone working on behalf of DLG has a responsibility to help detect, prevent and report cases of suspicious activities or wrongdoing. As a company, DLG is committed to, and wants everyone to have, safe and confidential access to report any suspicious activity. Everyone needs to know how they can "speak up" if necessary. We therefore have several channels that provide this opportunity. If there are grounds for concern that any form of corrupt action is being considered or performed, the problem/concern must be reported to the employee's immediate superior, the Group's legal department or the internal audit department.

In 2019, we continued to work to strengthen our set-up. We also focused on streamlining internal business processes/procedures in order to achieve a better overview and an enhanced control environment. The work to disseminate DLG Denmark's implemented control monitoring system to our foreign subsidiaries also took place this year, and quarterly meetings with these subsidiaries had a positive impact on this development. The year also saw formalised mana-

gement reporting on internal controls, with monthly reporting to the management.

Our trading department focused on the risk assessment of our business partners, resulting in an awareness list of companies with which we will not cooperate. The list also includes active partners who are continuously risk assessed and evaluated. Our trading department also continuously assesses the social responsibility of our business partners and their reporting under applicable standards, such as the Global Compact.

In the coming year, the work of ensuring greater consistency between our policies and processes across the Group will continue, and we will proceed with the implementation of the control monitoring system in our foreign subsidiaries.



DLG'S POSITION ON CORRUPTION

In the DLG Group, we do not accept corruption in any of its forms, including, but not limited to, bribery, extortion, facilitation payments or nepotism, in any of the Group's business activities or relations.

DLG employees do not offer, provide or receive gifts or payments that may be considered to be bribes. We do not offer, provide or receive personal gifts, services, travel, entertainment or other benefits of significant value to or from DLG's suppliers or business partners.

We are aware of potential conflicts of interest in our business, and expect our employees to ensure that their personal interests are not in conflict with the interests of the DLG Group.

DLG does not accept any form of insider trading.

RESOURCE EFFICIENCY



GOALS FOR 2020

- Prepare a comprehensive sustainability strategy that includes the DLG Group's climate ambitions
- Reduce the Group's movement factor, together with consistent optimisation of transport (fuel consumption, tonnes/load and km/tonne)
- All business units will scale back their primary energy resource by 2%. Each business unit must specify its primary energy resource and draw up an action plan to achieve the goal.
- Systematic implementation of LEAN principles and LEAN tools at Group level

DLG'S PRODUCTION, OPERATIONS AND LOGISTICS

DLG is one of Europe's largest agricultural companies and one of the largest transport operators in Denmark. This means that even more resource-efficient operations, production and logistics can make a big difference – for the Group's bottom line, competitiveness and overall sustainability. Having 'our own house in order', and constantly optimising our energy and resource consumption, and minimising our impact on nature, the environment and climate, are therefore of paramount importance to us.

It was in recognition of this that we drew up and adopted an actual resource efficiency policy in 2018. We

have always endeavoured to operate our activities as sustainably as possible, but with this policy, we identified the direction in which we want to move for the first time. It was, among other things, in the resource efficiency policy that we first presented the goal of providing a climate declaration for our feed. In 2019, we continued the work to implement the policy's objectives in practice, just as it will be part of the coming overall sustainability strategy for the DLG Group.

On a day-to-day basis, there is particular focus on our consumption of energy and resources – and not least profitable energy-efficiency

improvement measures. We endeavour to be effective and innovative by leveraging technology and resources. This creates value for the environment, nature and climate – and for our customers. One of the challenges presented by the approach is that DLG operates in a weather-dependent sector. In a year with a wet harvest, our energy consumption for drying grain will be high, while a more normal harvest will be characterised by higher energy consumption to move the larger volumes harvested. Other measures – such as better pellet quality and less fat in the feed compounds – also drive up energy consumption.

MEASURES TAKEN IN 2019 INCLUDE THE FOLLOWING:

- Regulator on ventilation and pellet cooler
- Replacement of energy-intensive equipment
- Larger presses
- Heat exchangers in factories

THESE EFFORTS HAVE YIELDED A NUMBER OF CONCRETE RESULTS:

- 8% decrease in kWh per tonne of feed produced (factories)
- 4% decrease in CO₂ emissions per tonne of feed produced (factories)
- 13% decrease in CO₂ emissions per tonne per km (transport)

We therefore fundamentally work to achieve improvement at a structural level and to optimise the underlying variables, so that our demonstrated resource efficiency does not depend on factors beyond our control.

The movement factor and optimisation of tonnes/load and km/tonne

The movement factor expresses how good we are at handling the large quantities of raw materials and crops efficiently. Our goal in 2019 was to reduce the Group's movement factor and to focus on optimising tonnes/load and km/tonne. The last two variables express the energy efficiency of DLG's trucks when loading and transporting the large volumes.

Overall, the Group reduced its movement factor by 0.65%. This is a satisfactory result, not least in view of the wet harvest conditions. The trend is driven by Germany, which reduced the movement factor by 1.6% – which was particularly related to the smaller quantities of crops to be transported.

The generally good results show that the agricultural sector's continued development towards ever larger machine capacity, together with the sound cooperation with our customers on the correct location of stocks and increased on-site storage of crops, are measures that it is worthwhile to take. We maintain the ambition to reduce the movement factor in 2020.

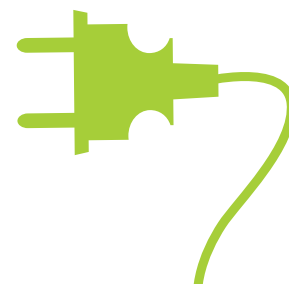
The Group increased km/tonne by 1.5 km (equivalent to an increase of 1.0%). At Group level, tonnes/load was increased by 1.66%, which in

overall terms is satisfactory and better than in 2018. In Denmark, we are working to install new, lighter tanks on the tanker vehicles. As a consequence, the tanker vehicles will be able to carry more goods, without exceeding weight limits. The result will be a higher number of tonnes per load. The Group maintains its ambition to optimise our transport operations.

Fuel consumption

Reduction of fuel consumption remains the primary focus of the transport area. In 2019, we continued to shift our transport flows towards lorries with greater capacity and better fuel efficiency. DLG and our German subsidiary, Team AG, are currently replacing the old vehicles in the fleet with newer models. This will reduce fuel consumption and particle emissions. We are also focusing on more sustainable driving, including through new techniques such as 'Predictive Power Control' (PPC), and continue to train our drivers in climate-friendly driving techniques.

In 2019, the Group used 9.13 million litres of diesel, compared to 9.48 million litres in 2018. The fuel consumption



per kilometre corresponds to the result for 2018, but since the average load has increased, we have reduced the total number of kilometres driven – giving a positive reduction of diesel consumption.

Reduced consumption of primary energy resources

Production of agricultural products (feed, etc.) is a core area for DLG and requires large amounts of energy. It therefore makes good commercial sense to seek to be as energy efficient as possible, as this benefits both the environment and our customers.

The overall energy goal for DLG's production in 2019 was to implement concrete projects that correspond to savings in the individual business units of 2% per year for the specific energy consumption category.

The goal was not reached in 2019, which should be seen in the light of the rather wet harvest period. The wet summer pushed up consumption of the primary energy source used to run our drying plant – gas – by 53.06% compared to the very dry harvest period in 2018. The underlying variables are nonetheless sound: We reduced gas consumption in production by 10.42%.

Disregarding the wet harvest period, a wide range of energy-efficient measures were implemented in various areas of the Group. One consequence is that, in Germany, we reduced electricity consumption in our production and warehouse by 7.6 million kWh. In total, we reduced our average consumption of electricity for production by 8.26% and for warehouses by 1.01%. The success in our German agricultural products company is due to the completion of nine ambitious projects in production and 20 in warehousing.

In 2020, we will continue to optimise energy efficiency in our production and warehouses by strengthening the underlying 'fundamentals'. Our goal is still to reduce consumption of the primary energy source by 2%, just as all relevant business units within the Group will continue to draw up action plans to increase their energy efficiency. The area will be a natural part of the work on the upcoming sustainability strategy.

LEAN

LEAN is a critically important method to increase the efficient use of resources, and we are committed to deploying these tools in our production, logistics and transport, including in the form of LEAN agents and training. Again in 2019, a major effort was made throughout the Group, with

LEAN agents working continuously to achieve more efficient use of resources.

In DLG, a further 12 LEAN agents were trained, bringing the total number to 38 at the end of 2019. The KAIZEN method is now increasingly being applied in order to achieve a more practice-based approach. In 2020, we will work to standardise our efforts to increase energy efficiency by applying the XP2 standard.

Our German subsidiary HaGe has worked systematically with LEAN and waste reduction. This is achieved through weekly LEAN meetings for management and a number of projects in production. LEAN thinking is also an important element of the organisational adjustments to be made by HaGe in the first half of 2020.

In our Swedish subsidiary Svenska Foder, close to every employee has received training in LEAN, and 20 have been trained as LEAN agents. LEAN processes are continuously being implemented in order to increase resource efficiency.

In 2020, we will continue to deploy LEAN principles among all employees in the Group, to ensure focus on the efficient use of resources.

DLG'S CLIMATE ACTION

In the Group's climate action, DLG focuses on initiatives that support an actual green transition – as practical instruments and projects that combine sustainability and profitability. This concerns 'keeping our own house in order' and also continuously optimising our consumption of energy and resources. We are also developing solutions for other elements of the value chain of which we take part: Our suppliers and our customers, comprising farmers and their processing and sales companies.

A report published by the European Environment Agency in September 2019 shows that climate change has already affected the agricultural sector and that the impact is expected

to continue. The Danish food industry, headed by the Danish Agriculture & Food Council, has drawn up objectives for Danish food to be climate-neutral by 2050. DLG supports this objective, in particular by helping our customers and business partners to meet their climate ambitions. Danish farmers have already done a lot to reduce their climate footprint and are among the most resource efficient in the world. As an agricultural company, DLG's climate-related mission is to help farmers to achieve even more. It is also important for us to be a good business partner, and we want to help the other links in the value chain to achieve their own ambitious climate objectives.

DLG's climate efficiency ambitions are therefore based on the farmer and the farm. We need to consider which data we can offer farmers, in order to calculate their climate accounts. We also want to help farmers to deliver products with the lowest possible climate emissions. For DLG, the key aspect is always to be the farmer's preferred partner.

FOCUS ON PRACTICAL SOLUTIONS

In 2019, besides streamlining our production, operations and logistics, we also launched a series of climate measures to give our agricultural customers additional tools for the climate optimisation of their farms.



One of the measures concerns our core area: livestock feed. DLG is the first agricultural company in Europe to provide a climate declaration for its feed compounds in line with international guidelines. Primary production accounts for by far the largest part – up to 80% – of agricultural and food production's climate footprint. By providing data, documentation and the opportunity to procure climate-efficient feed, DLG helps farmers make climate-conscious choices and also facilitates the documentation of their products' climate footprint.

The chain aspect is a key element of creating even more sustainable agricultural production. Reductions in one part of the value chain will only be appropriate if they contribute to the entire chain's sustainability. DLG has therefore joined forces with a number of the other farmer-owned cooperative companies in Denmark to build a shared climate reporting toolbox. The ambition is to offer Danish and European farmers credible and accurate calculation of food products' total climate footprint.

Another initiative involving feed is the "Climate Feed" research project. This four-year project will investigate whether Danish farmers can use a special feed supplement, made from seaweed, to stop methane formation in the cow's rumen.

Together with a number of other agricultural companies, DLG has also received a grant of more than DKK 14 million to establish production of concentrated protein from grass and lucerne for organic feed and white protein for food products. As a consequence, we will be able to produce more protein in Denmark in the future, making us less dependent on importing protein crops from other countries for Danish farmers.

Solutions such as these will shape our sustainability strategy, which is expected to be presented in the first half of 2020. These are all concrete initiatives that will ultimately result in real outcomes for the individual farmer.

The sustainability strategy will set the course for how, across the Group, we are moving in a more sustainable direction. It will also create value for our customers with solutions that help them to reduce their farms' climate footprint. The focus of our strategy will thus include creating sustainable solutions for the benefit of our customers and owners, in the same way as already achieved with the climate declaration of our feed products. Everything that we do must create value for our owners, ensuring that sound business acumen and sustainability go hand in hand.



PEOPLE AT DLG



GOALS FOR 2020

DIVERSITY

- Elect a female member of DLG's Group Board of Directors by no later than 2020.
- Increase the ratio of female managers, by focusing on our talent identification and development. We will do this by creating a transparent process and ensuring that our managers are challenged by HR-professionals during the selection process and in conjunction with employee development. Across the Group, we will also share our experience and disseminate the most effective initiatives to other countries.
- Continue our endeavours to have at least one candidate of each gender in all recruitments for managerial and specialist positions.
- Strengthen our focus on diversity in teams and on the unconscious recruitment bias. We will also explore how we can ensure greater diversity within DLG by also contributing experience from other sectors.
- Continue our focus on training and education at DLG, and also increase efforts in countries other than Denmark, e.g. by drawing on experience from the Danish certification and training of sales staff.

WORKING ENVIRONMENT

- Implement a working environment standard in DLG's management system.
- Simplify, systematise and enhance the quality of workplace assessments and safety inspection rounds.
- Adjust the size and function of the occupational health and safety organisation, and develop members' expertise in using new IT tools.
- Develop DLG's occupational health and safety manual with relevant topics. The occupational health and safety manual is a reference work for all employees, and the occupational health and safety organisation in particular.
- The working environment is in constant focus at daily noticeboard meetings/production meetings.
- Increased focus on transport safety. This includes increasing the information level and reducing tripping and falling accidents.
- The target number of registered near-misses is set at 150 (198 including Vilofoss).
- Vilofoss' occupational health and safety organisation is integrated into DLG's occupational health and safety organisation.

DIVERSITY

DLG has adopted a diversity strategy whereby we apply a broader diversity perspective that extends beyond gender. This strategy describes our overall vision for diversity and is based on four elements:

- We will establish an inclusive workplace by supporting a culture that promotes collaboration and fairness, and that gives individual employees the opportunity to make a contribution and develop their full potential.
- We will recruit and hire from a diverse and qualified group of potential candidates, to ensure a high-performing workforce.
- We must have managers who can lead in a diverse environment and create an inclusive culture.
- We take responsibility by measuring and following up on employees' perspectives on diversity and culture at the workplace, to ensure compliance with the strategy.

At DLG we endeavour to be a workplace that values diversity, since we know that this creates results, and thereby value for our owners.

We are therefore dedicated to creating an inclusive culture and structures that do not unintentionally inhibit certain groups. Decisions concerning recruitment, hiring, training, development and evaluation of our employees must always adhere to the principle of equal opportunities, with focus on competences and potential. Our strategy is to create an environment in which individual employees are respected and rewarded for their efforts, irrespective of their age, gender, ethnic background, sexual orientation or disability. We also value diversity in the form of different personal qualities, educational backgrounds and ways of thinking.

Statutory statement concerning gender under-representation, in accordance with Section 99b of the Danish Financial Statements Act

This report covers target figures and policies for the DLG Group's Board of Directors and Executive Board. Vitfoss and DLG Service are the two of the

Group's subsidiaries which, in accordance with Section 99 of the Danish Financial Statements Act, are independently obliged to account for the under-represented gender. In both cases, they have set target figures and a timeframe. For both companies, the Boards of Directors exclusively consist of men and the target figure has not been achieved. This is because the owners have not considered it necessary to replace the current Board of Directors.

DLG is a cooperative company (a.m.b.a.) owned by almost 25,000 Danish farmers, 1,200 of whom are women, corresponding to 4.8%. The company's highest authority is the Board of Representatives. The Board of Representatives consists of 77 owner-elected members, and 12 employee-elected representatives. Members of the Board of Representatives are elected for two years at a time, and DLG's Board of Directors are elected from among them. As from and including May 2020, the company's Board of Directors will consist of a total of 13 members, of whom two will be employee representatives and three will be externally appointed. After



Vi søger flere kvinder til repræsentantskabet

I DLG værdsætter vi forskellighed. Vi tror på, at diversitet er en styrke, som gør os i stand til at skabe stærkere resultater.

Vores øverste myndighed er repræsentantskabet. Kun et fåtal er kvinder, men det er noget, vi vil lave om på, så repræsentanter afspejler mangfoldigheden i landbruget.

Derfor vil vi forud for forårets valg til DLG's repræsentantskab gerne invitere kvinder med tilknytning til landbruget til en inspirationsaften. Her vil to af vores kvindelige repræsentantskabsmedlemmer – Dorte Himmelstrup og Anette Jessen – dele ud af deres erfaringer fra repræsentantskabet, og jeg vil fortælle lidt mere om, hvordan vi arbejder i repræsentantskabet og bestyrelsen – og hvorfor vi mener, det er vigtigt, at vi får flere kvindelige ejervalgte.

Vel mødt

Niels Dingsø Jensen
Bestyrelsesformand i DLG

DLG Fredericia, Vesterballevej 4, Fredericia
Tirsdag den 10. december 2019 kl. 17 – middag kl. 19.

Scandic, Nørretorv 57, Ringsted
Mandag den 27. januar 2020 kl. 17 – middag kl. 19.

Tilmelding til DLG's ledelsessekretariat,
Anne-Grete Nielsen, tlf. 3368 3313 eller e-mail atn@dlg.dk

Hvem kan stille op til DLG's repræsentantskab?

Alle, der indgår i ledelsen, eller som repræsenterer et medlem kan som udgangspunkt stille op til repræsentantskabet. Et repræsentantskabsmedlem kan derfor også være gift med et medlem af DLG eller driftsleder hos et medlem. Der kan dog kun opstilles én person pr. medlem. Repræsentantskabet er DLG's øverste myndighed og består af 79 ejervalgte repræsentantskabsmedlemmer samt 12 medarbejdervalgte repræsentanter. Repræsentantskabets medlemmer vælges for to år ad gangen.

www.dlg.dk



the election in May 2018, the gender distribution is 11 men and 1 woman (elected by the employees). The Board of Directors is elected for two years at a time.

Elect a female member of DLG's Group Board of Directors by no later than 2020

The Group has the goal to have one owner-elected female member of the Board of Directors by no later than the 2020 election. The first step in this regard was to increase the ratio of owner-elected female members of the Board of Representatives to match the ratio of women among self-employed farmers (approximately 8%). Since DLG's Board of Directors derives from the Board of Representatives, a major information campaign to increase the recruitment base has been conducted over the years, in order to be able to elect more female owners to DLG's Board of Representatives and, subsequently, the Board of Directors. In recognition that recruitment requires further efforts, DLG's Board of Directors has undertaken a number of activities in line with the action plan for the under-represented gender on the Board of Directors that was adopted in 2018.

Concrete initiatives implemented during the past year include:

- At the annual local accounting meetings, the female members are invited to put themselves forward for, and become members of, DLG's Board of Representatives.
- DLG's Board members undertake to perform outreach recruitment efforts towards potential female Board members.
- Two ERFA (exchange of experience) meetings for female owners were held in DLG's retail regions in December 2019 and January 2020. At these meetings, attended by female members of the Board of Representatives, the work of the Board of Representatives and relevant issues are discussed. DLG's Board members coordinated the ERFA groups.
- The Board of Directors annually considers the 'Women on the Board of Representatives and Board of Directors' agenda item, in order to adopt initiatives and review developments.

FACTS, FEMALE EMPLOYEES AND MANAGERS



The overall expectation is that after the election in May 2020, DLG's Board of Directors will have an owner-elected female member. We will continue our endeavours to recruit more women to the Board of Representatives in the coming years.

Diversity at employee level

Gender distribution at management level is influenced by the fact that we have many job functions that are traditionally male-dominated occupations and for which the recruitment pool therefore primarily consists of men. If we solely consider the gender distribution among salaried employees, the gender balance is more even than the gender balance for all employees.

The number of female managers remained stable during the past year, compared to the significant increase in the number of female managers in 2018.

In Q4 each year, we conduct our annual employee satisfaction survey throughout the DLG Group. The survey includes such topics as employees' experience of diversity and equal opportunities for all employees. The result for 2019 shows that we are at a stable, high level, although naturally there is also room for improvement.

One strategy to ensure equal opportunities for everyone at DLG is to adhere to a recruitment process whereby all positions are, as a minimum, posted internally within the company. This means that employees who are interested in internal development have the opportunity to apply for the positions. If they are qualified for the job, they are guaranteed a first interview on equal terms with external applicants.

In 2019, there was a focus on several ways of ensuring diversity in our departments. In 2019, we also recruited more new employees than usual, due to the opening of the new head office in Fredericia in 2020. This supported our focus on the diversity of teams in terms of age, educational background, gender, background, etc.

In 2019, we systematically trained new DLG managers in how to avoid recruitment bias, which is the unconscious deselection of suitable candidates based on ethnic origin, gender, age, appearance, etc. One aspect is that managers must accept that everyone is biased, and managers should reflect on and be familiar with their own recruitment bias. Another approach is to adhere to DLG's established recruitment process, which for specialists and managers, for example, includes a minimum of two interviews, the obtaining of references and personality/skill tests. This reveals more facets of the candidates, so that they are not assessed solely on the basis of first impressions or demographic factors.

Increasing diversity at DLG through education, information and follow-up

At DLG, we wish to create diversity in the workforce by appointing employees with different backgrounds in terms of education and professional experience. We are increasingly recruiting graduate employees to undertake various specialist functions, and we focus on being able to attract graduates with academic qualifications within relevant disciplines.

I WORK WITH COLLEAGUES OF VARIOUS GENDERS, ETHNIC ORIGINS AND BACKGROUNDS IN MY DAILY WORK



IN OUR ORGANISATION, ALL EMPLOYEES HAVE THE SAME OPPORTUNITIES FOR DEVELOPMENT, IRRESPECTIVE OF GENDER, AGE AND BACKGROUND



2019 2018

DLG's sales organisation is critical to DLG's success and ability to succeed with its "Leading the Way" strategy. In recent years, due to the major structural changes in agriculture and the industry in general, DLG has upgraded the competences of the sales force in order to ensure that going forward we can continue to create value and contribute knowledge in encounters with customers and the market.

In 2018 and 2019, we undertook the biggest training initiative in DLG's history: DLG Sales Academy, which matched the academic subject "Sales psychology and basic sales". The training programme is customised to DLG's needs, and during this period our entire salesforce of around 140 people took the programme, which comprises four training days and three supervisor days. The programme is concluded with an oral examination based on the employee's own project assignment.

To ensure that experience from the Sales Academy can be absorbed and disseminated within the organisation, employees working closely with sales attended a shorter course in the

relevant sales techniques. In addition, the Sales Academy will in future include a class for newly recruited DLG sales personnel, on the same terms as their colleagues.

At DLG, we are proud to have many employees with a long length of service with the Group. We also know that diversity in terms of age distribution creates dynamic momentum and thereby value for customers, colleagues and owners. In 2019, we therefore focused on also attracting younger candidates to DLG.

We were in contact with agricultural colleges and relevant educational institutions, inviting them to engage in closer cooperation. This resulted in meetings with educational institutions and attendance of job fairs where we could present job opportunities at DLG and our journey to Fredericia. We experienced how our story of the development of today's DLG was well-received by people with an agricultural background, as well as younger academic graduates.

Since we would like to pave the way for younger employees to join DLG, the number of trainees/junior positions

in several departments should be increased. In 2019, we focused on our two-year sales trainee programme, which we have reassessed and customised to match the position of product consultant at DLG. In 2019, we accepted six sales trainees in our retail areas, which is the highest number during the five years that the training programme has been running. Including the five sales trainees who are in the second year of the programme, we now have 11 sales trainees. We also had the opportunity to offer permanent employment to all the trainees who completed the programme during the summer.

In addition to our sales trainee programme, the first class of four people completed the international Commodity Trader Trainee programme in 2019. We were able to offer all four trainees permanent employment after they completed the programme, and we will now evaluate how this process is to run going forward. We are also in internal dialogue concerning other trainee programmes that we expect to be able to launch in 2020.

More women managers at all levels

To ensure a good management pipeline, with a balanced gender distribution of candidates, it is vital that immediate managers assess employees according to the same parameters, irrespective of gender. Every year, each employee attends a development interview with his or her immediate manager, at which the employee is assessed on the basis of two parameters: Readiness for new challenges, and Performance. In 2019, 22% of female employees and 24% of male employees were assessed to be performing at a high level, while also being ready for new challenges.

This indicates that managers at DLG assess development potential on an equal basis, irrespective of gender. The next step towards ensuring a balanced gender distribution of the candidates in the senior management pipeline is that the underlying management layer also has a good gender balance.

We would also like to have a better gender balance among our product consultants. We saw a slight increase in the under-represented gender in 2019 (from 7% to 9%), but this area still requires work at the recruitment stage and with regard to team formation in general.

A woman with brown hair tied back, wearing a blue and white striped short-sleeved top, is smiling as she examines wheat plants in a greenhouse. She is reaching out with her hands to touch the grain. The greenhouse has a metal frame and white panels, with several large white grow lights hanging from the ceiling. The plants are in black pots and are in various stages of growth, with some showing golden-brown heads.

New DLG employees, Denmark

Period	Number of new employees
2017	160
2018	262
The first 10 months of 2019	202

WORKING ENVIRONMENT

Introduction

At DLG, we have 5,900 employees, who all contribute to running a successful and effective business. Reliable, value-creating and ambitious employees are DLG's most important resource, and they are the basis for our continued positive development.

A good and safe working environment is vital to ensuring that development is possible. At DLG, the working environment is about preventing work-related injuries and illness, while at the same time creating a social environment that promotes employees' job satisfaction and motivation on a day-to-day basis.

Working in agriculture and production is associated with greater risks than other types of work. It is therefore vital for DLG to always maintain a safe and healthy working environment for our employees. We do this with preventive activities and information campaigns related to the safety, health and working environment of our employees.

The occupational health and safety organisation has been reprioritised and adjustment of the organisation has

been adopted – resulting in a leaner, geographically structured organisation. This means, in particular, that members work together across sectors and use apps to make the work more effective and easier to follow up centrally.

In general, there is a focus on using systems that can simplify workflows and make us more effective. This has also resulted in a new system for handling safety data sheets. KemiData ensures that all employees have updated safety data sheets on PCs and as apps, with barcode scanners – the system is to be rolled out in 2020.

Overall Group

Because of DLG's amalgamation of our new head office and regional office in Fredericia, there has been extra focus on the working environment and OHS as part of the change process. The occupational health and safety group thus attended a course on "Well-being in open-plan offices", which helped to create good solutions. Employees were also offered an ergonomic review of their workspace, to ensure that everyone can work on an optimised basis and that we prevent any strain injuries.

To optimise work processes, we also invested in remote-controlled shutters in several loading halls for our truck drivers. This ensures that the driver can activate filling of the vehicle by remote control and avoid pulling and dragging the heavy shutters.

Our objective is to reprioritise Group-wide occupational health and safety cooperation, but this is a challenge – both across national borders and also in relation to the relatively large differences between the Group's business areas. It is important to note, however, that we can undoubtedly learn from each other in the various occupational health and safety organisations. All subsidiaries that are part of the DLG Group have an effective occupational health and safety organisation. They are experts in their own workflows and, year after year, succeed in improving the working environment for their employees. This is also reflected in the continued decline in the number of occupational accidents, as well as a range of initiatives to improve employees' working lives.



The 2019 employee satisfaction survey shows that the DLG Group's employees continue to be satisfied with their working lives. In general, DLG's employees are highly motivated, dedicated and proud to be our employees. The variations from last year are very small, and the results are still at a high level compared to external benchmarks from similar companies.

Safety inspection rounds

Safety inspection rounds are an important aspect of preventive work. A safety inspection round is a way of monitoring and controlling the working

environment conditions, and may e.g. lead to the registration of a near-miss and/or the establishment of an action plan. At DLG, our policy is that all locations where employees are present must be inspected by a health and safety representative at least once a year. The same applies to DLG's tankers and trucks.

The action plans, of which most are handled within the deadline, were processed successfully. This means that the action points were addressed on time, enabling us to ensure that all workplaces fulfil the requirements set.

In addition, we invested in the Safety-Net program, whereby employees can access their workplace assessments from their mobile phones, to stay updated on the risk assessment and its processing. The program will also be used by the occupational health and safety organisation in their safety inspection rounds.

The structure and frequency of the inspection rounds has also been reassessed. As a consequence, all locations, including trucks, are inspected once a year as before, but drivers are no longer inspected.

Near-misses and occupational accidents

We achieved the goal of increasing the number of near-misses registered. To prevent occupational accidents in the future, it is important that as many near-misses as possible are registered. In 2019, we achieved the goal of 100 registered near-misses, with production in particular paying a lot of attention to the registration of near-misses. We can now see that there is further potential to increase the registration goal.

DLG is continuously working to improve the working environment for our employees and in order to comply with the authorities' regulations in this area, with the day-to-day work being undertaken by a skilled occupational health and safety organisation.

As part of our working environment initiative, we managed to significantly reduce the number of occupational accidents in 2019 compared to 2018. At the same time, the duration of the resulting periods of sick leave declined. In 2019, we registered 15 occupational accidents in Denmark resulting in absence, compared to 23 in 2018. The total number of accidents

in our German subsidiaries has also declined, from a total of 103 in 2018 to 94 in 2019. We will endeavour to maintain the positive development by giving priority to Group-wide occupational health and safety cooperation, by sharing of best practice across country and company borders. This will enable us to learn from each other, despite differentiated work assignments and areas.

What will happen next? Ongoing working environment initiatives in 2020

In the coming year, further adjustments will be made to the size and function of the occupational health and safety organisation, and we will maintain our increased focus on safety by expanding the occupational health and safety manual and thereby the information level. It is our experience that all DLG employees welcome new instruments and tools that can simplify their workflows and make their working lives safer. This is therefore also something we would like to be ambitious about.

The official transition to the new head office in Fredericia will inevitably also bring challenges, which we, together with the occupational health and safety group, will ensure that we can meet, so that any major adverse effects can be avoided. It should also be possible for Vilofoss' and DLG's occupational health and safety organisations to be combined. Hopefully, this will serve as the first step towards major overall Group-wide occupational health and safety collaboration.

130

ACCIDENTS WITH AT LEAST
ONE DAY OF ABSENCE

VILOFOSS

5

SVENSKA
FODER

0

DLG

15

HAGE

47

TEAM

47

The DLG Group is one of Europe's largest agricultural companies.

We create value for our owners and customers as the farmer's preferred partner.

We will set the direction among Europe's leading agricultural companies.

We will be an indispensable element of the world's most important business.

The Group is bound together by our core values. We are trustworthy, value-creating and ambitious in everything we do.

