

# UN GLOBAL COMPACT REPORT

2021



Purveyor to H.M. The Queen of Denmark's household

**DANÆG**

• SINCE 1895 •



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# WELCOME TO OUR 2021 UN GLOBAL COMPACT REPORT

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Dear reader,

We are looking back at a challenging and remarkable year marked by the COVID-19 pandemic, but for the DANÆG Group the year 2020 was also remarkable because we celebrated our 125th anniversary on February 27th. There have been difficult times over the years, but also good times, and today the DANÆG Group is a modern food group with a set of values based on community, responsibility, loyalty, initiative and with a results-oriented aim. The anniversary was marked with both internal and external celebrations, which we were fortunately able to carry out before the lock down of the society.

The COVID-19 challenges during 2020 had a great effect on all of us - also on the companies in the DANÆG Group. We are proud to state, that all our companies have managed to keep a continuous focus on the corporate social responsibility within the DANÆG Group despite all other challenges brought upon them.

The production of food and drink has increasingly been on the world's agenda, with climate, environment and health being topics that are discussed everywhere. At the DANÆG Group, we clearly see an increasing interest in finding more sustainable solutions in our area of business. As a supplier to customers in approx. 50 countries, we try hard to ensure that our products and our production are at the highest possible level in all aspects.

For the DANÆG Group, working with sustainability is a change-and learning process, where we constantly try to move in a more sustainable direction in the form of implementing several concrete initiatives across our entire value chain. With several new initiatives, combined with further development of existing CSR projects, we believe that we have reached a new level within our

CSR activities in the last year. Some of the new initiatives will be highlighted in this report, both as a part of our overall CSR input, but also as specific cases, where the various CSR activities will be described in more details.

At a more overall level, we are pleased to confirm that the DANÆG Group continues the support of UN Compact Principles. The Principles are incorporated throughout the business operations, with an aim to ensure that DANÆG is a positive force in the communities in which we operate. Our achievements in progressing the Principles of the Compact during the last year are of course presented in this report.

As a member of the UN Global Compact, we believe that our business fully incorporates The Ten Principles of the UN Global Compact in our everyday operations. Furthermore, we have the full support from our board to carry our CSR commitment to new standards - particularly regarding the principles of the UN Global Compact.

In our annual report, we will document our year 2020 activities, and highlight CSR activities in focus for year 2021. We hope you will enjoy the report!



Best regards  
CEO, DANÆG Holding A/S  
Jann Dollerup Vig Jensen

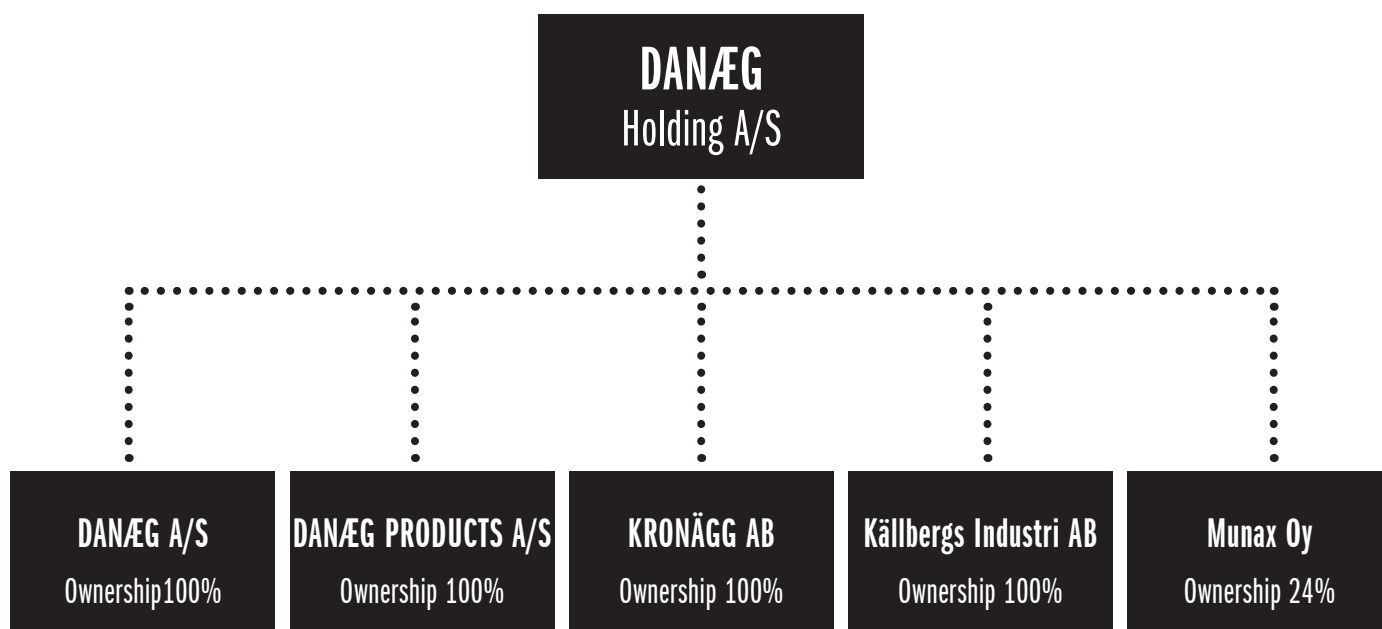
A handwritten signature in blue ink, reading "Jann Dollerup Vig Jensen". The signature is fluid and cursive, matching the printed name above it.



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# THE DANÆG GROUP

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## Market leading in Scandinavia within eggs

The DANÆG Group was established in 1895 as a co-operative within the egg category. The DANÆG Group is owned by its Danish and Swedish egg producers (50 %) and DLG (50%), which is one of the largest agricultural companies in Europe.

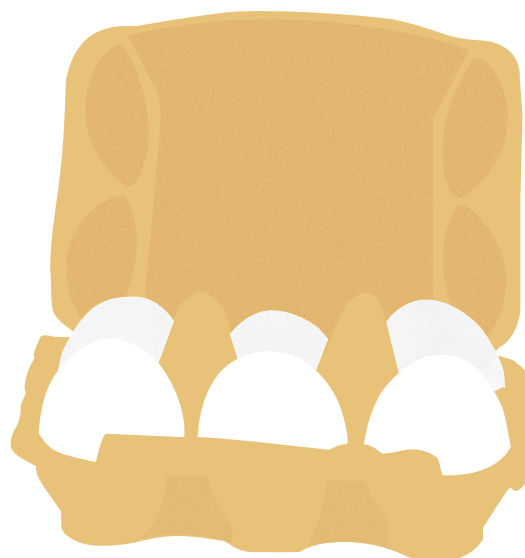
We are involved in activities in Denmark and Sweden employing approximately 300 people divided on four different production facilities. The turnover in the DANÆG Group is approximately DKK 1.1 billion (EUR 149 million).

In Denmark, the activities are concentrated around the two production facilities. The first production facility is an egg packaging facility located in Christiansfeld; the second is an egg processing facility producing and selling liquid eggs, boiled eggs, pancakes, etc. This facility is located in Roskilde, close to Copenhagen.

In Sweden, the DANÆG Group also has both an egg packaging facility and an egg processing facility; Kronägg AB, located in Perstorp, close to Helsingborg, and Källbergs Industri AB, located in Töreboda, which is highly specialized in producing dried egg products.

On the Finnish market, the DANÆG Group has been present since 2015 through the ownership of 24 % of the shares in the company Munax Oy. The head office, packaging facilities and egg breaking facilities of Munax Oy are located near Laitila.

The DANÆG Group is selling its products to all distribution channels, including retail, food service, catering, industry, etc. The main markets are within Scandinavia, but also a large part of the products is sold all around the world. Today, the DANÆG Group is exporting to more than approximately 50 countries.









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# EGGS ARE THE HEART OF THE DANÆG GROUP

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## An introduction to eggs

Across borders, the egg is one of the most important basic ingredients in the consumer diet. Eggs can be used in so many ways that the taste of eggs can vary from the fine, mild and light to the very saturating and demanding. And the egg can be used throughout the whole day - all year round

An egg is by nature a marvelous creation where a thin shell protects and stores a very valuable food. An egg is the perfect little package with an average-size about 60 grams depending on the breed and the age of the hen.

An egg basically consists of three parts: a shell, an egg white and an egg yolk.

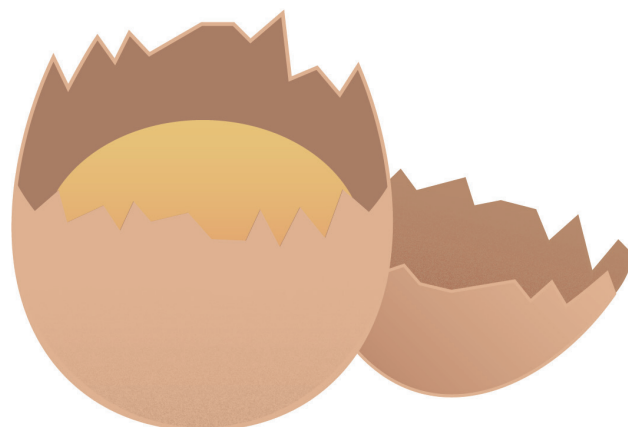
The shell is built of 8-10,000 pores, which ensure that oxygen can penetrate, and CO<sub>2</sub> and other gases can escape. The shell represents about 10 % of the weight of the egg and consists mainly of calcium carbonate and calcium phosphate. The shell's thickness and thus the strength depend on egg size, breed, the age of the hen, and feed composition.

The egg white represents approx. 60 % of the weight of the egg and consists of 88 % water and 12 % dry matter, primarily protein. The yolk has a much lower water content than the egg white, just under 50 %. The yolk represents about 28 % of the weight of the egg and consists of approx. 2/3 fat and 1/3 protein

Eggs are a very good source of inexpensive, high-quality protein. More than half of the protein of an egg is found in the egg white, which also includes vitamin B2 and lower amounts of fat than the yolk. Eggs are rich sources of selenium, vitamin D, B6, B12 and minerals such as zinc, iron and copper.

Egg yolks contain more calories and fat than the whites. They are a source of fat-soluble vitamins A, D, E and K and lecithin, the compound that enables emulsification in recipes such as hollandaise or mayonnaise.

Eggs are regarded as a 'complete' source of protein as they contain all nine essential amino acids, the ones we cannot synthesize in our bodies and must obtain from our diet.









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# EGGS IN A CLIMATE CONTEXT

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## How sustainable are eggs?

Eggs are in season all year round, and a quick omelet with leftovers from the fridge is a delicious and good way to avoid food waste. But how sustainable are eggs really? This question was discussed passionately by Kronägg in Sweden and they decided to find an answer. Therefore, they became involved in a research project with RISE Research Institutes of Sweden, which would reveal that eggs are doing quite well in the CO<sub>2</sub> accounts.

### FOOD AND CLIMATE IMPACT

More consumers are beginning to focus on food as an important source of the total CO<sub>2</sub> emissions in a country. When eating a piece of meat or drinking a glass of milk, both foods contribute with a climate impact. Typically, the climate impact is measured in the number of kilos of food produced, however to compare various foods, RISE Research Institutes of Sweden, developed a new method when they investigated the climate impact of eggs in relation to the nutrient content.

### LOWER CLIMATE EFFECTS THAN GRAIN

In her mission to investigate how sustainable eggs are, Elinor Hallström - researcher at Rise Research Institutes of Sweden - analyzed 16 different foods based on the climate impact per 100 grams of protein and nutrient density of vitamins and minerals. Often you measure how much CO<sub>2</sub> is emitted by the production of 1kg of a food, for example beans, and assess the climate impact of the beans.

Since there is a huge difference in how much protein food contains, Hallström was also interested in analyzing how many CO<sub>2</sub> emissions were produced in 100 grams of protein from each of the 16 foods. Hallström found that when looking at the protein content in the foods studied, eggs have a lower climate impact per 100 grams of protein than both nuts, lamb, rice, cheese, pork, milk and grain (graph 1).

### Eggs contain important vitamins

Since humans need many different vitamins and minerals in their diet, Hallström also investigated CO<sub>2</sub>-emission in relation to the nutrient density (graph 2). Hallstrom discovered, that eggs, because of their content of e.g. iron, phosphorus, magnesium, Lecithin, Vitamin A, Vitamin D, Vitamin B and Vitamin E have a lower climate impact than all the foods examined, except from lentils, herring, potatoes and green peas.

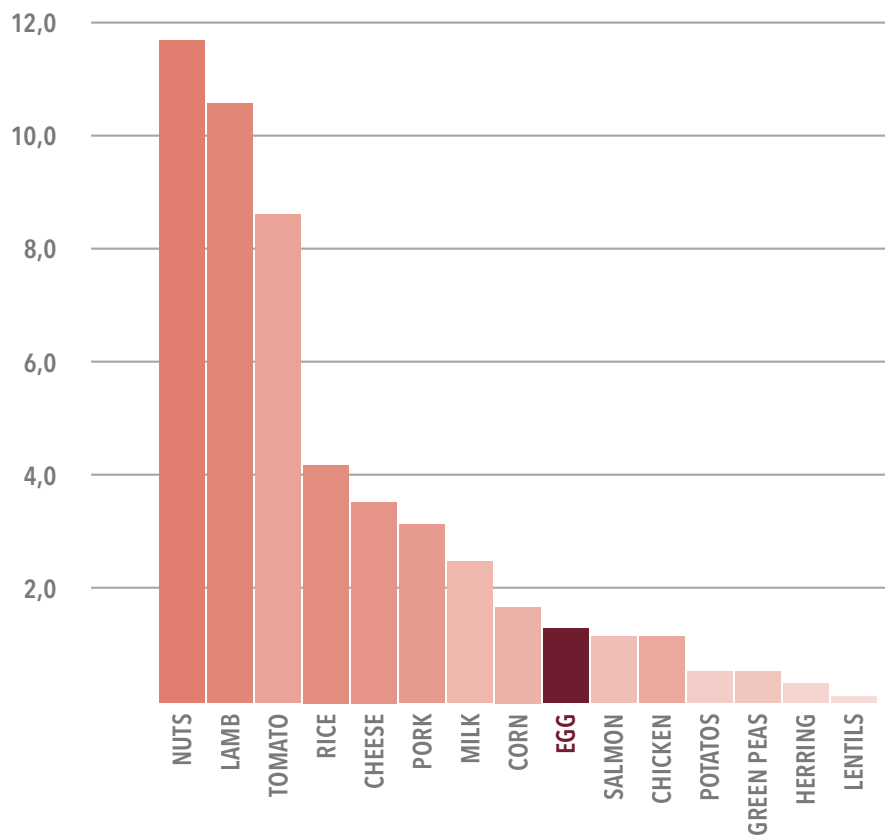
In other words, at a time when consumers are worried about the impact of food on the climate, the report shows that eggs in many ways are very beneficial to put in the shopping basket

Source: "Climate impact of eggs in relation to nutritional content" by Elinor Hallström, RISE Research Institutes of Sweden, 2018.

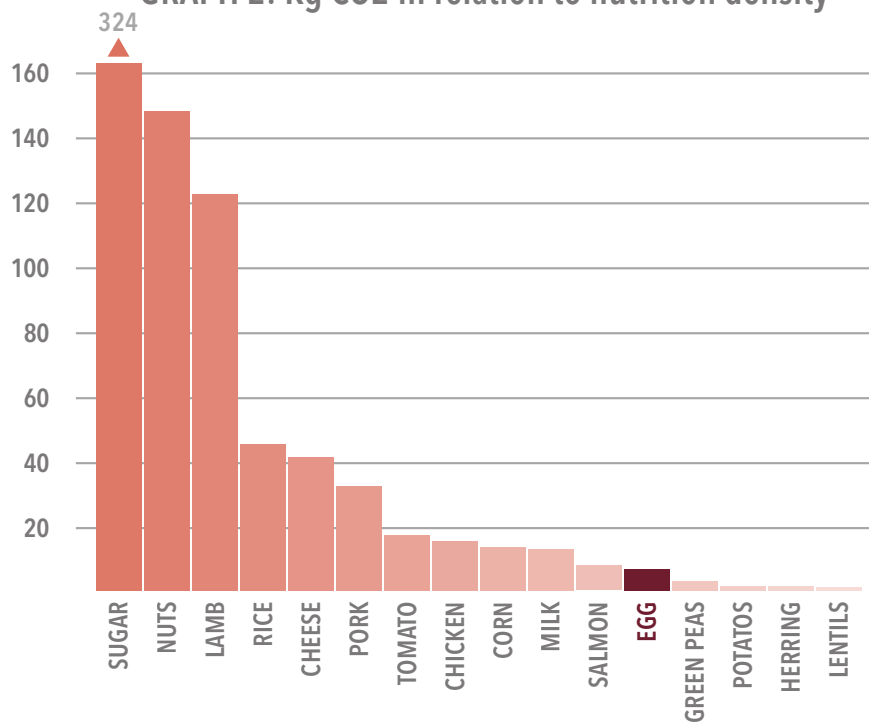




GRAPH 1: Kg CO2 per 100 grams of protein



GRAPH 2: Kg CO2 in relation to nutrition density



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# DANÆG AND THE UN GLOBAL COMPACT

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The UN Global Compact's mission is to mobilize a global movement of businesses to create a better world. They do this, among other things, based on 10 Principles that all member companies undertake to live by.

Since the first half of year 2013, the DANÆG Group has been affiliated with the Principles of the UN Global Compact, including the development of an annual COP (Communication On Progress) report. The COP report describes how companies continually improve and develop policies and actions in accordance with the UN's 10 Principles for a more responsible and sustainable world. At the DANÆG Group, COP is part of the company's CSR report, which you can read below.

In 2014, we made our first internal analysis of the relationship between our way of doing business today and The Ten Principles of the UN Global Compact. This assessment has been updated by December 2020.

The assessment consisted of answering specific related questions for each area covered by the UN Global Compact and thereby providing a picture of potential for increasing our performance with regards to CSR.

Much has happened during the past 7 years, and within the DANÆG Group we have continuously increased our commitment to CSR and The Ten Principles of the UN Global Compact.

The updated results of the internal assessment are illustrated in Table 1 along with the improvement targets set in relation to the results. In Table 1, green indicates a current high performance with limited potential for further improvement; yellow indicates that practices can be enhanced; and red indicates the main practices which could be improved.

It is important to note that the assessment was performed qualitatively according to the potential of increasing performance and not as a specific performance assessment. In practice this means that subjects marked with red can still indicate a good performance compared to other companies.

As a result of the internal assessment, we are pleased, to inform that the DANÆG Group works within the guidelines of The Ten Principles of the UN Global Compact today, and in 2021 also.

In the potential and relevance assessment all principles within 'Human rights', 'Labour rights' and 'Anti-corruption' were assessed as high performance based on the fact, that they are covered by both our management guidelines as well as the legislation in low-risk countries.

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## COMPANY POLICY:

- The DANÆG Group must comply with UN conventions and principles, which among other things are defined in the UN Global Compact.
- We must work on sustainable principles and seek solutions that take into account human and environmental conditions.
- We undertake to pay particular attention to the issues that concern the local community around our companies and the countries from which we buy various materials from.
- We distance ourselves from all forms of bribery and corruption, both with our own employees and with the suppliers with whom we work.
- The DANÆG Group demands a high level of food safety, and we aim to produce high quality products every time.
- We support and respect the enforcement of international human rights rules and ensure that, as a company or through our activities, we are not responsible for any human rights violations.
- Health and safety in the workplace are given high priority, among other things by offering health activities, continuous competence development and training.
- We will offer fair wages, insurance schemes, senior schemes and of course follow applicable agreements and rules.



Table 1: Internal assessment of DANÆG and The Ten Principles of the UN Global Compact 2021

	UN GLOBAL COMPACT PRINCIPLES	RISK/IMPACT	ACTIVITY & SET-UP
HUMAN RIGHTS	1. Business should support and respect the protection of internationally proclaimed human rights	Low	Covered by legislation and our management guidelines
	2. Make sure that they are not complicit in human rights abuses	Low	Covered by legislation and our management guidelines
LABOUR RIGHTS	3. Business should uphold the freedom of association and the effective recognition of the right	Low	Covered by legislation and our management guidelines
	4. Elimination of all forms of forced and compulsory labour	Low	Covered by legislation and our management guidelines
	5. Effective abolition of child labour	Low	Covered by legislation and our management guidelines
	6. and the elimination of discrimination in respect of employment and occupation	Low	Covered by legislation and our management guidelines
ENVIRONMENT	7. Business should support a precautionary approach to environmental challenges	Medium	In relation to environmental issues, the DANÆG Group works within the frames of legislation and our own management guidelines. However, the task of improving our efforts is of great importance to us, including elements like optimization of production (both in relation to the production (production of eggs and production at our production facilities), distribution, packaging etc. Large investments have been implemented in recent years and more are planned in 2021.
	8. Undertake initiatives to promote greater environmental responsibility	Medium	
	9. Encourage the development and diffusion of environmentally friendly technologies	High	
ANTI-CORRUPTION	10. Business should work against all forms of corruption, including extortion and bribery.	Low	Covered by legislation and our management guidelines

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# CSR EFFORTS IN 2020

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## CSR - A PART OF OUR CORPORATE DNA

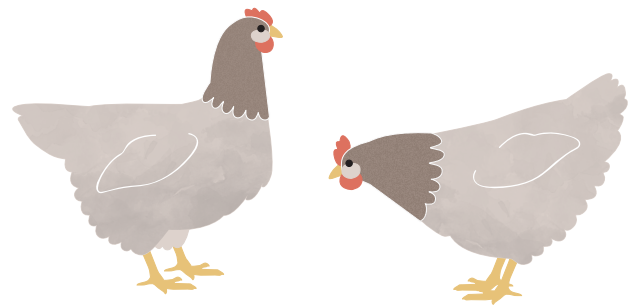
The DANÆG Group continuously strives to strengthen our commitment to create more sustainable development within our business area.

This is done both in the form of more overall initiatives, larger investments and a stronger focus on the Group's overall CSR efforts, but also by creating improvements in everyday life, where even minor adjustments can contribute to a positive development.

In the coming pages, we will highlight that the DANÆG Group focuses on CSR throughout our whole value chain. Furthermore, we will present examples of initiatives we have worked with in 2020.

Subsequently, we will focus more broadly on the entire business and provide a number of concrete examples of how we work with CSR in our everyday life and in our daily operations.

We find inspiration for our overall CSR efforts in both the 10 Principles of the UN Global Compact, as well as in the UN 17 Sustainable Development Goals, which also have a great impact on daily work.





## DANÆGS VALUE CHAIN AND CSR

We have a strategical objective to focus on our CSR responsibilities throughout our whole value chain, including both internal and external aspects. Examples of this are:

- We expect from our suppliers, that they commit themselves to our Code of Conduct and The Ten Principles of the UN Global Compact. This initiative has been implemented since 2016, and by the end of year 2020 close to 85% of our suppliers (in numbers: 655 suppliers) have signed and verified their compliance to our Code of Conduct in their supplier contracts.
- We have completed a process of securing our egg producers' commitment - in both Denmark and Sweden - to the national egg sectors industry code. Through this code and thorough audits, we secure that our producers meet the requirements of the code, e.g. within areas such as quality management, animal welfare, environmental requirements as well as tracking and documenting every step of their production.
- CSR is an integrated part of both our overall strategy and our daily business, also within areas like production, marketing & communication, innovation, QA, transportation, etc.



## DANÆG Advisory Board

In 2017, the DANÆG Group established a very ambitious advisory board, where internal know-how was combined with highly acknowledged external experts, in order to set the frames for future production of eggs and egg products.

The DANÆG Advisory Board (DAB) consists of the following members:

- Peter Sandøe, Professor at the Department for Food and Resource Economy at the Institute for Veterinary and Livestock Science at the University of Copenhagen (chairman).
- Ragnar Tauson, Professor Emeritus at Sveriges Lantbruksuniversitet in Uppsala, focusing on animal welfare within the area of egg laying hens and production in different types of stable layouts.
- Jørgen Kjær, Senior Animal Welfare Researcher at the Friedrich-Loeffler Institut, Celle, Germany.
- Jesper Bo Jensen, Future Researcher and Director at Centre for Future Studies.
- Employees from DANÆG and Kronägg.

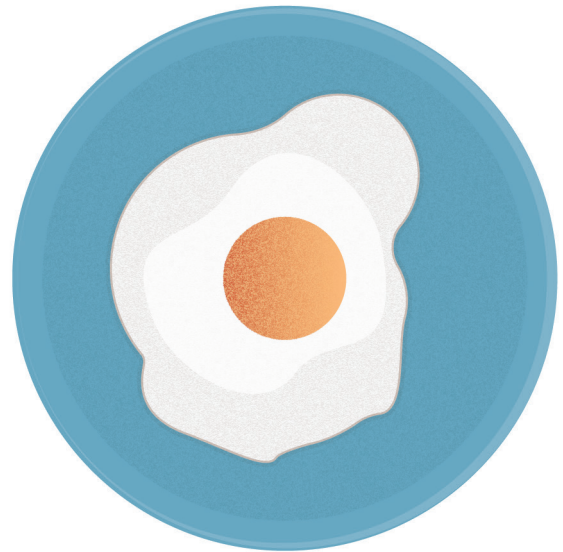
Since the establishment, DAB has discussed different subjects within the area of egg production and has thus been presented to the entire production chain at the DANÆG Group. In the autumn of 2020 DAB presented a number of concrete recommendations to DANÆG in the following areas:

- Food safety
- Nature, climate and environment
- Animal welfare
- Animal ethics

In this report we want to focus on DAB's recommendations in the area of nature, climate and environment:

- DAB supports DANÆG's intensification of the marketing of eggs as a climate-friendly animal protein source as well as DANÆG's focus on the search for alternatives to imported soy when marketing DANÆG's products.
- DAB recommends that DANÆG encourages its producers to use green electricity and that DANÆG supports those producers, who choose to use environmentally and climate-friendly energy solutions on their farms.
- DAB recommends that DANÆG works in the longer term to find alternative uses for hens when they are no longer used for laying eggs.
- DAB recommends that DANÆG introduces a food waste campaign.

The above stated recommendations have been presented to the board of DANÆG amba as well as to the Danish and Swedish cooperative members of DANÆG amba in the autumn 2020. All companies in the DANÆG Group will be working with the recommendations given by DAB during the year 2021.





## Sustainable soy and free range eggs without the use of soy

As to the recommendation from DAB concerning alternatives to imported soy in the feed concepts used by the members of DANÆG amba, DANÆG A/S is already participating in a project together with DLG - DLG being the first Danish agribusiness company joining the Danish Alliance for Responsible Soy. The project aims at developing new feed concepts with reduced or no use of soy and increased use of European and Danish raw materials in the feed concepts - an important step towards ensuring that all soy is produced in a responsible and deforestation-free way.

The project course with DLG has resulted in three new feed concepts that can be measured directly in terms of CO2 emissions. The first concept, which will be introduced at the beginning of 2021, will enable us to reduce the Global Warming Potential (GWP) value from the feed by approx. 50%.

In cooperation with DLG, we have developed a new feed concept for free range herds, where the mixture is based solely on European raw materials WITHOUT soybean and fishmeal. The protein is replaced by peas, sunflower sings, canola sings and corn gluten.

We are working on a number of initiatives and projects with the aim of increasing the amount of protein produced in Denmark in animal feed.

At DANÆG, we are working on reducing soy consumption in the feed for laying hens and we aim at only using sustainable soy by 2025!

Read more about the Danish Alliance for Responsible Soy here: <https://www.dieh.dk/projekter/dansk-alliance-for-ansvarlig-soja>



 Dansk Alliance  
for Ansvarlig Soja

## DANÆG Holding A/S & ISO 14001

ISO 14.001 is the international standard that was introduced in 1996. The standard specifies requirements for an effective environmental management system (EMS) and it provides a framework that an organization can follow, rather than establishing environmental performance requirements.

An environmental management system according to ISO 14001 is based on the company, its processes and activities and thus distributes responsibility and competence and describes environmental tasks in everyday life.

ISO 14001 lays down requirements for the individual elements of the environmental management system that must be met in order to be certified: environmental policy, planning, implementation and operation, control and corrective actions, management review etc.

It can be used by any organization that wants to improve resource efficiency, reduce waste, and reduce costs. Using ISO 14.001 can provide assurance to company management and employees as well as external stakeholders that environmental impact is being measured and improved.

ISO 14.001 is suitable for organizations of all types and sizes, be they private, not-for-profit or governmental. It requires that an organization considers all environmental issues relevant to its operations, such as air pollution, water and sewage issues, waste management, soil contamination, climate change mitigation and adaptation, and resource use and efficiency. Like all ISO management system standards, ISO 14.001 includes the need for continual improvement of an organization's systems and approach to environmental concerns.

Read more about ISO 14.001: <https://www.iso.org/iso-14001-environmental-management.html>

DANÆG Holding A/S was certified according to ISO 14.001 in the month of June 2020. The certification is carried out in such a way that DANÆG Holding A/S holds the certificate and that the subsidiaries in the DANÆG Group gradually will be included in this joint certificate.

The subsidiaries DANÆG A/S and DANÆG Products A/S have also been certified in 2020. Kronägg AB received an environment certificate in 2019 and will be included in the ISO 14.001 certificate during spring 2021. Källbergs Industri AB is expected to be certified within the year 2021.

New targets for 2021 are currently being developed and will include: investments in energy-enhancing production equipment, including replacement of various engines, optimisation of freezer compartments etc..

### "New ISO 14001 for better environmental management"

Significant savings in water and energy are only some of many effects of strategic use of ISO 14001. A new version of the management standard, which will be an even stronger tool for achieving visible environmental results, has just been released.

ISO 14001 is currently used by companies and organisations of all sizes and in all industries and sectors as a management tool to manage environmental impact management, reduce resource consumption and give the management an overview of the company's environmental performance. A new version of the standard has just been released, and it offers many significant changes, including an increased focus on the role of the management and more requirements for environmental communication.

- ISO 14001 is used in many companies as a tool to manage and strengthen environmental efforts and thus achieve visible results that can ultimately also have an effect on the bottom line. At the same time, it is an internationally recognized environmental management system that can help open doors to new markets, says Jesper Jerlang, Standardization Director at Dansk Standard.

According to Dansk Standard's Standardization Director, the tool will be even stronger with the new ISO 14001.

- The management standard must now be anchored even more in the top management than before and support and play together with the company's strategy. At the same time, the focus is on the company to constantly optimize environmental efforts. Thus, the new ISO 14001 will play an even more important role and bring increased benefits to the company, says Jesper Jerlang".





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## Kronägg and climate-neutral eggs in Sweden

Climate and sustainability are becoming increasingly important for all of us, not least when it comes to choosing food. The egg has a low climate impact in relation to the high nutritional content, which is largely because the hens are skilled at converting feed into finished foods. By choosing the right kind of food - food produced in a climate-efficient way - the consumer can make an important contribution to reduce the greenhouse effect.

Together we have a great responsibility to reduce our climate footprint as much as possible. That's why we started by identifying and calculating emissions from production to store. We have already improved our climate focus by using recyclable materials in packaging, installation of renewable energy supply in our packaging plants and made investments in climate-efficient logistics. However, this does not prevent us from continuing to make the eggs even more climate friendly.

That is why we are proud to inform that if the Swedish consumers choose to buy eggs marked with our climate symbol on the packaging, they can be sure that the eggs are 100% climate compensated - all the way through the production chain.

What does it mean that the eggs are 100% climate compensated? On the next pages we will try to give you a more detailed insight into how the concept of climate compensation works.

Food accounts for about a quarter of Sweden's total emissions of greenhouse gases if you count all emissions from soil to table.

By identifying our emission sources and determining how large they are, we can reduce the levels as far as possible to finally compensate for the climate-impacting emissions we cannot remove.

### 1. IDENTIFY AND QUANTIFY

Identifying and calculating the amount of climate-impacting gases emitted from the production on the farm until the eggs come to the store shelves. Here we look at the entire production chain, from consumption of raw materials, feed production, energy consumption, to packaging and transport.

Identifying and quantifying are fundamental, because we receive information to where our emissions occur and how large they are in the various stages of our production.

### 2. REDUCE

It is important to constantly improve and reduce the emissions. This applies, for example, to feed production, reducing emissions on the farms and at the packaging station, etc.

Today we work with advanced environmental programs with energy savings, green logistics projects and green electricity - and significant progress is already made.

Other areas that have been improved are: Cartons and packaging of 100% recycled pulp, the feed production - especially with focus on soy, reduce feed waste, improved animal health, optimization of transportation, etc.

### 3. CLIMATE COMPENSATION

This is how we compensate: Climate compensation mainly arises from various climate projects in developing countries such as energy efficiency, development of clean and renewable energy, tree planting and forest conservation. (Grafik med engelsk tekst)

We compensate climate in three certified projects in Peru, India and Madagascar.



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## Denmark's first CO<sub>2</sub>-neutral eggs

With consideration of the environment, there are many good reasons to put eggs in the shopping cart. In collaboration with Dansk Cater – a large Danish Food Service wholesaler – we have made it easier for restaurants, canteens and hotels to choose Danish, sustainable foods. The carbon dioxide emitted by the production of the eggs, we climate-compensated by supporting climate-positive projects.

In Foodservice, wholesalers find that the buyers at Danish hotels, restaurants and canteens give high priority to the climate, when shopping for food. We saw this growing interest in climate-friendly foods, as an obvious opportunity to launch Denmark's first 100% climate-compensated eggs. Fortunately, Dansk Cater joined the idea and the project was launched in September 2019.





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## The projects we support

We have chosen to support three certified projects, where our contribution is controlled and monitored by Zero Mission, a Swedish specialist in assisting companies with climate strategies, climate calculations and climate compensation.

### 1. Peru, Madre de Dios - conservation of rain forest

The project has a main target of helping and protecting the Amazon rainforest. The yearly amount paid from various projects makes it possible to patrol and monitor an area corresponding to over 100,000 hectares. At the same time, it contributes to social initiatives and increased entrepreneurship, which creates alternative sources of income for the local population.

Furthermore, the project includes an improvement of the infrastructure and assistance and support for education for the residents of the area.

The ambition is to monitor the native flora with its total of over 120 different tree species, including mahogany, figs and cedar, and to protect the biodiversity of the rain forest where red-listed animal species such as the jaguar, red crab monkey and tapir still live freely. The project is certified by VCS and CCB.

### 2. India, Khasi Hills - green energy exchange

We support India's very first forest conservation project, certified according to the Plan Vivo standard. In one of the wettest places in the world, the project aims to support the reconstruction of degraded forests and to preserve existing ones. The Khasi Hills area is a global "hotspot" for biodiversity. The forest is so high up in the mountains that it is often called "cloud forest".

Again, this is about preventing deforestation and helping to reduce the extreme poverty among the local population. One initiative is to reduce the need for firewood, which results in two positive effects, fewer trees need to be cut, while reducing the area's pollution, which benefits public health in the area.

### 3. Madagascar - green energy exchange

Madagascar is one of the world's poorest countries, and the hunt for new agricultural land, timber and firewood are threatening the unique national ecosystem. According to WWF, about 90 percent of the island was covered by forest at the beginning of the 20th century. Today, only 10 percent remain.

This Gold Standard certified project aims to replace the needs for wood by replacing traditional wood and coal-fired stoves with 10 different types of efficient stoves, which are powered by solar energy, among other things. To date, 164,000 ovens have been produced and installed, resulting in 135 permanent jobs. Furthermore, 7 training centers have been built and over 1,270,000 tons of firewood have been saved. In this way, the project contributes to 10 of the UN's 17 sustainability goals.



## Innovation partnership for healthy food

Innovation Partnership is an initiative established as a result of the Danish government's new strategy for healthier food and meals to the consumers.

The partnership is organized by Danish Veterinary and Food Administration (Foedevarestyrelsen - FVST) and involves more than 135 strong partners within retail, foodservice, food producers (+95 food companies), health care organizations, interest organizations, educational and research institutions, etc.

DANÆG Products A/S and DANÆG A/S are representing the DANÆG Group in the Innovation Partnership – and participate in the groups "Dairy and eggs" and "Meals"

Based on partnership's work during 2020, specific goals have now been presented some goals within the areas of canteens and retail. Goals for the area takeaway/restaurants are awaiting the result of a fastfood analysis and will be presented in January/February 2021:

### Canteens, goals:

- >75% meet the recommendation that 4 out of 5 lunch dishes should contain whole grains by 2030 (in 2018 it was 50-75%).
- >75% meet the recommendation that 2/3 of a lunch dishes should be greens, legumes, fruit by 2030 (in 2018 it was <50).
- >75% meets the recommendation of max 400g of meat in lunch dishes per week.
- >75% offer fish as a hot dish twice a week, including a dish of fatty fish (in 2018 it was 82% fish, once/week)
- Butter, fatty cheeses, fatty dairy products are used as tasters in meals
- Reduction of the average salt content of meals by 2030. Focus on high-salt meals. Limit the salt content of the food when shopping and cooking. Use tasters more than salt.

### Retail, goals:

- 20% of the supply of meals in retail should be marked with the Keyhole label by 2030 (a joint Nordic nutrition label, which Denmark joined in 2009). In 2019, there were 1.9% and based on the new criteria, it is estimated to be 10.6%.
- 80% of meals in retail should contain a maximum of 1g of salt per 100g in average (in 2019 it was 61%). Focus on meals with a high content of salt.
- 25% of the supply of meals in retail containing a cereal should be whole grain by 2030 (today it is 13.4%).
- 15% of the supply of meals containing ingredients from animals should contain seafood by 2030 (today it is 8.8%).









## Sponsorship and cooperation

In year 2020, the DANÆG Group has again been involved in a wide number of sponsorship and cooperations.

Examples of activities for 2020 are financial support and co-operation with a number of interest organisations in Denmark, Sweden, and internationally:

### UN GLOBAL COMPACT

The world's largest corporate sustainability initiative

### DANSKE HOSPITALSKLOVNE

Danish Hospital Clowns

### BRIS

Childrens' Rights in Sweden

### TEAM RYNKEBY

Support to children with cancer in Denmark

### BARNCANCER FONDEN

Support to children with cancer in Sweden

### ØKOLOGISK LANDSFORENING

The Organic Association in Denmark

### LANDBRUG & FØDEVARER

The Danish Agriculture & Food Council

## RONALD MCDONALD HOUSE CHARITIES

DANÆG amba received a number of donations in connection with its 125th anniversary in March 2020 and was thus able to donate considerable amounts to Ronald McDonald House Charities in both Denmark and Sweden. A Ronald McDonald House is a kind of "home outside the home" where families who have a child with serious illness can stay while the child is admitted to the hospital.

The first Ronald McDonald House opened in Philadelphia, PA, USA, in 1974, after recognizing the need for parents to stay close to their hospitalized child. As more House programs opened around the world, it became clear that caring for the family of a sick child was as important as caring for the child.

That was the beginning of a unique role as a children's charity, enabling, supporting and facilitating family-centered care. The Ronald McDonald House programs, located near top children's hospitals, allow parents who are far from home to stay close to their hospitalized child and benefit from the comforts of home without incurring hotel and food costs. Ronald McDonald Family Room programs offer a quiet respite for all families right in the hospital. And Ronald McDonald Care Mobile programs bring fundamental medical and dental care to underserved communities.

Ronald McDonald House Charities provides more than 2.5 million overnight stays each year.

Read more about Ronald McDonald House Charities here: [www.rmhc.org](http://www.rmhc.org)



## SPONSORSHIPS

We are also involved in a number of sponsorships of different sport activities, school projects, food projects and general social activities - especially within the local areas of the various companies within the DANÆG Group. These activities can involve financial support as well as access to different egg products - often with focus on children, families or elderly people.

Examples of other sponsorships and cooperation in 2020 are:



## BRIS

BRIS, Children's Rights in Society, is one of Sweden's leading children's rights organizations with the main mission of creating a better society for children in Sweden. With the Convention on the Rights of the Child, BRIS supports children in vulnerable situations, mobilizes society and influences decision-makers for a society where every child knows their rights and where the rights of the child are respected.

Kronägg fully supports the mission of BRIS, and the two partners have throughout the years established a strong collaboration that has been very rewarding for both Kronägg and BRIS.

"We, at Kronägg, are incredibly pleased with our collaboration with BRIS and we feel proud that we can participate and help Sweden's children and young people to create a better life. In many cases, the work of BRIS is the difference between hope and despair for young people", says Kronägg's Director, Bengt G Andersson.

"BRIS does a fantastic good and important job for our youth and if Kronägg can help with financial support and communication on our egg boxes, then it is very positive", he continues.

"We are very pleased with the collaboration with Kronägg and the BRIS eggs. The project has exceeded our expectations and the success of this CSR project shows the strength when two strong brands carry out a professional collaboration with clear goals and objectives," says Thomas Örnebjär, Sponsor Manager at BRIS.

Read more at BRIS' website: [www.bris.se](http://www.bris.se)





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## The environment

- Ongoing focus on being internationally certified within quality standards, environmental standards etc. Most recently we are proud that both our Danish companies, DANÆG A/S and DANÆG Products A/S, have received the ISO 14.001 "environment management" certification, and both Swedish companies are expected to be included in the DANÆG Holding A/S' certification during 2021.
- A strategic choice of using many local and national suppliers and business partners - of which 85 % have signed a cooperation contract with the DANÆG Group that they comply to the Ten Principles of the UN Global Compact.
- Investments and initiatives in production facilities increasing efficiency and reducing environmental effects. In 2020, a large number of small and large investments have been made in both Denmark and Sweden in order to improve production while minimizing the effect on the environment. Examples of this are:
  - All the Group companies now use 100 % green power. Both Swedish companies use 100 % renewable energy - "Go Vatten" (water based) - within the international standards of Guarantees of Origin.
  - Increased use of digital communication - transformation from printed media to digital platforms. Meetings with customers and participation in fairs have been reduced and replaced by digital solutions.
  - New equipment for automatic packing - reduces the number of repetitive tasks.
  - Introduction of laser printing at the packing plants in both Denmark and Sweden - reduces the amount of non-compostable labels and the amount of non-recyclable basis paper from thermo labels. This solution also increases productivity and reduces manual labour.
  - Etc.
- All egg trays for retail and Food Service are made of 100 % recycled materials - both pulp/paper and plastic
- Wide focus on optimization of logistics and transportation and adjustment of packaging size in order to optimize transportation, etc.
- High level of own-produced feed at the egg farmers - both in Denmark and in Sweden.
- Comprehensive waste sorting - carried out in all the Group companies. Examples are:
  - Sustainable dispose of plastic waste (plastic wrap / plastic pallets / dividers / plastic trays, etc.) from production
  - Eggshells from breaking plants are disposed as fertilizers for agriculture
  - Waste sorting in kitchen and office facilities in the companies, incl. separating cardboard / paper, glass and food waste. At the same time, we have phased out disposable plastic cutlery
  - Etc.
- Cooperation with Fødevarebanken (The Food Bank) which is a non-profit organization that combats food waste and food poverty in Denmark by donating collected food products from the industry to socially vulnerable children, young people and adults.

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## Labour

- At DANÆG, we are aware that our employees are our most important asset and for this reason we work to create a good and safe workplace for all our employees, characterized by respect and thoughtfulness, equal opportunities, employee development and involvement. It is therefore also important for us to build a strong culture where employees respect the common guidelines and commit to being a part of and contributing to DANÆG being a sustainable company.
- At DANÆG we strive to treat everyone equally, which also applies when recruiting new employees. We want to attract the best qualified candidates regardless of gender, religion, race, disability etc. We are diverse and represent approx. 12 different nationalities just in the Danish part of the group, which corresponds to approx. 8% of our workforce having a different background than Danish.
- We have a great focus on follow-up in relation to well-being through day-to-day management. In the ongoing dialogue between manager and employee and at the annual development interview (MUS/LUS interview) expectations are aligned - both for the development of the workplace and the development of the individual employee or manager. On the basis of this, competence development is discussed for the individual employee or for groups of employees. For 2020, one of our goals was to recruit more apprentices in disciplines where we had not previously had apprentices and to obtain a number of pupils that accounted for about 3% of the total staff force in the DANÆG Group. When we enter 2021, 2.7% of the workforce will be apprentices and we will be close to the desired target.
- Establishment of a HR database with respect of GDPR regulations, where leaders can find all relevant documents regarding the employees that they are responsible for.
- Education and various employee benefits - numerous social arrangements every year, free coffee/the, Christmas and anniversary presents, etc. are also important aspects of working in the DANÆG Group.
- Health is an important part of our everyday work - including initiatives like: Free fruit for all employees, job rotation, health insurance (mainly paid by the company), modern ergonomically correct office furniture (height adjustable tables and chairs, etc.), various health-related activities and actions in each of the companies within the DANÆG Group.
- Our employee's daily health is of great importance and interest to us. All our employees are offered health insurance and in case of long-term illness, we contact the employee as soon as possible to support the employee in getting back quickly and well. Of health promotion initiatives in 2021, include the introduction of a new smoking policy for our department in Roskilde. As of 1 January 2021, a total smoking ban will be introduced on the entire cadastral in Roskilde. In this context, the DANÆG Group naturally offers help to stop smoking, as we are aware that it can be difficult to stop smoking without any help.
- COVID-19 handling including a strong focus on protecting the health of our employees: home work places, production and administration being divided into zones for periods, hand sanitizer dispensers everywhere in the factories and offices, face masks for the employees who want to use them, a minimum of external persons at our locations, offers of paid quick testing in case of need, increased use of intra net and information screens to secure continuous information about COVID-19 actions and restrictions etc. Daily digital meetings have been held in order to secure a high level of information and good well-being amongst our employees.
- In 2020, we initiated a larger and more extensive clarification of competences of all employees in the DANÆG Group in cooperation with Education Center Syd. Unfortunately, we had to interrupt the process due to Covid-19, but it is our intention to continue the project as soon as possible.
- In connection with the celebration of our 125th anniversary, all employees were given a day off paid by the company. Furthermore, lunch arrangements were held at all locations and the employees were given a copy of the book that was published in connection with the anniversary - "En historie om milliarder af æg" (A History about Billions of Eggs).
- The restrictions caused by COVID-19 unfortunately meant that we had to cancel most of the social events we normally hold for our employees during the year. The management of the DANÆG Group wanted to thank the employees for their flexibility and understanding in connection with the changes and necessary restrictions in connection with the daily work. At Easter the employees were given a restaurant voucher to use at a local restaurant and at Christmas the employees received a gift box containing food to use when celebrating Christmas together with their family.
- Also DLG - the co-owner of the DANÆG Group - showed their appreciation of the efforts and flexibility shown by the employees at the DANÆG Group during the year. In connection with both Easter and Christmas all employees received a gift box from DLG.

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# CSR PLANS IN 2021

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In year 2021, the DANÆG Group will continue its large focus on CSR and CSR related activities. Examples of CSR activities planned for 2021 are:

- Inclusion of Kronägg AB and Källberg Industri AB in the group's ISO 14.001 certification.
  - Production: We will have a huge focus on reducing energy consumptions in all companies within the DANÆG Group. Large investments have been made in recent years - and we will strive towards obtaining the full effect of these investments during 2021.
  - Reduce use of fossil gas by 3 % and reduce use of electricity by approx. 3 % in both Danish companies.
  - Financial support and cooperation with various organizations in Scandinavia and internationally. In 2021, The DANÆG Group expect to use the ap proximately same amount as in 2020 in financial support and cooperation with various interest organi zations. A number of CSR contracts of long-term relationships have already been signed for the year 2021.
  - HR: Continue to integrate company values in our daily work. A number of various HR activities are planned for next year, including opportunities for education of employees and hiring new apprentices, etc. Hopefully it will be possible to complete the clarification of competences of all employees in the DANÆG Group in cooperation with Education Center Syd.
  - Close cooperation with the advisory board when working on implementing the recommendations presented by the advisory board to DANÆG.
  - The purchasing department have had major focus on sustainable packaging solutions in recent years. An area that is also expected to be in focus in 2021.
  - Reducing food waste by further improvements in production planning, customer dialogue and opti mization in production.
  - And many other CSR proactive activities!
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# FINAL STATEMENT

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In relation to CSR, the last year has been another step on an interesting and positive journey for the DANÆG Group. Our focus on CSR is constantly growing, and today corporate social responsibility is an integrated part of both our business strategy and our daily work within the organization.

As a final statement, we would like to express our positive mind towards our participation in the UN Global Compact. At an overall level, we receive a lot of positive feedback from both internal and external stakeholders for our work within CSR. We take this feedback as an indication that we are on the right track – and as a motivation for finding more and new ways of dealing with CSR matters in the future.

By the end of year 2020, we have ended the work of the third year with our strategy “Ready for the next level”, where we have defined our strategic path for the years 2018-2021.

The first three years of the strategy have been successful in a number of ways, including our work with CSR. We expect this development to continue and we have a number of new activities planned to back up these expectations for next year.

We look forward to presenting our annual Communication on Progress (COP) in year 2022.

Best regards,  
The DANÆG Group

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