

The logo for Uhrenholt, featuring the word "uhrenholt" in a white, lowercase, sans-serif font. Above the letter "h" is a red crown icon, and below the letter "e" is a blue crown icon.

uhrenholt

# CSR REPORT 2019

F. Uhrenholt Holding A/S

# REFRESH

# F. UHRENHOLT HOLDING A/S

CSR report 2019

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## WELCOME

to the Uhrenholt CSR report 2019

The Uhrenholt CSR report is prepared in accordance with the Danish Financial Statement Act § 99 a.

Uhrenholt is a signatory member of the UN Global Compact, meaning that our CSR work is structured in line with the Global Compact set of values and principles regarding human rights, labour, environment and anti-corruption.

Global Compact is the world's largest corporate responsibility initiative, with more than 10,000 voluntary business and non-business participants in 170 countries.

For more information about Global Compact, visit: [www.unglobalcompact.org](http://www.unglobalcompact.org)

February 2020

The logo for Uhren, featuring the word "uhren" in a bold, lowercase, sans-serif font. The letters are white and set against a dark blue background. The 'u' and 'h' are connected, and the 'r' and 'e' are also connected. The logo is positioned in the bottom right corner of the page.





## The Uhrenholt CSR Group 2019:

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Malene Kjær, Global Marketing (Chairman of CSR Group)

# ACCELERATING OUR SUSTAINABILITY JOURNEY

After another year filled with Brexit, trade-war threats, volatile product prices and the worst wildfires in decades in Australia, it would be easy for us as a global player to say that we only have time to navigate our company through the ever-changing business landscape.

But this is no longer an option. Increasing consumer demands and expectations for more environment- and climate-friendly products and a focus on animal welfare are putting increasing pressure on both us as a company and on the dairy sector in general.

In particular, we are now witnessing increasing demands from markets for sustainable packaging, especially alternatives to plastic packaging. As a non-biodegradable material, plastic is often directly associated with marine and soil pollution. It can remain in the soil and sea for hundreds of years, degrading the quality of water and land and endangering marine life.

Although plastic packaging can help consumers to reduce waste, for example by minimising the amount of food waste and increasing the shelf life of products, an overall narrative has emerged that puts plastics at odds with sustainable consumption. Since exports are the cornerstone of our business, switching entirely to sustainable packaging is not easy. To avoid food waste, the packaging needs to continue to protect the food and maintain its quality and freshness, and we cannot compromise on this.

In Uhrenholt, we are committed to finding ways to meet the growing consumer and market requirements, but we also feel confident about meeting these demands because our pragmatic approach in working together with our suppliers and customers helps us identify the most appropriate solutions. In 2020, we have committed ourselves to accelerating the sustainability journey even further.

Enjoy reading our 2019 report.

Malene Kjær  
Chairman of CSR Group &  
VP, Global Marketing

Sune Uhrenholt  
President & CEO



# A GLOBAL FOOD COMPANY

Uhrenholt A/S is a global food company supplying dairy products and frozen vegetables to a broad range of retail, wholesale, foodservice and industrial customers in more than 120 countries around the world.

While our head office is situated in Denmark, we have offices and representatives in more than 20 countries and employ more than 240 dedicated people globally.

Our products are sold under the brand names Emborg®, Friendship® and Amigo® or as commodities and industrial sales. Uhrenholt was founded on 1 April, 1978, in Denmark by Frank Uhrenholt. The main business involved the international trading of table cheeses and cheese for processing, and soon Uhrenholt became one of the largest private-owned dairy companies in Denmark.

In 2005, Uhrenholt acquired Emborg Foods A/S, and in 2009 all activities of the former Uhrenholt A/S and Emborg Foods A/S companies were merged and marketed under the Uhrenholt name.

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

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

Today, the logo has been simplified and is mirrored in the water. This symbolises that Uhrenholt is a modern food company and all our actions are agile reflections of the surrounding world and the opportunities it offers.



## FACTS

**Founded:** 1978 by Frank Uhrenholt

**Head office:** Middelfart, Denmark

**CEO:** Sune Uhrenholt

**Ownership:** Uhrenholt A/S is an entirely family-owned business

**Number of employees:** approx. 240

**Representation worldwide:** more than 20 countries

**Sales worldwide:** more than 120 countries

**Food solutions:** primarily within dairy

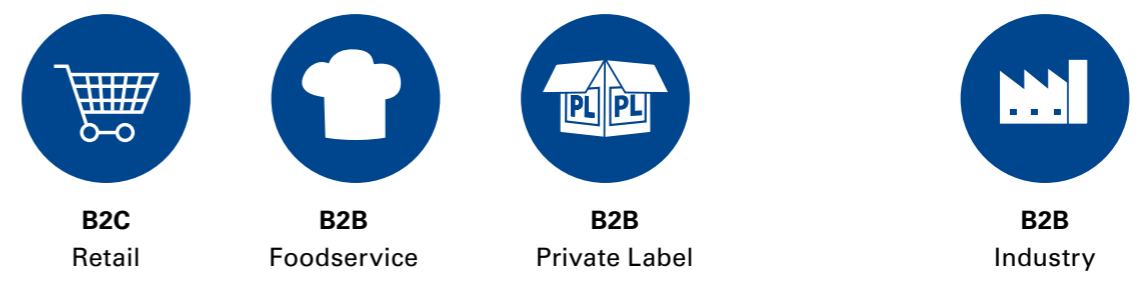
**Master Brands:** Emborg®, Friendship® and Amigo®





# OUR TWO LEG ORGANISATION

## CONSUMER BUSINESS UNIT      GLOBAL TRADING BUSINESS UNIT



The Uhrenholt organisation is divided into two separate business units: the Consumer business unit and the Global Trading business unit. The Consumer business unit is primarily focused on our Emborg brand and private-label solutions within retail and foodservice, whereas the Global Trading business unit focuses on commodities and industrial sales. The Global Trading business unit is operated from Middelfart, Denmark. The Consumer business unit is structured in the regions: Asia, Pacific, Middle East, Africa and Americas.

All regions are supported by our group functions, which include Quality Assurance, Global Procurement, Global Marketing, IT, Finance & Legal, Logistics & Transportation and HR and ensure that we deliver the highest quality and standards and meet a variety of demands worldwide.

## GROUP FUNCTIONS





# SUSTAINABILITY WITH THE UN GLOBAL COMPACT





# BUSINESS AREAS & PORTFOLIO

Uhrenholt has a long tradition and experience within sales of food products for BTB and BTC. Reliability, tailor-made service and the ability to spot and seize opportunities together with our partners and customers have made Uhrenholt a preferred business partner for many years. Our partners and customers benefit from the Uhrenholt extensive global network of selected suppliers. This enables us to offer unique tailored food solutions across the entire portfolio.



## RETAIL

### Passionate about food and real, nutritious and flavourful products

Emborg® is both our retail and foodservice brand and covers primarily dairy products and frozen vegetables. The signature Emborg packaging in royal purple has strong consumer appeal and is easily recognisable in supermarkets and retail counters. With its unique 'Affordable Premium' positioning, Emborg has a promising retail brand presence and is a key player in the Middle Eastern, African and Asian markets today.



## FOODSERVICE

### Cost optimising and tailored solutions

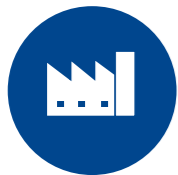
From fast-food chains and restaurants to catering and institutional services, our experience in the foodservice industry is quite extensive. We offer a wide product and price range that meets most needs – and when necessary, we tailor specific solutions for our partners. We also offer product application and menu concepts.



## PRIVATE LABEL

### Trusted and long-term private-label supplier to leading retail chains

Uhrenholt has the expertise to locally source and consolidate lucrative private-label products. Combined with an advanced logistical set-up, we are able to deliver on competitive terms.



## INDUSTRY

### Constantly exploring new possibilities to enhance our ingredient range

We supply a full range of ingredients and cheese raw material for the industry. We have more than 40 years of experience in trading dairy bulk products under various brand names, including our leading brands, Amigo and Mon Ami. In addition, we supply butter and cheese products to manufacturers of cheese powder and processed sliced and shredded cheeses, as well as to manufacturers of ready meals. We also own facilities utilised to clean and re-pack branded products such as surplus stocks and shop returns.

# DAIRY

The majority of our business comes from our dairy products. Today, we supply a full range of dairy products from around the world – from European milk, cream and butter to creamy yogurts and tasty cheese. To obtain the best quality and authenticity, we always endeavour to source the cheese from local origin. All products are packaged in various shapes and sizes according to consumer and market needs. At our Grøndal Dairy we produce approximately 5000 tons per year of cheeses like Fontina, Havarti and Kefalotyri. The Uhrenholt dairy portfolio also includes whey products, lactose and UHT milk.

# BERRIES & VEGETABLES

Other than that, we are proud to offer a wide range of 'fresh frozen' quality vegetables and berries – for example, garden peas, vegetables mixes, sweetcorn and healthy beans. We call it FRESH FROZEN because most of our vegetables are picked, washed and frozen within hours to secure the fresh taste, texture and freshness.

**For more information about our products, please visit [uhrenholt.com](http://uhrenholt.com) or [emborg.com](http://emborg.com)**



# OUR VALUES ARE OUR DNA

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

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



## WINNING

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

## PARTNERING

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

## EXCELLENCE

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

## PASSION

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



# OUR BUSINESS MODEL

## Your Global Food Partner

Uhrenholt is a solutions provider, more than a manufacturer, offering flexible and scalable food solutions based purely on market needs and demands. Our market-driven food solutions are available to our customers thanks to our strong, global network of partners and suppliers within the food industry. As a result, our common Value Proposition is defined as 'Market-Driven Food Solutions'.



ROUTE-TO-MARKET BASED ON MARKET DEMAND



ROUTE-TO-MARKET BASED ON PRODUCTION FACILITIES

## Market-Driven Food Solutions

We operate in an ever-changing marketplace. Demands may change suddenly, and our extensive global production network enables us to scale production up or down. Our ability to identify and meet current market and consumer demands with quick responses and flexible set-ups is key to developing attractive food solutions. That's why we are able to offer "Market-Driven Food Solutions" with an impressive product range and strong brands coupled with excellent service, which few competitors are able to match.

## Building winning partnerships

To create attractive food solutions, we firmly believe in strong partnerships and networks. For over 40 years, this has been our main focus around the world.

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

## Partnership for growth

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

# GROWING YOUR BUSINESS

## Attractive Business Opportunities

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

## Attractive Products and Tailored Solutions

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





# CSR FOCUS AREAS

We face our corporate social responsibility in many ways. As the link between producers and customers/end users globally, first and foremost we are committed to following the rules and regulations in all of our operations. Our policies regarding human resources, environment and climate issues and business ethics when we produce, buy and sell our products are described on pages 22-33.

Secondly – but equally importantly – we strive to commit our partners to walk alongside us by fulfilling our standards and demands as a Global Compact member in terms of the way they approach the same topics (page 34-35).

On the supply side, we generally source our products from officially approved manufacturing companies in developed countries – primarily in Europe. For this reason, we estimate the risk of violating human rights, labour standards and environment & climate legislations to be low, and thus we have not formulated specific policies on these issues that go beyond the UN Global Compact Standards.



# THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT

## HUMAN RIGHTS

### PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

### PRINCIPLE 2

Make sure that they are not complicit in human rights abuses.

## LABOUR

### PRINCIPLE 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

### PRINCIPLE 4

The elimination of all forms of forced and compulsory labor;

### PRINCIPLE 5

The effective abolition of child labor; and

### PRINCIPLE 6

The elimination of discrimination in respect of employment and occupation.

## ENVIRONMENT

### PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges;

### PRINCIPLE 8

Undertake initiatives to promote greater environmental responsibility; and

### PRINCIPLE 9

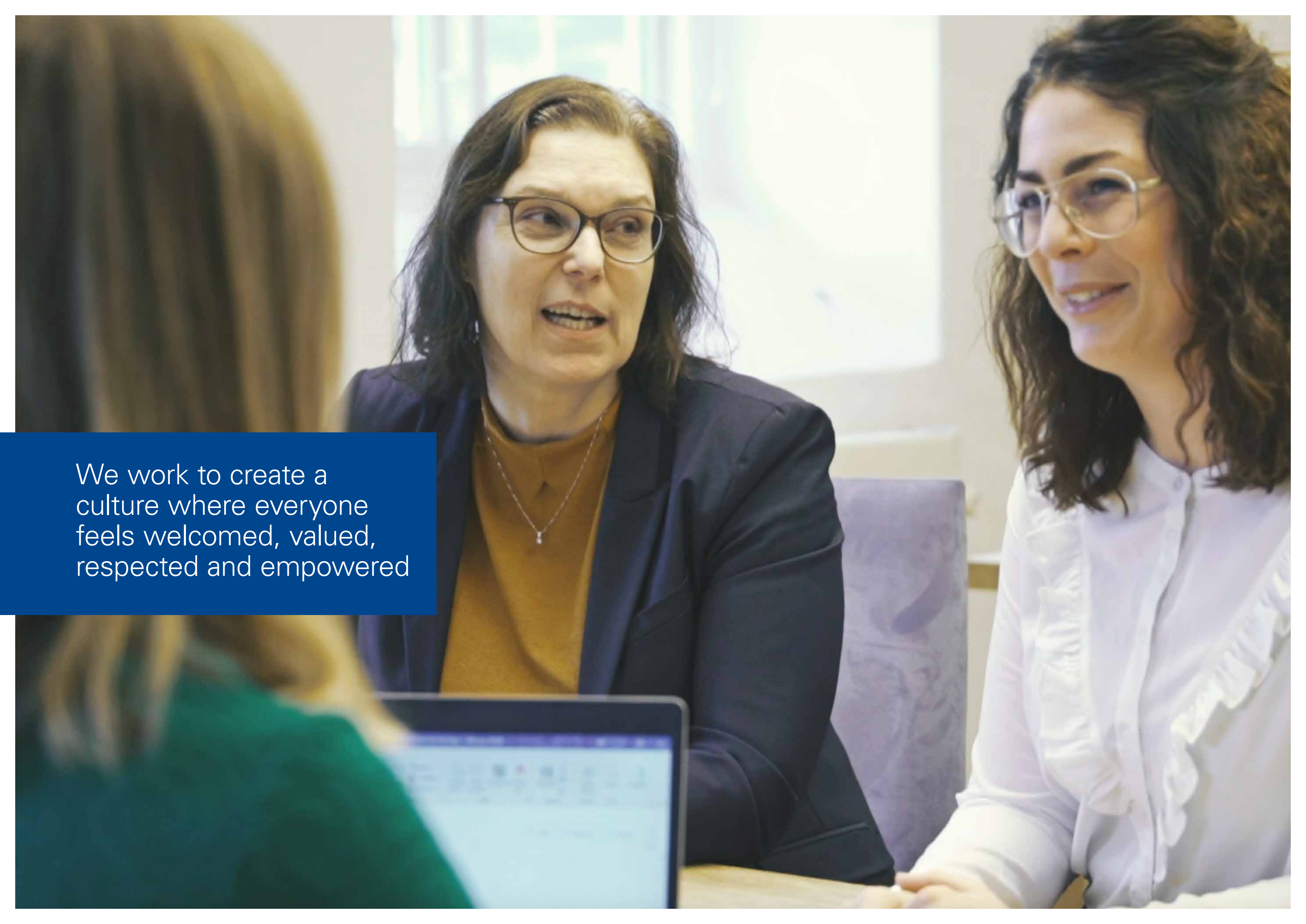
Encourage the development and diffusion of environmentally friendly technologies.

## ANTI-CORRUPTION

### PRINCIPLE 10

Businesses should work against corruption in all its forms including extortion and bribery.



A photograph of two women sitting at a table in an office. The woman on the left, wearing a dark blue blazer and glasses, is speaking. The woman on the right, wearing a white ruffled blouse and glasses, is listening. A laptop is open on the table in front of them. A blue text box is overlaid on the left side of the image.

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



# LABOUR/HUMAN RIGHTS

## DEVELOPMENT

As Uhrenholt offers market-driven food solutions where only a minor part of our business is based on self-production, our assets are relatively immaterial. Thus, it is essential to Uhrenholt to leverage human resources in order to give the organisation a competitive advantage.

An ambitious HR strategy was launched in 2018, focusing on organisational and managerial development over the coming years for Uhrenholt globally. The starting point for developing an even stronger organisation is to formulate strategic priorities for both leaders and employees.

The six overall strategic priorities are as follows: leadership development, performance management, talent pool and succession planning, competence development, organisational structure and change management. Leadership development and performance management were the two principal topics in 2019.

## LEADERSHIP DEVELOPMENT

In order to define Uhrenholt's leadership culture and what behaviour we want from our leaders, the Global Leadership Team (GLT) and HR prepared a set of leadership principles based on Uhrenholt's values: Winning, Partnering, Excellence and Passion. The global leadership training, which began in 2018 and continued in 2019, is founded on the Uhrenholt leadership principles.

The essence of good leadership at Uhrenholt is to create value by working with and through others. The leaders are assessed on their performance and their ability to achieve results. The leadership training was first introduced for the global leadership team. Since the start, in November 2018, seven teams of directors/leaders/potential leaders globally have participated in the internal global leadership training. A variety of leadership tools have been introduced into day-to-day work routines with the aim of developing both leaders and their employees.

The objective of the training is to strengthen the leadership foundation and create a common leadership mindset across countries, nationalities and management levels in respect to the individual. The training will continue in 2020 and will be followed by new tools and various management-relevant training.

## PERFORMANCE MANAGEMENT

A new process for appraisal interviews and evaluation of leaders and employees – focused on goals based on Uhrenholt's strategy, budget targets and leadership principles/values – was introduced in 2018 and continued in 2019. In general, the purpose of appraisal interviews at Uhrenholt is to clarify job expectations, provide some clear direction for the future, agree on areas to be developed and evaluate work performance. Leader and employee in cooperation establish a variety of goals for each year at both a professional and personal level.

The engagement survey introduced in 2018 continued in 2019. The aim was to increase employee engagement worldwide, and we achieved this. By running workshops followed up by action plans, with the managers as front runners and the employees as key participants, Uhrenholt is encouraging everyone to take responsibility for helping each other create an even better working environment.

# AN INCLUSIVE AND DIVERSE CULTURE

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

Diversity has always been an important trademark of Uhrenholt. We are represented in more than 20 countries and currently employ 24 nationalities. We want to reflect the diversity that exists in today's society in terms of culture and ways of thinking.

At the same time, our focus is on ensuring that our partners, customers and consumers experience a high level of service whoever they address. It is very important that our employees and managers provide an outstanding service and level of collaboration with our partners worldwide.

At Uhrenholt, we want to promote not least gender diversity at all levels of management. In 2015, we reached our goal of increasing the proportion of female managers to at least 40%, which unfortunately declined in 2019 owing to the closure of two of our sites in order to optimize our business. The decline in the percentage of female managers was primarily due to the relatively high percentage of female managers on the two sites. We aim to increase the percentage of female managers to at least 40% in 2024. In 2019, we reached our goal of 25% female directors.

	2017	2018	2019
Total no. of employees	469	415	239
Female	47%	48%	56%
Male	53%	52%	44%
Average age	40.6	41.6	44
Average seniority	5.5	6.3	8.2
Sick leave percentage	2.9%	2.2%	4%
Number of promotions (next-level promotions)	10	19	15
Female managers	49%	50%	30%
Male managers	51%	50%	70%
Female directors	26%	24%	29%
Male directors	74%	76%	71%
Investment in education and training (external) (euros per Employee)	86	225	320
Number of nationalities	25	24	24





## FLEXIBLE WORKING

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

The technology available at Uhrenholt enables people to collaborate with colleagues around the world. Employees share ideas, brainstorm solutions and recognise achievements to help us succeed together.

Generally, the IT technology we use promotes flexible working, which can enhance the health and well-being of our employees by enabling them to better balance work and personal commitments. In addition, flexible work practices also help us meet our environmental goals by reducing the need for air and car travel. Skype meetings and video conferences are easily accessible working tools that allow colleagues around the world to get together when needed, to work on mutual tasks.

## STUDENT WORK AND APPRENTICESHIPS

At Uhrenholt, we have, over some years, had great success in welcoming more young people into our organisation. For many years, we have been training apprentices – primarily within trade (sales and purchasing) but also within finance and media graphics design. The apprenticeship period usually runs from two to four years, and fortunately we have had the opportunity to hire some of these young people once they completed their apprenticeship.

In addition, we liaise with students from higher-education institutions. Over the past few years we have participated in events at universities and business schools, where dialogue and collaboration between the company and students have been established. In this way, new knowledge is transferred into our business, and the students become aware of the opportunities that exist within a global food-solutions company. The students are able to both gain work experience and write their thesis during the trainee period.

As they view and evaluate our way of doing business with fresh eyes, Uhrenholt receives some valuable input. Furthermore, it gives some of our experienced colleagues the opportunity to pass on knowledge, not only about the professional aspect, but also regarding the social life within the company.



# ENVIRONMENT AND CLIMATE

At Uhrenholt we want to minimise our impact on the environment, which means that we are continually searching for sustainable and environmentally friendly solutions and routes to market.

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

While we fully comply with the environmental legislation in the countries where we are placed but acknowledge that our responsibility includes our global business and a commitment to further improvement.

The way our organisation is structured means there are different areas in which we can make an environmental impact. These include our offices around the world, our cooperation with food producers & suppliers worldwide and of course our own dairy plant, Grøndal.

# SUSTAINABLE PALM OIL

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

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

The RSPO has more than 4000 members worldwide who represent all links along the palm-oil supply chain. They have committed to produce, source and/or use sustainable palm oil certified by the RSPO. In 2019, 19% of palm oil globally was certified by the RSPO.

Palm oil is used in some Uhrenholt products mainly because of its excellent functional properties with regard to many food applications. In 2018 and 2019, we mapped out Uhrenholt's use of palm oil in our products, and whether or not the palm oil used was RSPO certified. The work continues in 2020, where we will be working closely with our suppliers, as our aim is to use certified sustainable palm oil wherever possible.

Year	% of certified palm oil based on sold volume
2017	51%
2018	73%
2019	91%

# HEALTHY LIVING

At Uhrenholt, we strive every day to meet the growing demand for healthy products. We know that consumers all over the world are paying more attention than before to the ingredients and expect premium quality. We are committed to fulfilling the goals of our consumers worldwide to live a healthy and mindful lifestyle.

## A WIDER ORGANIC RANGE FROM EMBORG

Since we became members of Denmark's two leading trade organisations – Økologisk Landsforening (Organic Denmark) and Bio aus Dänemark – back in 2015, we have experienced continuous growth in sales of our organic products. To meet the rising demand, we have launched Emborg organic vegetable products worldwide.

## ADDING VALUE TO THE MASSIVE PLANT-BASED TREND

The plant-based trend has been flourishing on account of the growing consumer interest in health, ethics and sustainability. Consumers are making responsible food choices and expect to have a wide range of products to choose from. Whether our consumers want to simply cut down on animal-based products or live a vegan lifestyle, our plant-based range is right for them.

To satisfy the demand for plant-based alternatives, Emborg has launched a delicious range of plant-based cheese alternatives – without compromising on ingredients, texture or taste. Today you can find our plant-based products in key markets like Canada, Australia and the Nordic countries.





# TRANSPORT

Uhrenholt places a huge emphasis on optimising the need for transportation and aims to use the most direct route to the customer while at the same time making the lowest impact on the environment with the lowest-possible level of CO<sup>2</sup> emissions. There is an increased focus on developing more environmentally friendly trucks, and the trucking companies we use must comply with the CO<sup>2</sup> norm applicable to the countries involved.

A substantial part of our produce is transported in containers by sea. The vessel operators focus heavily on using fuel that impacts the environment less and are involved in further developing vessels requiring a very low fuel consumption.

During 2019, all shipping lines were busy preparing for the new IMO2020 rules, which stipulated that vessels should be releasing lower levels of sulphur from their exhausts as of 01.01.2020. The result is cleaner air, making the use of transport by sea even more environmentally friendly than before.

# PREVENTING FOOD WASTE

Our Uhrenholt industrial cheese department has, for 40 years, specialised in supplying raw material for the processed cheese industry. This activity has developed from just a niche to a business area in which profitability and sustainability go hand in hand.

We purchase cheeses – packed for consumption or in blocks – that for one reason or another have been downgraded and prepare them for recirculation into the food-product chain rather than being scrapped for just minor defects. Heat treatment and all precautionary food safety actions are applied to the cheeses before they end up as new cheese powder or processed cheese products.

# DONATING FOOD

Uhrenholt regularly donates, from its warehouse in Padborg, food which is unspoiled to the German 'Flensburger Gaben' (Flensburger Gifts). This organisation is a non-profit organisation established to help meet the needs of the inhabitants of Flensburg. By so doing, we help to support the local community a little and reduce the environmental impact of food waste.



# GRØNDAL DAIRY

Since 2012, Grøndal Dairy has maintained certification in accordance with FSSC 22000. As a result of the certification and our work to continually improve quality and food safety, the dairy has achieved success in

- upgrading the level of knowledge and awareness on food safety of the entire organisation
- signalling that our system for controlling food safety is in place and up to date
- ensuring ongoing focus internally on continual improvements

Moreover, we continue to seek further improvements in relation to maintaining the highest food safety and quality of the products. Additionally, we continue to develop our cheese production facilities at Grøndal Dairy.

Cheese production in 2019 decreased by 3%. The total CO<sup>2</sup> decreased by 8% because of the lower production, but a decrease of 5% per kilogram of cheese equates to about 200 tons of CO<sup>2</sup>.

Waste has been reduced by 3% (2 tons) and the recycled part has raised by nearly 50%.

Our greatest achievement in 2019 is our water consumption: for the second year in a row, we have succeeded in reducing our total water consumption by 27.5% equals 24.000 m<sup>3</sup> of water.

## RESULTS 2019

	Production 2018	Production 2019	Δ
Cheese	4.769 MT	4.601 MT	-3.5%
	Total use 2018	Total use 2019	Use 2019 vs. 2018 per kg cheese produced
CO <sup>2</sup>	1.461 MT	1.379 MT	-4.94%
- Electricity	3.233 MWh	3.052 MWh	-2.21%
- Gas	562.335 Nm <sup>3</sup>	501.014 Nm <sup>3</sup>	-8.3%
Water	109.665 m <sup>3</sup>	86.005 m <sup>3</sup>	-23%
Waste	63.250 kg	61.281 kg	-0.4%



# BUSINESS ETHICS

## UHRENHOLT BUSINESS PRINCIPLES

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

The traditional skills required of the individual trader remain, but every day the surrounding commercial world changes and the administrative burden is increasing. To counteract this, our Uhrenholt Business Principles – for internal use – serve to frame and codify our key commercial rules and habits.

Taken together, the Uhrenholt Business Principles concern how we care about our image, brands, employees, compliance, documents and, not least, our money. As new colleagues join our company across our global market, the Uhrenholt Business Principles also clearly define how we expect employees to behave, act and work together both internally and externally. It is reviewed regularly, and employees are urged to familiarise themselves with those parts that are relevant to their specific position.

## CODE OF CONDUCT

As we operate in more than 120 countries, it is only natural that employees working on the front line find our business ethics challenged from time to time. It is of paramount importance that all employees share Uhrenholt's interpretation of moral and ethical values. Serving as an educational tool, as a moral obligation and as a support in daily decision making, our Code of Conduct is perceived as an important tool. All employees have signed the Code of Conduct.

Being a global food-solutions company, we are inevitably doing business in several countries which, according to the corruption index developed by Transparency International, represent high-risk areas. However, we care about choosing business partners whose business standards and ethics match our own, and Uhrenholt will continually seek to improve its level of business ethics even further. A close link exists between the Uhrenholt Business Principles, our Code of Conduct and our Supplier Management protocol.

## FRAUD FIGHTING

Unfortunately, attempts of fraud and scam have become part of daily life of trading in the international food sector. To combat these crimes and protect members and their partners against identity theft and fake companies, Eucolait – the European organisation of trading companies in the dairy sector – has initiated a warning system.

All members are strongly encouraged to share any information about fraud cases as quickly as possible with the Eucolait secretariat for further dissemination among the members. At Uhrenholt, we fully support these efforts.



## UHRENHOLT A/S IS AN AEO CERTIFIED COMPANY

In December 2012, Uhrenholt A/S officially received the AEO certificate, proving our status as an authorised economic operator (AEO). In 2017, our compliance has been reviewed and sustained by the Danish tax authorities.

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

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

To the benefit of our partners, the AEO certificate affords goods handled by Uhrenholt a preferential treatment in certain procedures concerning the customs control of goods and documents – initially at the EU level, but far more globally in the long term. To date, mutual recognition is in place with the USA, China, Japan, Norway and Switzerland.

Uhrenholt is among the front runners in the Danish food sector to obtain the AEO certificate, and as such we are well set up to face the future. Companies with AEO status are recognised as safe, secure and compliant business partners in international trade.



# SUPPLIER MANAGEMENT

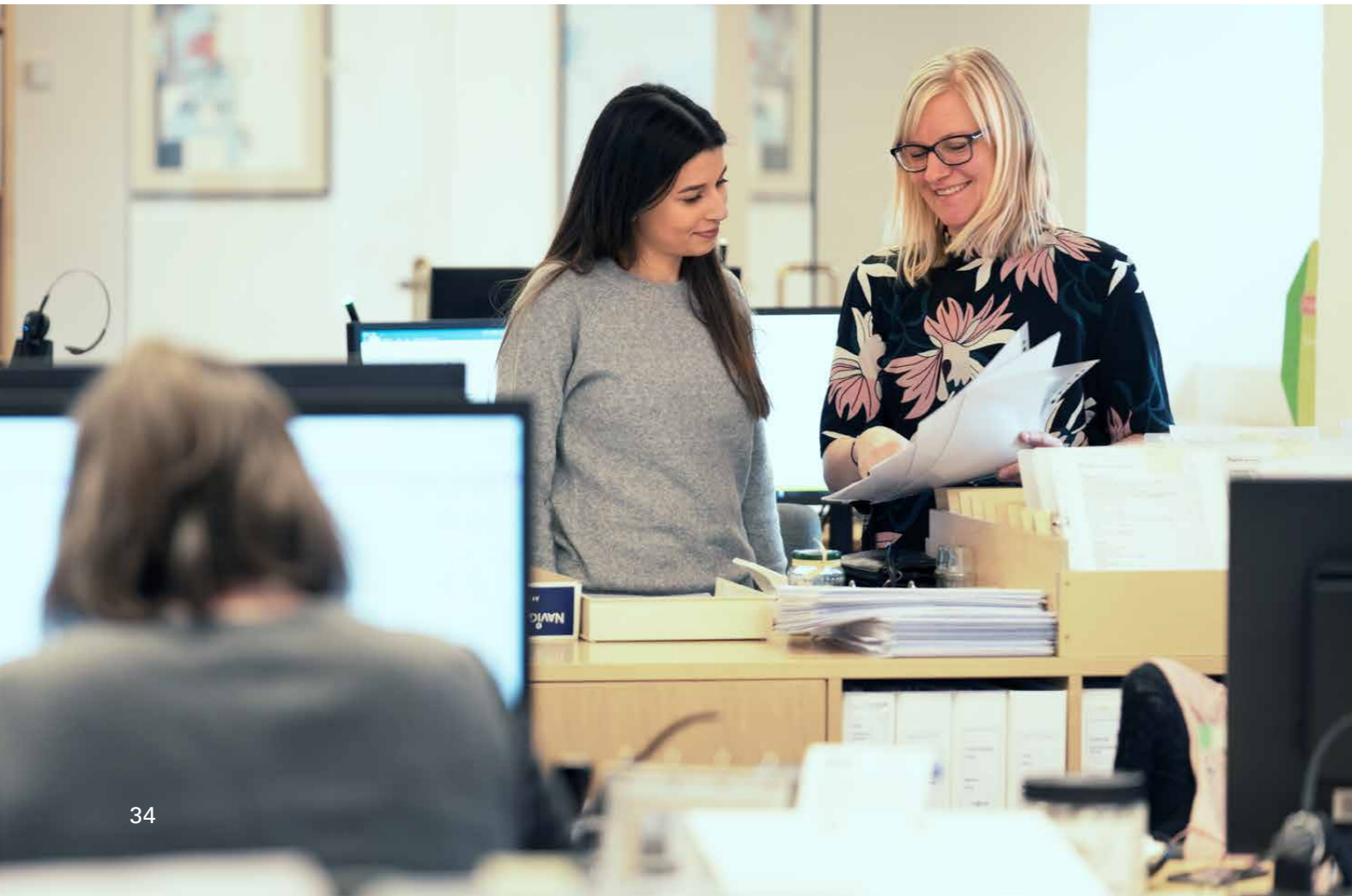
## UHRENHOLT COOPERATES WITH A GLOBAL NETWORK OF SUPPLIERS

It is crucial that our suppliers demonstrate professional care for our interests, ensuring that products delivered to Uhrenholt are safe and produced under secure and responsible conditions in all aspects. Therefore, our suppliers undergo critical risk assessment regarding food safety, quality assurance and corporate social responsibility, including elements which form part of our AEO approval.

## RISK ASSESSMENT OF SUPPLIERS IS BASED ON THE FOLLOWING CRITERIA:

- duly signed 'Uhrenholt Supplier Requirements'
- level of food safety and quality assurance management of the supplier
- food safety risk profile of the products to be produced by the supplier
- country of production
- brands to be produced at the supplier / overall commercial impact for Uhrenholt

Based on risk assessment, on-site audit of the supplier's production and storage facilities can be actioned by Uhrenholt to ensure compliance with our requirements.



## UHRENHOLT SUPPLIER REQUIREMENTS COVER THE FOLLOWING ELEMENTS:

### FOOD SAFETY AND QUALITY ASSURANCE:

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

### CORPORATE SOCIAL RESPONSIBILITY:

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

### AUTHORISED ECONOMIC OPERATORS (AEOs):

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

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

Suppliers not holding a food safety certificate approved by the GFSI are required to answer the Uhrenholt Supplier Self-Assessment Questionnaire, which could very well be followed by an on-site audit.

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

In 2020, our goal is to maintain the number of suppliers who have signed the Uhrenholt Supplier Requirements and passed our supplier risk assessment:

Suppliers that have signed the Uhrenholt Supplier Requirements and passed our supplier risk assessment	2017	2018	2019
% of total number of suppliers measured on purchase value	90%	92%	100%
% of the 100 suppliers measured on purchase value	92%	95%	100%
% of the suppliers representing 90% of the gross margin	97%	97%	100%



# CHARITY

By tradition, every Christmas Uhrenholt donates – towards a humanitarian purpose – the money that otherwise would have been spent on presents to customers and business partners.

**With our 2019 Christmas donation, Uhrenholt is helping to create even more magical moments**

Uhrenholt's annual Christmas donation of DKK 100,000 went to the Danish Hospital Clowns, an association that supports hospitalised children and their families. In 2019, we chose to support a Danish project, and we are very proud to have found a cause in line with our donation requirements, as the funds will support children and directly improve their quality of life. Danish Hospital Clowns is a recipient that clearly fulfils these aims.

Danish Hospital Clowns bring joy to the lives of hospitalised children, lifting their spirits as they cope with a serious illness or disease. They interact with the children on the children's own terms, recognising and acknowledging their fear, their joy, and their boredom. When they enter a room, they observe the children, relatives and staff, and adjust to the given situation and atmosphere. Maybe there is a need to transform the hospital room into a room full of play and magic. Perhaps their assistance is needed to complete an examination. Or perhaps they are needed to help express the child's pain in words and in physical gestures. Hospital clowns share their strength with the child and provide what is needed. For many children, the clowns serve as a reassuring hand to hold when life at the hospital hurts, and an anchor to return to.

Danish Hospital Clowns want to be there for all hospitalised children, regardless of their diagnosis, but they have not yet reached this goal. Hospital clowns currently visit around half of the approximately 75,000 children hospitalised each year. As a charitable association, Danish Hospital Clowns depends on the donations of individuals, companies and foundations to allow for further visits and expand their efforts. A donation like Uhrenholt's can truly make a difference. With our support, hospital clowns will lift the spirits of even more hospitalised children in the future by creating magical moments.





# PROGRESS 2019

AREA OF FOCUS	ACTIVITY AND GOAL 2019	RESULT 2019
<b>Labour/Human rights</b>		
Global HR strategy	The HR strategy was rolled out by the end of 2018 and into 2019, focusing on leadership development and performance management and complementing the daily business	✓
Leadership training	Leadership training for leaders and potential leaders in the organisation has been conducted in the regions of HQ, Europe, Middle East, Africa, Asia and Oceania	✓
Engagement survey	By the end of 2018 the first engagement survey ever in Uhrenholt was conducted and followed up in 2019 by internal action plans to improve the engagement globally	✓
<b>Environment/Climate</b>		
Grøndal Dairy	Review the 2020 environment goals and action plan after the implementation of our whey concentration plant	Reduced CO <sup>2</sup> emissions, water use and waste production per kg cheese
Organic	Further develop our organic assortment in dairy and frozen vegetables	✓
Plant-based	Launch our assortment of dairy free alternatives	✓
<b>Business Ethics</b>		
Uhrenholt Business Principles	Written catalogue evaluated and maintained annually	✓
AEO certificate	Upholding certification	✓
<b>Partnership Development</b>		
Supplier Management	Further improve the score of suppliers who have signed and perform in accordance with the Uhrenholt Supplier requirements	<p>100% of the total number of suppliers (92% in 2018)</p> <p>100% of the top 100 suppliers measured on purchase value (95% in 2018)</p> <p>100% of the suppliers representing 90% of the GM (97% in 2018)</p>
Donation	The annual Christmas donation was given to Danish Hospital Clowns	✓

# CSR 2020

AREA OF FOCUS	ACTIVITY AND GOAL 2020
<b>Labour/Human rights</b>	
Global HR strategy	We will continue to implement the HR strategy in 2020, mainly focusing on competence development, talents and performance management
Leadership training	We will continue to develop our leaders through leadership training and other relevant activities. Our leaders shall give direction, motivate and develop both employees and their business every day
Engagement survey	By the end of 2018, the first engagement survey ever at Uhrenholt was conducted. A new survey was carried out in 2019, and a third one will be conducted in 2020. We will continue to work with action plans and focus on how to maintain or increase the level of engagement
<b>Environment/Climate</b>	
Sustainability	Accelerate the sustainability journey by developing a Uhrenholt Sustainability Roadmap that includes various initiatives
Grøndal Dairy	Continue our focus on reducing our resources, particular within water, electricity and gas
Plant-based	Further develop our plant-based assortment of products
Organic	Further develop our organic assortment of products
<b>Business Ethics</b>	
Uhrenholt Business Principles	Written catalogue evaluated and maintained annually
AEO certificate	Upholding certification
<b>Partnership Development</b>	
Supplier Management	Continue to ensure that our suppliers sign and perform in accordance with the Uhrenholt Supplier requirements
Donation	Identify a recipient for our annual Christmas donation that supports our requirement that the donation should support children and improve their quality of life



# THANKS

The CSR team would like to thank all partners and employees for their inspiration and support in relation to the 2019 CSR report. Special thanks goes to Christa Desberg for once again assisting in the compilation of this report.

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