



Danish Crown

Code of Practice Danish Crown Beef

March 2023



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Code of Practice for Danish Crown's cooperative owners supplying cattle in Denmark

Background

As one of the largest meat exporters in the world, Danish Crown has a significant commercial responsibility.

We strive to meet this responsibility by running our business in a profitable and sustainable manner and by integrating environmental, social and ethical considerations into our business activities and throughout our value chain.

In this Code of Practice, we define the minimum requirements that our cooperative owners must comply with in order to supply cattle to Danish Crown. Compliance with the Code of Practice is a prerequisite for our cooperative partnership, and the code constitutes a legally binding document for all cooperative owners supplying cattle.

The Code of Practice also reflects Danish Crown's commitment to the UN Global Compact, Science-Based Targets, and is based on compliance with applicable national legislation and international rules and regulations, as well as recognised international standards and agreements.

As Danish cattle production is subject to legislation that is more restrictive than in most other countries, Danish Crown is in a good position to profile itself as a responsible company. In addition, the Danish beef industry and Danish Crown have supplemented the legislation with a number of production requirements that focus particularly on food safety, sustainability and ethical production conditions.

This first edition of Danish Crown's Code of Practice for cooperative owners supplying cattle clarifies current requirements and industry rules.

The Code of Practice acts as a supplement to the existing legislation. Relevant acts and executive orders may be found (in Danish) at retsinformation.dk.

This Code of Practice will continue to be supplemented with new rules and requirements on an ongoing basis in order to ensure that Danish Crown has a competitive edge as a supplier to the main beef and veal markets.

March 2023, Danish Crown's website, www.danishcrown.com

1.0 Purpose

This Code of Practice is a dynamic tool, which was implemented to secure Danish Crown's access to key markets worldwide and thus contains the following elements:

Danish Crown's ethical position on cattle production (Clause 2.0).

Danish Crown's Code of Practice along with relevant legislation (Clause 3.0).

Guidance on how changes and new conditions may be implemented on an ongoing basis and added to Danish Crown's Code of Practice (Clause 4.0).

Description of how Danish Crown will ensure compliance with Danish Crown's Code of Practice (Clause 5.0).

Determination of Danish Crown's sanction options in the event of non-compliance with Danish Crown's Code of Practice and other rules (Clause 6.0).

Description of Danish Crown's special concepts (Clause 7.0)

Current cooperative owners have signed to confirm their acceptance of the Code of Practice, and new cooperative owners or suppliers are similarly required to sign to confirm their acceptance.

Danish Crown will actively use the Code of Practice in its sales and marketing work, thereby helping to promote customer and consumer awareness of the production conditions that apply to Danish Crown's cooperative owners and thereby create greater confidence in Danish Crown's products.

Under the Articles of Association, any amendment of the Code of Practice that is not required by law or the result of industry decisions must be decided by the Board of Directors on the recommendation of the Board of Representatives. Danish Crown will publicise any changes through the cooperative owners' magazine 'Indsigt' (in Danish) and on Danish Crown's website, www.danishcrown.com.

An updated Code of Practice is always available to cooperative owners and other stakeholders on Danish Crown's website, www.danishcrown.com.



2.0 Danish Crown's ethical position on cattle production

Live slaughter animals are Danish Crown's primary raw material, and based on ethical and market considerations, we acknowledge that requirements are made in terms of optimum animal-welfare handling practices.

In this respect, Danish Crown supports the requirements laid down in the current animal-welfare legislation. We also recognise that animal-welfare legislation is a dynamic process, meaning that acts and recommendations are adjusted in line with new knowledge and practical experience.

However, Danish Crown is also aware that some customer and consumer groups make ethical, and animal-welfare demands beyond the legal requirements. Danish Crown wishes to accommodate such wishes, if there is a sustainable sales platform for doing so and if the demands are aligned with overall ethical considerations.

Danish Crown's position on animal welfare may be summarised in the following policy:

In collaboration with our cooperative owners and transporters of cattle, Danish Crown demands optimal treatment of cattle to ensure their welfare. These demands are based primarily on current legislation and industry decisions but may be extended in specific contract productions.

The collection, transport and unloading of animals for slaughter must be carried out as gently as possible and within reasonable time limits – a maximum of eight hours.

Modern and appropriate transport vehicles must be used. Moreover, Danish Crown demands that the employees performing these tasks are properly trained.

Danish Crown attaches importance to the optimum gentle treatment of animals for slaughter in order to ensure their welfare, involving gentle transport, unloading, lairage, collection, stunning and killing. Progress in this area will be incorporated into the investment plans and structural development on an ongoing basis. Employees handling live animals at the abattoirs must attend ongoing training to ensure that they understand the animals' behaviour, welfare and physiological needs.

It is Danish Crown's policy to be among the national and international companies leading in animal welfare, which means, among other things, that all animals

conditions, including EU requirements for Food Chain Information.

must be treated with respect and decency throughout their lives.

Danish Crown is actively involved in animal welfare, acting in a transparent manner, and providing factual information on its policy in this area.

With its basic values, Danish Crown emphasises its ongoing commitment to prioritising and taking responsibility for collaborating with its cooperative owners to seek continuous improvement of production conditions, food safety, sustainability, and animal welfare.

3.0 Danish Crown's Code of Practice

Danish Crown's Code of Practice together with the legislation and the Code of Practice for transporters (i.e. the hauliers transporting cattle to Danish Crown) form the basis for cattle production at Danish Crown's cooperative owners.

Danish Crown wants the raw material basis to meet the customers' and thereby the consumers' expectations of quality in the broadest sense, i.e. both in terms of measurable quality and animal ethics.

Danish Crown has therefore drawn up a number of requirements that every cooperative owner is required to meet.

3.1 Food Safety

Danish Crown attaches great importance to ensuring that consumers and customers have confidence in Danish Crown products. Therefore, food safety is a constant priority – both at the abattoirs and at the cooperative owners.

The facilities are designed to ensure that all product handling is of the highest quality and food safety standard. All employees undergo hygiene training to ensure optimum hygiene at all stages of production. The companies' quality management systems ensure compliance with legislation, customer requirements and internal demands, which are constantly evolving. Processes and procedures are monitored. The own-check procedures are monitored and documented by the company. The effectiveness of the quality management system is verified by the Danish Veterinary and Food Administration, third party certification and customer audits.

It is essential that the raw materials meet a number of criteria in terms of both food safety and quality. This is a prerequisite for Danish Crown to deliver quality products and provide the desired food safety. Therefore, cooperative owners must meet a number of



The cooperative owner reports food chain information to Danish Crown Cooperative Supply when registering cattle for slaughter.

Please refer to the industry's code of practice for food chain information and Guidelines/Industry Code for Food Chain Information.

The cooperative owner must notify Danish Crown Cooperative Supply immediately of any changes to the herd's Food Chain Information.

3.2 Ethics and animal welfare

3.2.1 Biosecurity

Animals

On account of the risk of introducing disease and of guarantees provided to important export markets, Danish Crown does not receive imported cattle – including imported breeding animals – for slaughter at its own abattoirs.

Legislation requires that cows and heifers that are due to calve in less than four weeks are not transported to the abattoir. Similarly, cows that calved less than two weeks ago must not be transported for slaughter. It is the responsibility of the farmer to ensure that these requirements are met.

Cattle of unknown origin and cloned cattle are not accepted for slaughter at Danish Crown.

People

The individual cooperative owner must comply with the rules and recommendations issued by the Danish Veterinary and Food Administration and the Danish Agriculture & Food Council at all times, including in connection with various malignant infectious diseases, such as foot-and-mouth disease, etc.

Transport vehicles and drivers

When delivering animals, feed as well as other goods to the property, drivers must take steps to guard against possible infection and be aware of the property's biosecurity measures. The transport vehicle and the driver must not enter the herd area without the permission of the cooperative owner. The driver may only enter the barn with the agreement of the cooperative owner or the cooperative owner's staff. If the driver observes signs of a breach of animal welfare or signs of a significant change in the behaviour of a cooperative owner, the driver must notify the Cooperative Supply of Danish Crown Beef. The driver must refuse to drive animals that are not suitable for transport, in accordance with the applicable legislation and the statements of the Danish Veterinary Health Council. The driver must wear appropriate work clothes, is obliged to use the cooperative owner's washing and disinfecting equipment, and must

wash/change boots at the end of the delivery to prevent possible spread of infection to another property.

Transporters are obliged to acquaint themselves with and follow the rules of the Danish Veterinary and Food Administration for the collection of slaughtered animals from herds with malignant diseases.

All transport vehicles must be cleaned and disinfected before leaving the abattoir, as they pose a significant risk of spreading infection from the abattoir to the herds.

3.2.2 Delivery of cattle

Danish cattle production is subject to very strict veterinary rules, which are known and respected all over the world. The high veterinary standards not only help to secure Danish Crown's market access in many countries, but are also an important element in an effective monitoring and eradication programme against serious infectious livestock diseases. Food Chain Information is provided for every animal registered. The health status of each herd may have an impact on the marketing of the meat. As a supplier to Danish Crown, you are therefore obliged to notify the abattoir, if your cattle are subject to restrictions or official supervision by the Danish Veterinary and Food Administration, or if there are changes in the cattle's Food Chain Information after registration.

Traceability

In order to ensure unambiguous traceability from herd to abattoir, all bovine animals leaving a herd must bear two means of identification: 1. a common ear tag in the right ear and an electronic ear tag in the left ear, or 2. A common ear tag and a ruminal bolus, or 3. A common ear tag and a chip. A chip must contain the country code '208' and the CHR number + serial number. The CHR number is the animal's official registration in the Central Register of Livestock Holdings of the Danish Ministry of Food and Agriculture. A ruminal bolus is a cylindrical container containing a chip, which is placed in the rumen (stomach) of the animal. For further information (in Danish), see [Veiledning om mærkning og registrering i CHR af kvæg AHL.pdf \(foedevarestyrelsen.dk\)](#).

3.2.3 Transfer of cattle

When cattle are transported to the abattoir, the cooperative owner must ensure that the cattle are transferred as gently as possible in order to prevent the animals from becoming unduly stressed.

Conditions during transfer

The cooperative owner is responsible for ensuring that the conditions during transfer are in order. This applies to conditions related to housing, loading and driving to



and from the property. It is the responsibility of the cooperative owner to ensure that the transport vehicle can get to and from the property's loading ramp(s), loading pen or other mobile holding facility without difficulty, so the driver can easily load the cattle onto the transport vehicle. The driver must notify the cooperative owner and Danish Crown, if the transport conditions are not in order. The supplier is advised to separate out the animals to be collected. The use of a collection/transfer room or cattle truck is allowed, provided it does not cause stress to the animals.

In addition, there must be sufficient light to assess whether the animals are suitable for transport.

Suitability for transport

It is the responsibility of the cooperative owner to ensure that all animals provided are suitable for the transport in question. A transport guide for assessing suitability for transport and injuries sustained during transport is available on the Danish Veterinary and Food Administration's website. The driver must be able to assess whether all the animals are suitable for transport prior to leaving. In the case of uncertainty whether certain animals are suitable for transport, these animals should be separated from the rest and presented to the driver at the time of collection. The transporter must be made aware of the fact that animals for slaughter must be transported separately before planning the truck load. These animals must be loaded and unloaded separately without being herded together with healthy animals. The driver is obliged to refuse to transport animals which are not suitable for transport in accordance with the current legislation and the statements of the Danish Veterinary Health Council, and must inform immediately the cooperative owner who owns the animals.

Transfer document (control of registration and transport of cattle)

The driver checks and states the time when starting to load the slaughter animals at every individual property on the transfer document. It is the transporter's responsibility to check that the number of animals collected corresponds to the number of animals registered on the transfer document. Any discrepancies must be noted immediately on the transfer document and communicated to the person responsible for transport at the abattoir.

The driver must immediately inform the cooperative owner, if the number of animals registered does not correspond to the number of animals collected. The transfer document must be handed to the veterinarian/operators before the driver begins unloading the slaughter animals at the abattoir.

3.2.4 Medical treatment of own cattle by suppliers

In order to comply with the legislation, a number of requirements are imposed on primary production, so that specific interventions on cattle and medical treatment of own cattle may be carried out.

Medical treatment may be performed only subject to agreement of the herd veterinarian and only by individuals who have the necessary experience or have completed a medicine-handling course.

Danish Crown demands that any treatment carried out by the supplier is performed in a manner which ensures that the dosage and method of application – including injection technique – comply with the available instructions issued by the herd veterinarian.

Medicines must be stored in a compartment separate from the feed storage room and stable area, and all medicines must be stored out of reach of unauthorised persons.

Any medical treatment carried out by the supplier must be documented in the herd's medication record and by tagging the treated animal.

Needles

A bent needle must not be straightened but must always be replaced. If a needle breaks during injection, it must be removed immediately. If it is not possible to remove the needle, or in case of doubt, this must be recorded and reported when registering the animal for slaughter.

3.2.5 Medical residues

At all Danish Crown abattoirs, Danish Crown's Own Checks and the authorities' Meat Inspection Unit conduct routine random tests to detect any residue concentrations of antibiotics in the meat. As residues in meat are undesirable, Danish Crown requires that, as a minimum, cooperative owners comply with the applicable post-treatment retention time. On account of its strict policy in this area, Denmark has one of the lowest antibiotic use rates in the world and very few findings of residue concentrations in the meat.

If residues are found above the limit, the cooperative owner may be required to pay an agreed penalty equivalent to the excess applicable to the product liability insurance policy recommended by Danish Crown.

In the event of a suspected case, the legislation requires that samples be taken to establish whether or not the meat contains any residue concentrations.



If, in error, animals are sent for slaughter within the retention period, the cooperative owner must inform Danish Crown of the mistake as soon as possible.

3.2.6 Diagnostics and zoonoses

Danish Crown's cooperative owners must comply with the requirements imposed on them by Danish Crown, the Danish Agriculture & Food Council or the authorities in connection with findings of salmonella or other zoonoses in their herds.

Denmark is officially free of leukosis, tuberculosis, brucellosis, foot-and-mouth disease, IBR/IPV and BVD.

In case of suspected infection with paratuberculosis (*Mycobacterium paratuberculosis*, MAP), it is recommended to register the herd for SEGES Innovation's eradication programme. Herds that are affected by *Salmonella* level 2 are recommended to start a *Salmonella* dublin eradication programme.

3.2.7 Animal welfare

The cooperative owner must ensure that all animals delivered to Danish Crown are treated responsibly and that their basic needs are met.

Animal welfare must be based on the recommended Five Freedoms, developed by the Farm Animal Welfare Council:

- Freedom from thirst, hunger and malnutrition
- Freedom from discomfort
- Freedom from pain, injury and disease
- Freedom from fear and distress
- Freedom to express normal behaviour

Animal welfare is a concept that is not linked to any objective quality criterion, but Danish Crown is aware that animal welfare plays an increasingly important role, which is also reflected [Danish Crowns Animal Welfare Policy](#) and in the rules Danish Crown has incorporated into its Code of Practice.

Danish Crown wants Danish cattle production to be justifiable from an animal-welfare point of view, and Danish Crown has therefore supplemented Danish legislation in areas where further clarification is desirable.

Furthermore, Danish Crown produces a number of welfare concepts within the framework of the authorities' heart label scheme for animal welfare.

Natural light in all cattle houses

Danish Crown recommends that all cattle houses have natural light.

Injuries to cattle

Situations leading to reduced animal welfare may occur

in a herd. It is therefore of great importance that every cooperative owner responds promptly to changes in the health status of the animals and ensures that the animals receive appropriate treatment without delay. If an animal does not recover quickly following such treatment, the animal should either be killed immediately or a veterinarian should be consulted as soon as possible. If necessary and where appropriate, sick or injured bovine animals must be isolated in a suitable room with dry and comfortable bedding. If deemed necessary, the animal should be culled as quickly and as gently as possible.

If, at the abattoir, many comments relating to, for instance, liver abscesses, pneumonia, bruising, etc. are registered, Danish Crown may contact the cooperative owner concerned and, if necessary, demand that an action plan be drawn up and compensatory action taken.

Hoof trimming

Proper hoof care is important for the welfare of the animal. If the cattle are unable to wear down their hooves naturally, compensatory hoof trimming must be carried out regularly.

3.2.8 Disposal of dead animals

Dead animals must be collected by an approved processing plant, such as Daka Denmark A/S. Alternative disposal is not permitted.

Dead animals must be registered for collection as soon as possible, and no later than 24 hours after the animals died. Following registration, the animals should be placed for collection at a discreetly located collection site in the shade. The animals must be kept covered or behind a screen.

Collection site for dead animals

The collection site must be located at an appropriate distance from the cattle house, public roads and pens with grazing animals. In order to minimise the risk of infection, the collection site should be located, so the road used to transport animals to the collection site does not cross or is the same as that used by Daka's lorries. There must be a turning space or it must be possible for the driver to continue in the direction of travel without disturbing traffic. The collection site must be provided with a solid surface, for example in the form of a fixed slatted concrete area. The animals must be placed so they are perpendicular to the truck on its left side.

An animal that dies or is killed on pasture land without storage facilities, and where the pasture land is not physically adjacent to the CHR number from which the animal was moved, may be transported to the nearest



place from which it can be collected or to the storage facility owned or used by the owner of the animal.

For advice or guidance on handling and storing dead animals, contact Daka Denmark A/S on 79284047 or see the range of PigUp&Ko products on the website or find more information on secanim.dk.

3.3. Requirements for feed used

Denmark has restrictive feed legislation managed by the Danish Veterinary and Food Administration. All feed from Danish feed suppliers as well as imported feed materials are subject to ongoing controls to ensure that only wholesome feed materials are used and that the feed does not contain harmful biological, chemical or physical contaminants.

Danish Crown's cooperative owners must comply with all industry decisions, present and future, concerning feed, minerals and additives.

Products of animal origin

It is prohibited to store and use in cattle production products containing meat-and-bone meal and fishmeal.

Growth promoters

In the EU, and therefore also in Denmark, the use of antibiotic and hormonal growth promoters is prohibited in cattle production.

Feed hygiene

Good feed hygiene is essential for the health and productivity of cattle. The cooperative owner must therefore ensure that feed rooms and silos are kept clean. The Danish Nature Agency is in charge of feed hygiene control.

Registration

Herds must be registered in accordance with the GMP or HACCP rules, cf. the EU Feed Hygiene Regulation.

Feed additives

Feed additives may be used if:

- They are approved
- They are used in accordance with the HACCP registration
- They are labelled correctly

Free from harmful substances

It is important that all animals supplied are free from harmful substances of any kind. Consequently, animals must be fed appropriate and clean feed without any harmful pesticides or chemicals. Cooperative owners must therefore be careful when using foreign substances in the housing environment to ensure that the cattle are not exposed to them.

Sustainable feed

Danish Crown demands that sustainable feed, such as deforestation-free soya, is used wherever possible.

3.4 Labour rights

Cooperative owners must support and respect human rights and ensure that they are not complicit in human rights abuses.

3.4.1 Freely chosen employment

The cooperative owner must ensure that no forced, bonded or involuntary labour is used or involved. The cooperative owner must not require employees to provide deposits or original identity papers, and all employees must be free to leave their employment with the cooperative owner upon reasonable notice.

3.4.2 Freedom of association

All employees, without exception, must have the right to join a trade union of their own choice.

3.4.3 Health and safety

The cooperative owner must provide a safe and hygienic working environment. Appropriate measures must be taken to prevent accidents and damage to health arising out of, in connection with or occurring in the course of work. This must be done by minimising the causes of the risks associated with the working environment as far as is reasonably practicable.

Such efforts include conducting an occupational health and safety risk assessment. Adequate lighting, ventilation and fire safety are part of a safe and healthy working environment and personal protective equipment must be provided free of charge.

Access to clean toilet facilities and drinking water must also be provided.

3.4.3 Accommodation

Where long-term or short-term accommodation is provided as part of the employment relationship, the cooperative owner must ensure that health and safety, legal conditions and labour rights are fair, decent and comply with all applicable legislation.

3.4.4 Child labour and young workers

The minimum age of employees should not be below the usual age for completion of compulsory schooling, and generally not below 15 years for standard work, unless otherwise provided by law. For schoolchildren aged 13–14, their working hours should not exceed 12 hours per school week and 35 hours in weeks when there is no school.



Young workers, defined as being over the minimum age but below 18, should not perform night work or work in hazardous conditions.

3.4.5 Wages, benefits, working hours and overtime

The cooperative owner must ensure that wages and benefits paid for a normal working week, as a minimum, comply with national guidelines.

All employees must be provided with an employment contract prior to starting work. It must be drafted in understandable language, clearly describing working conditions and pay. For each pay period, employees must receive a fully understandable payslip. The employment contract must be signed by the employee and the cooperative owner/manager.

The cooperative owner must ensure that working hours comply with the law.

Working hours, other than overtime, must be defined in the employment contract and may not, as a general rule, exceed 48 hours per week.

Employees should have at least one day off in any consecutive seven-day period or two days off in every two-week period.

3.4.6 Non-discrimination and equal treatment

The cooperative owner must ensure that there is no discrimination in recruitment, remuneration, access to training, promotion, dismissal or retirement on the grounds of the employee's race, nationality, religion, age, disability, gender, marital status, sexual orientation, union membership or political opinion.

Employees must be treated with fairness, dignity and respect. Physical abuse or punishment, threats of physical abuse, sexual or other harassment and verbal abuse, or other forms of intimidation must be prohibited.

3.4.7 Regular employment

Cooperative owners are requested to use only employment agencies that meet the requirements of Danish Crown's Code of Practice. This applies to the recruitment and management of all types of labour, regardless of their status as migrant workers, contract workers, agency workers, temporary workers or casual workers.

3.5 Climate footprint and biodiversity

Danish Crown's cooperative owners are among the most resource-efficient in producing cattle, placing Danish Crown in a strong starting position. Likewise, Danish Crown's cooperative owners play an important part in nature conservation in Denmark and this trend must continue.

We must capitalise on this position and build on it by continuing to set new goals for ourselves and work on new methods to optimise production – with ever greater regard for sustainability.

We have introduced several sustainability certifications to increase the awareness of our commitment and of the targets we have achieved in the areas of the environment, climate, biodiversity, animal welfare and antibiotic consumption. The individual cooperative owner has the opportunity to participate in various production concepts where different elements of sustainability are implemented.

The overall target is to reduce the climate footprint throughout the chain from farm to fork by fifty per cent by 2030 and to achieve carbon-neutral production by 2050.

You can read more about Danish Crown's sustainability strategy and activities at www.danishcrown.com.

4.0 Additions of new elements

New knowledge in technology, food safety and animal welfare regularly affects the conditions for Danish cattle production, and both Danish Crown and its cooperative owners must constantly address the challenges that new knowledge brings. We can draw on this resource in our joint efforts to continuously improve production, animal welfare and the rationalisation of farm processes. For customers, consumers and society, new knowledge provides a basis for new demands and wishes regarding primary production.

Danish Crown shares in the responsibility for the development of Danish cattle production. Therefore, we emphasize in our strategy that we will take the lead in establishing new guidelines for Danish cattle production and thus be willing to incorporate relevant and important customer wishes and consumer demands into our Code of Practice.

Under the Articles of Association, any amendment of the Code of Practice that is not required by law or the result of industry decisions must be decided by the Board of Directors on the recommendation of the Board of Representatives. Danish Crown will publicise any changes through the magazine 'Indsiget' (in Danish)



and on Danish Crown's website, www.danishcrown.com.

The justification for incorporating new requirements into the Code of Practice must include market and image assessments that demonstrate the value of the change in terms of market access or retention of attractive markets, through which Danish Crown's position as a leading food group could be maintained and preferably strengthened.

The Code of Practice will be reviewed as deemed necessary, but at least every three years.

5.0 Control measures

The purpose of the control measures is to demonstrate through reliable documentation that cattle production at Danish Crown's cooperative owners is carried out in accordance with the Code of Practice.

Clause 3 describes a number of requirements that Danish Crown's cooperative owners must meet in order to be eligible for Danish Crown's basic cattle price.

In order for the Code of Practice to make a positive contribution to Danish Crown's reputation and to strengthen the sales platform, all cooperative owners must comply with the rules of the Code of Practice. By joining Danish Crown, all cooperative owners have confirmed that they intend to comply with the Code of Practice in force at any given time.

6.0 Sanctions

If the cooperative owner has committed an error or negligence and this constitutes, in the opinion of the Board of Directors, a violation of the Code of Practice or a violation of Danish law, the matter may be submitted to the Board of Directors for an assessment of potential sanctions.

The Board of Directors may impose the following sanctions in the event of non-compliance with the Code of Practice or a breach of Danish law:

A written reprimand or warning with a deadline for compliance.

Initiation of sampling, analyses, on-site control visits or the like at the cooperative owner's expense.

Penalty in the form of a reduction in the cattle price for a period of time to be determined by the Board of Directors, but at least until compliance has been restored.

In the event of non-compliance, the cooperative owner will normally first receive a reprimand or warning. In the event of repeated non-compliance or other serious

non-compliance, the cattle price may be reduced without notice.

Written reprimands or warnings may be issued administratively without referral to the Board of Directors.

The Board of Directors may impose a sanction in the event of justified suspicion of non-compliance, provided that a reasonable investigation of the circumstances has been carried out beforehand.

The sanctions stated above do not affect Danish Crown's right to impose sanctions on the cooperative owner in accordance with Danish Crown's Articles of Association in force at any time or otherwise to claim damages.

The Board of Directors may differentiate the reduction in the cattle price based on the extent and significance of the case of non-compliance.

7.0 Danish Crown's special concepts

Consumers and customers have specific requirements for the meat and meat products they receive. Such requirements go beyond those laid down in Danish Crown's Code of Practice and in legislation. These may include ethical and animal-welfare requirements, as well as specific wishes regarding rearing, housing, use of antibiotics and feeding.

To accommodate these requirements, Danish Crown has differentiated its production through agreements with selected cooperative owners. An increasing part of Danish Crown's production is based on special concepts adapted to the different requirements of both domestic and export markets.

All special concepts are produced under contract, in which the detailed production requirements are specified. Cattle produced under contract are settled in accordance with the terms of the individual contract.

7.1 Control of special concepts

A cooperative owner may become a supplier of a special concept by agreement with Danish Crown.

Suppliers of special concepts are approved and audited regularly by an approved independent third-party certification body.

Based on observations of the farm, an approval report is drawn up. In case of non-compliance with contractual requirements, the cooperative owner will be required to change or adjust the non-compliant practices. If a new on-site control visit shows that compliance has not been achieved, the contract will be



terminated as of the date of the visit. In serious cases, the contract may be terminated immediately.

In addition to the third-party audit, it is a requirement that individual customers are afforded the opportunity to inspect the special production concerned at any time.

In addition to these special provisions, suppliers of special concepts are subject to the provisions of the rest of this Code of Practice.