Danish Crown

Annual Report 2023/24

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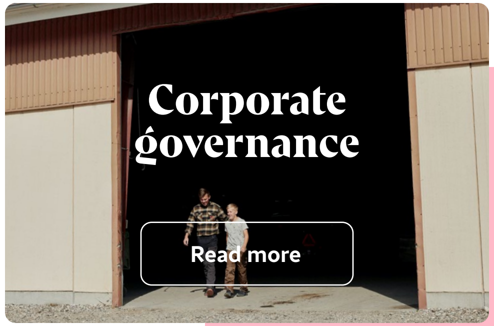
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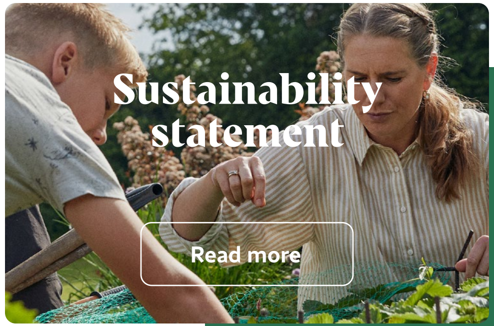
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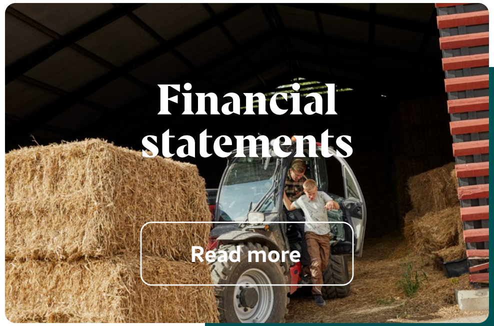
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Report

2023/24 was another year of significant market and geopolitical changes that impacted Danish Crown's operations. Our business model, however, remains the same, firmly rooted in Danish farmer ownership. Here, our Chair and CEO share their thoughts on developments in our business, our governance and our financial and non-financial performance.

Adding value from farm to fork

Danish Crown is a farmer-owned global food company headquartered in Denmark, with a presence in 27 countries. We provide food for consumers all over the world through our various brands. Our product range is protein-based and includes fresh and processed meat, plant-based products, and ingredients for pharmaceuticals, animal feed and biogas. We strive to maximise the market value of our products by building on strong customer relations and consumer insights, and we know that high quality, sustainability, food safety and animal welfare are important topics for our customers and consumers.

Everyone should be able to enjoy good, nutritious food safely. We also need to feed a growing global population while minimising the impact on our planet. At Danish Crown, we strive to make a difference to food and make agriculture a driving force for change. As a cooperative, we operate our business with the aim of creating financial value from farm to fork while actively pursuing environmental, social and governance (ESG) initiatives.

Founded in 1887, Danish Crown is one of Europe's largest producer and a major exporter of pork and organic meat, and one of the top five producers of beef in Europe. We receive pigs and cattle for slaughter and further processing from our 5,272 Danish farmer owners, as well as livestock suppliers in Sweden, Germany and Poland. The majority of our 23,959 employees work at our production facilities in Europe. We serve 133 markets worldwide, of which the largest are in Europe.

Global organisation

68 Abattoirs & processing facilities

45 Casing facilities

13 Warehouses

54 Offices

Employees (FTEs) **23,959**

Danish farmer owners **5,272**

Other livestock suppliers **2,000+**

Other suppliers **10,000+**

Slaughter pigs **15.1 million**

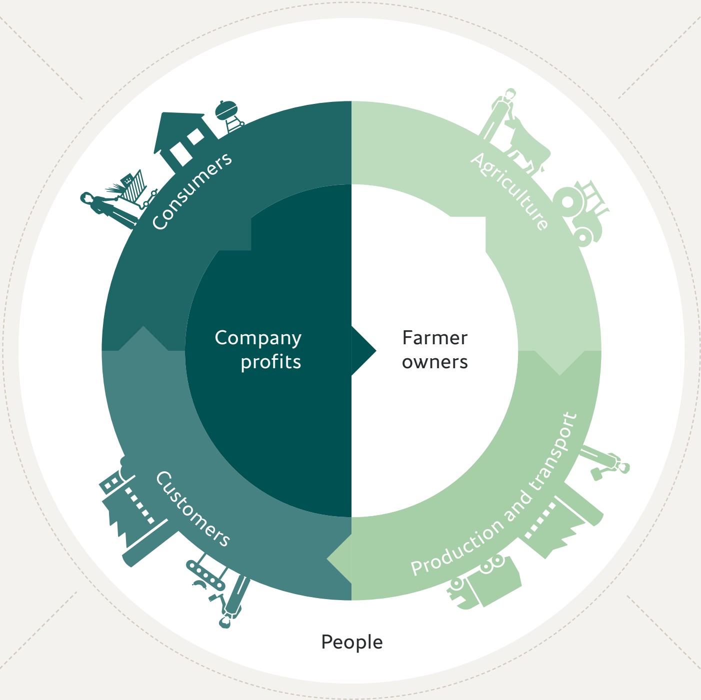
Slaughter cattle **0.8 million**

Our business model

Our business spans the entire value chain from farmer to customers and consumers.

Company profits
We add value to our farmer owners' raw materials through product development and processing. As well as paying farmers for their animals, we distribute our profits between our farmer owners once a year.

Farmer owners
We are owned by Danish farmers who produce pigs and cattle for slaughter, both conventionally and organically. As members of the cooperative, these farmers are investing in the development of their industry. They raise their livestock under a common Code of Practice for animal welfare and health, and have set targets for reducing the carbon footprint of production on their farms.



Consumers
We supply food to millions of people around the world, covering everything from gourmet experiences to everyday cooking with the emphasis on nutrition and saving time and money.

Agriculture
Farmers' production of livestock and feed is a key part of our value chain. Whether they supply us as members of the cooperative, contract suppliers or otherwise, they are an important part of our goal to reduce the carbon foorprint of our value chain.

Customers
We sell our products the world over to a wide range of customers, from food producers to the food service industry and retailers. We work with our customers to deliver innovation and achieve our common goal of a smaller carbon footprint.

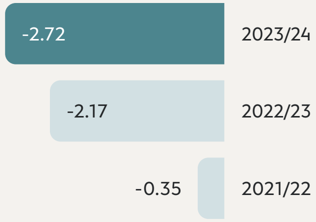
People
We create jobs worldwide, both directly and indirectly, and contribute locally to developing the skills of our employees. We measure job satisfaction regularly, and the results are generally improving. We value diverse perspectives, backgrounds and experience. It is essential for us as a global business to promote an inclusive working environment where every employee feels welcome, engaged and empowered.

Production and transport
Our production is based on high standards of food safety and an increasing degree of automation. Food production requires water, energy and packaging. We have therefore set targets for reducing our consumption of water and packaging as well as our carbon footprint, which entails increased use of renewable energy for both production and transport.

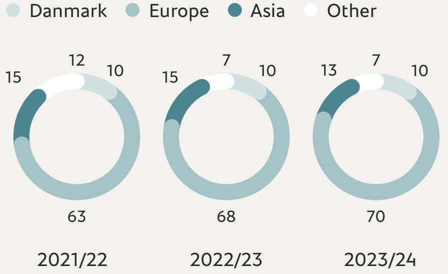
Financial and non-financial highlights

Financial

Performance, European peer index | DKK per kilo pork



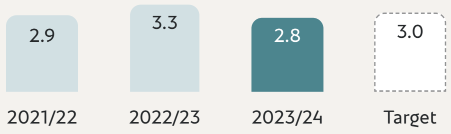
Revenue by market | %



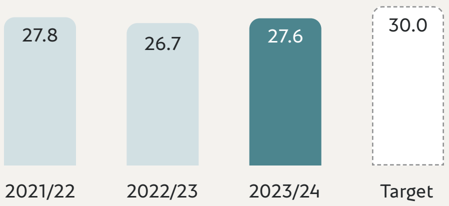
EBIT | %

2021/22	2022/23	2023/24
4.5	3.5	**3.6**

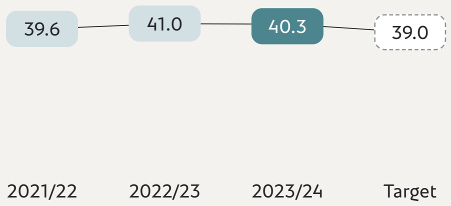
Financial gearing* |



Solvency ratio* | %

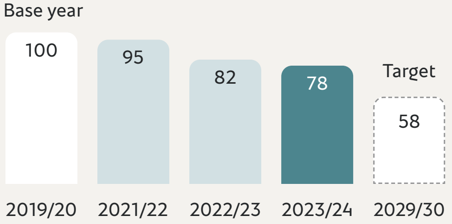


Net working capital* | Days

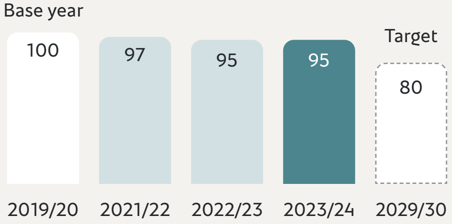


Non-financial

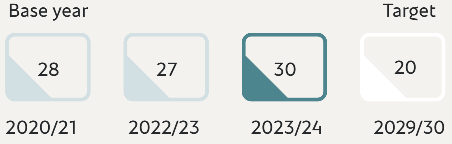
Science-based targets | Index
Scope 1 and 2 CO_2e emissions



Science-based targets | Index
Scope 3 emission intensity



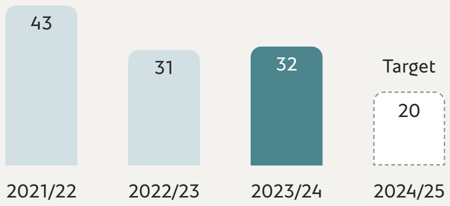
Packaging | Kg per tonnes output



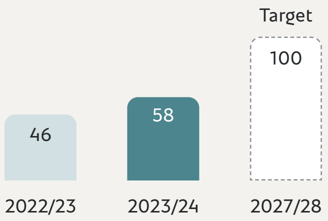
New policies

- → Responsible Procurement Policy
- → Human and Labour Rights Policy
- → Political Engagement and Expenses Policy
- → Responsible Marketing Policy

Accidents | Number of accidents per 1,000 FTEs



Deforestation- and conversion-free soy | %



* The target for the solvency ratio (%) is a minimum target. The targets for financial gearing and net working capital are maximum targets.

A stronger future for Danish Crown

2023/24 was one of the most difficult years in the history of our business. I cannot remember seeing change on this scale in all my years at Danish Crown. We came under pressure on several fronts, with the huge changes in the meat market challenging the very business model that Danish Crown has built up over generations.

The number of slaughter animals in Northern Europe has decreased substantially. Contributing factors include a sharp decline in demand for pork in China, the arrival of African Swine Fever (ASF) in Germany, and the surge in raw material prices following the outbreak of war in Ukraine. We have also seen a collapse in piglet production in Germany, leading to higher imports of piglets from Denmark, and all this has created a need for consolidation on a scale we have not seen before. This has made it extremely difficult to operate our abattoirs efficiently, but we have adjusted our capacity, which unfortunately led to the closure of our abattoirs in Sæby in 2023 and Ringsted in 2024.

Unsatisfactory prices for our farmer owners

On top of these external factors, our farmer owners have felt the effects of the company's poor performance in the form of unsatisfactory prices for their animals relative to the European average. The year brought frustration at having to pay high prices for piglets, but being paid lower prices for slaughter pigs than by our competitors. This weak performance highlighted the need to focus more sharply on core business, value creation and being Denmark's most efficient slaughterer. This means acting decisively and having the courage to take even the toughest decisions when necessary.

In the midst of this upheaval – I would go so far as to call it a crisis – we appointed a new Executive Management headed by Niels Duedahl to drive the transformation that will make Danish Crown competitive once again.

New governance model

The year also brought major changes in terms of ownership and governance. At the beginning of the financial year, the Board of Representatives tasked a new committee with modernising Danish Crown's Articles of Association. This has resulted in the introduction of membership for piglet farmers and a new governance model.

By admitting piglet farmers as members, Danish Crown is also now there for Danish farmers wanting to take responsibility for the entire value chain and safeguard Danish jobs by supporting a stable supply of pigs to our abattoirs.

We farmer owners have been organised in a new governance model which defines the way in which we own Danish Crown. We now have a clearer and more focused governance model with a single Board of Directors for management to report to. This Board of Directors will also have an external chair who is not a member of the cooperative, and work on finding the right person is under way. I am certain that this new governance model will give the business a better foundation for delivering the results that our farmer owners expect.

New sustainability initiatives

When it comes to sustainability, we have a strong focus on reducing emissions of greenhouse gases from pig and cattle production. Work in this area continued during the year, including investment in AgroGas, a start-up developing technology for flaring methane gas from slurry tanks. We will be working on further initiatives to accelerate the transition to further reductions in greenhouse gases.

Foundations laid for vital changes

Looking back at 2023/24, we undoubtedly faced major challenges, but I believe that we also laid the foundations needed for Danish Crown to come out of this stronger. We have appointed a new team to run the business, introduced a new ownership structure, and launched processes to bring about the transformation that Danish Crown needs. We need to work on the heart of our business, namely operating our core business as a food company with a strong focus on efficiency and competitiveness.

I am convinced that our new management and sharper focus on core business will help us navigate the challenges and build a stronger future for Danish Crown.

Asger Krogsgaard
Chair

Building a new Danish Crown

The past year has been difficult for Danish Crown, with a combination of internal and external factors leading to unsatisfactory results. While some of these factors are beyond our control, there are also plenty we can do something about.

Our focus is very much on the latter, and we enter the new financial year with a clear agenda to optimise the core business and insist on value creation across the group. Danish Crown is changing, and the Executive Management is confident that our path through the crisis will leave us stronger and more robust.

Challenges both externally and internally

The global market for meat is under pressure. These are changing times, with falling numbers of livestock in Europe, both cattle and pigs. This has resulted in a decline in raw materials which has left us with excess capacity and challenged our profitability, forcing us to make adjustments to our production, including the closure of the abattoir in Ringsted.

Competition has increased as a result of consolidation in the market, and export opportunities have dwindled. We are coming under pressure from large competitors in countries such as Spain, Brazil and the US, and the effects are particularly noticeable in a country like Denmark with a relatively small domestic market.

We have struggled to match not only the EU index for pig prices, but also prices in Denmark. It is almost unprecedented for Danish Crown to be beaten on home territory. Of the 30 million piglets born in Denmark during the year, more than half were exported or absorbed by our competitors because our prices were not competitive. We cannot accept this.

We also faced significant challenges internally. Our core business did not perform as expected, and the economic benefits of our strategic investment in the UK have been delayed. Some of our foreign ventures are making significant losses, our overheads are too high, and although we are good at sales and a preferred partner even for global retailers thanks to our work on sustainability, our cost levels have been too high.

Our portfolio companies also failed to deliver their usual value. There is limited integration between companies at Danish Crown, which means that value creation has to take the form of a financial contribution to the group, and this did not happen in 2023/24. Rising interest costs have put further pressure on our ability to pay our farmer owners competitive prices.

Adversity has sharpened our focus

Danish Crown came under new management in September with my arrival, and the short-term objective is clear: accept the scale of the crisis and resolve it from within. Heading into the new financial year, our focus is 100% on core business and the things we can actually do something about. We will be doing everything in our power to tap into the company's profitable core by making adjustments and discontinuing activities that do not add value.

Our long-term objectives are intact. Danish Crown is a company with a long and proud history, and I am committed to writing the next chapter. We must ensure that our farmer owners get good prices, our customers get a partner they can rely on, consumers around the world enjoy our products, and our employees come to an attractive workplace each day.

We cannot predict what will happen in the outside world, whether in Denmark, in Europe or globally. But when we bounce back as a more robust company, we will be far more resilient.

Danish Crown deserves better!

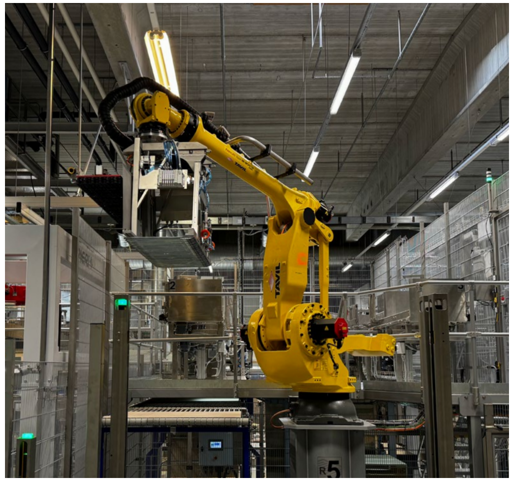
Niels Duedahl
Group CEO

Megatrends

In today's fast-evolving landscape, businesses must stay attuned to the global megatrends influencing our world. These powerful trends are having significant impacts on industries, economies and the environment. By recognising and responding to these shifts, we can position ourselves strategically for sustained success.

Climate change

Climate change is one of the most pressing challenges of our time, and we are seeing an increasing frequency and intensity of extreme weather events. Changing weather and climate patterns will impact the food industry, for example by affecting livestock farmers' ability to source affordable feed. Governments worldwide are implementing laws and regulations to promote the use of renewable energy and reduce carbon emissions. At Danish Crown, we are embracing these challenges and working proactively to transform our operations and value chain. Combating climate change is a crucial element of both our business strategy and our sustainability strategy. By staying informed and proactive, we can identify opportunities, manage risks and align our strategies with the evolving needs and expectations of our customers and stakeholders.



Digitalisation and Industry 4.0

The world is rapidly moving towards a digital economy. We are witnessing the fourth industrial revolution towards Industry 4.0. Smart devices, artificial intelligence (AI) and robotics are transforming the way we live and work. Automation is increasingly replacing physically demanding manual labour in many sectors. This trend is also evident at Danish Crown, where we are exploring how automation can reduce the physical strain on employees at our production facilities and turning the automation agenda from a challenge into a competitive advantage. Digital solutions will further strengthen the integration of the value chain from farm to fork.

Geopolitics over globalisation

Before the invasion of Ukraine, globalisation was the primary driver of decisions related to economic growth and competitiveness. Since then, geopolitics has taken over as the dominant consideration. National security now plays a more significant role in decision-making processes. This shift is affecting many areas, including energy, commodities and trade. Companies must navigate this new reality where geopolitical concerns often outweigh economic considerations. This change in priorities means that the traditional benefits of globalisation are no longer guaranteed. Economic diplomacy has become more complex as conditions have become more challenging. Denmark, with its open economy and export-focused industries, is particularly exposed to this transition. Danish Crown's exports to Asian markets in particular have declined, and instead we have stepped up our exports to European markets, thereby reducing our exposure to the geopolitical landscape.

"At Danish Crown, we are listening to our customers and consumers, and participate in the public debate"

Political consumer behaviour

Consumers' awareness of geopolitics is increasingly influencing companies' decisions and reputations. Companies must be prepared for reactions from consumers and the media during political crises. It is important to understand and respond to the expectations and demands of political consumers. The emergence of geopolitical risks, previously overlooked, is now a reality for many companies. This shift means that companies' ethical and political positions are more visible and significant. There is a need for greater transparency and accountability in global business activities.

Companies must be ready to take a stance on political issues they may not have previously considered. This awareness can also impact their choice of partners and market strategies. Political consumer behaviour will continue to shape companies' actions and strategies in the future. At Danish Crown, we are listening to our customers and consumers, and participating in the public debate. We have demonstrated our commitment to fight climate change and work on environmental, social and governance (ESG) issues by signing up to global initiatives such as the Science Based Targets initiative and EcoVadis.

Business

We continued to implement our strategy to create more value-added products and deliver on our sustainability ambitions. High prices in Europe have affected consumer behaviour. Key responses during the year included successful marketing and innovations in the UK and Poland. Strategic decisions such as site closures and continued focus on sustainability reflect our ongoing transformation.

Strategy
Sustainability strategy
Business areas
Risk
Group key figures
Financial review
Outlook 2024/25

Strategic progress to accelerate results

In alignment with our Feeding the Future strategy, Danish Crown is focusing on reducing the carbon footprint of meat production and enhancing the value of our products and categories.

Our mission is to help meet the nutritional needs of a growing world population while adding value throughout the value chain, from farm to fork. To achieve this, we are investing in innovative technologies, sustainability initiatives and innovation. These investments are crucial for fulfilling our commitment to provide better food and products that meet consumer demand. Our goal is to pay our farmer owners higher prices for their raw materials, which in turn supports their continued investment in reducing the carbon footprint of their farms. This emphasis on sustainability positions Danish Crown as a more relevant partner for customers and consumers alike. Our farmer ownership presents a unique opportunity to lead the transition, adding value to our products from farm to fork.

The ambitions set out in our Feeding the Future strategy continue to guide us despite today's turbulent market conditions. The prices we pay our farmer owners for their animals came under pressure in 2023/24. Our competitiveness is benchmarked against an index comprising a weighted average of peers in Denmark, Germany, the Netherlands, France and Spain. Unfortunately, we fell short in 2023/24. In response, and as part of our footprint optimisation, we have taken action to restore supply chain efficiency, including reducing production capacity and closing our Ringsted abattoir in Denmark due to a decline in the number of pigs for slaughter in Denmark.

We are investing in innovative technologies and sustainability initiatives.

Our Feeding the Future strategy

Increased value creation

We achieved an increase in the level of processing for Danish pork and beef in 2023/24. This growth was driven by our strategic focus on expanding our range of value-added products, which continue to gain traction in the market.

In Sweden, we successfully increased market share and will further solidify our competitive position and demonstrate our ability to innovate and meet consumer demand. In the UK, we opened a new facility in Rochdale, a move that aligns with our strategy to maximise value creation from our raw materials. Following a longer than expected running-in period, the facility will play a vital role in enhancing the efficiency and effectiveness of our production processes.

Transforming our business

As part of our commitment to the strategy, we invested in the Danish company AgroGas ApS during the year to accelerate our agenda to reduce carbon footprint. AgroGas has developed a technology for burning off methane gas from slurry tanks that could potentially reduce the carbon footprint of pork by 10-20%. This investment is a critical step in our efforts to reduce the carbon impact of our value chain.

We also reached milestones in achieving our science-based targets, as we our scope 1 and 2 emissions are now reduced by 22% compared to our baseline. In 2023/24, we joined the Move to Minus 15˚Coalition of committed partners working to transform the global logistics landscape by investigating how to cut GHG emissions, save energy and lower costs by changing the temperature at which frozen food is stored and transported from -18˚C to -15˚C.

Focusing on core business

In line with our strategy to concentrate on our core business, we divested our stake in Agri-Norcold, one of Denmark's largest players in freezing, frozen food handling and food storage. This decision reflects our commitment to focus resources on areas that align more closely with Danish Crown's future direction.

Smarter and more efficient value chain

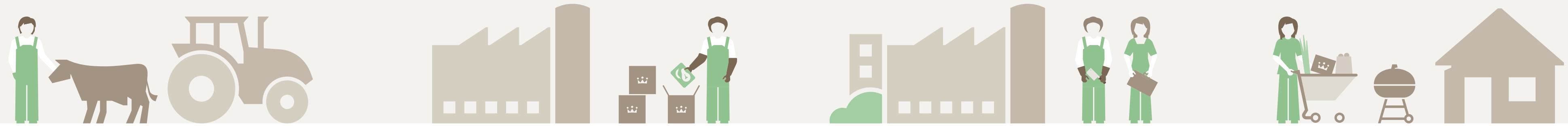
The Polish market continues to present challenges, with declining meat consumption and a consumer shift towards lower-cost products. In response, in spring 2024 Sokołów launched the "Sokołów to the Max!" programme, which aims to increase volumes and improve efficiency and effectiveness throughout the supply chain.

Investments and savings programmes

The group continued to invest strategically in operations and commercial excellence, with total capital expenditure of DKK 1.5 billion in 2023/24. The procurement savings programme has exceeded expectations, saving DKK 239 million in 2023/24 and a total of DKK 900 million since 2019/20. The Danish Crown business unit continued to make progress with the Horizon programme, achieving a run rate of DKK 950 million, aided by the closure of the Ringsted abattoir in Denmark and organisational rightsizing.

Our strategy to deliver on sustainability

We believe that delivering on our ambitions is essential for the future of our business. Our sustainability strategy, which encompasses our entire value chain from farmers and our own operations to customers and consumers, reflects this commitment and guides our actions in this important area. Our key results since the launch of the strategy are outlined below. These are achieved in cooperation and dialogue with society, for example research and development institutions, authorities and non-governmental organisations.



Farming

We aim to secure a strong future for farmers and promote livestock production through attention to climate, biodiversity, animal welfare standards and protection of livestock from harmful viral diseases.

We have:

- Launched scope 3 greenhouse gas (GHG) emission reduction targets validated by the Science Based Targets initiative (SBTi). Since 2019/20, we have reduced our scope 3 emissions per output by 5%.
- Launched the Climate Track, our ESG programme for farmers, now covering 74% of the pigs and cattle supplied by our farmer owners and contract suppliers.
- Increased use of deforestation- and conversion-free soy to 58%.
- Developed an Animal Welfare Policy and extended the coverage of our Codes of Practice for our farmer owners and other livestock suppliers.

Food production

We strive to run an efficient and high-performing food production operation, setting high standards for ourselves and for our suppliers, and consider efficient resource utilisation to be crucial for reducing emissions.

We have:

- Launched scope 1 and 2 GHG emission reduction targets validated by SBTi. Since 2019/20, we have reduced our scope 1 and 2 emissions by 22%.
- Developed a packaging strategy with targets for reducing packaging volumes, increasing recycled content and increasing recyclability.
- Strengthened our Supplier Code of Conduct and our dialogue with suppliers. The code now covers 83% of our spend in our most significant non-meat-related procurement categories, compared to 74% in 2021/22.

People

Our employees are our most valuable asset. We aim to attract and retain employees by providing good jobs in safe workplaces for people with diverse backgrounds.

We have:

- Reduced our accident frequency rate from 41 per 1,000 full-time employees in 2017/18 to 32 in 2023/24.
- Rolled out health and safety management systems at more production facilities. 55% of our production facilities were covered by a certified health and safety management system at the end of 2023/24.
- Implemented structured annual human and labour rights risk assessments using the globally recognised tools Sedex and EcoVadis.

Customers and consumers

We strive to earn customers' and consumers' confidence and meet their needs by developing new food concepts together with customers in retail, food services and the food industry.

We have:

- Developed and launched new products, including organic products, testing of plant-based alternatives, products meeting higher animal welfare standards and others tailored to meet various nutritional criteria.
- Developed a third-party-verified model for life cycle assessment (LCA) that enables us to calculate the carbon footprint of our fresh retail products from the abattoirs as well as selected recipes.
- Continued to focus on food safety standards. Food safety is and has always been an integrated part of our daily operations and driven by continuous improvements and awareness.

Business areas

Our business is organised with the aim of creating more value from the raw materials our owners provide – throughout the value chain from farm to fork.

Danish Crown

Suppliers
Supplies of pigs, cattle and other raw materials

Farmer owners and external suppliers

Farmer owners and external suppliers

Suppliers

Production facilities
Denmark, Sweden, Germany, the Netherlands, Poland, UK, France, China

Commercial offices
Denmark, Germany, China, UK, Japan, France, Italy, Philippines, Vietnam, USA

Categories
Fresh meat, bacon, convenience, cold cuts, canned products, toppings, sausages

Brands
Danish Crown, Tulip, Friland, Steff Houlberg, Gøl, Mou, Den Grønne Slagter, NordicSpoor

Read more

Sokołów

Suppliers
Supplies of pigs, cattle and other raw materials

External suppliers

External suppliers

Suppliers

Production facilities
Poland

Commercial offices and stores
Poland

Categories
Fresh meat, sausages, cold cuts, convenience

Brands
Sokołów, Sokoliki, Uczta Qulinarna, Naturrino, Z Gruntu Dobre

Read more

KLS

Suppliers
Supplies of pigs, cattle and other raw materials

External suppliers

External suppliers

Suppliers

Production facilities
Sweden

Commercial offices
Sweden

Categories
Fresh meat, cold cuts, convenience, sausages

Brands & concepts
Dalsjöfors, Charkuterifabriken, Ugglarps, Ingemar Johansson, Charkprodukter

Read more

DAT-Schaub

Suppliers
Supplies of casings

Farmer owners and external suppliers

No suppliers

Suppliers

Production facilities
Denmark, Sweden, Estonia, Germany, the Netherlands, France, Portugal, USA, Chile, Colombia, Brazil, China

Commercial offices
France, Denmark, Poland, Germany, Belgium, Sweden, Estonia, Finland, the Netherlands, Spain, USA, Chile, Colombia, Brazil

Categories
Casings, mucosa, heparin, stomachs

Read more

Performance impacted by a difficult market

2023/24 was another challenging year for Danish Crown. Reduced European piglet production drove demand for Danish piglets in Germany and Poland, resulting in a raw material shortage in Denmark. This impacted our fresh business and reduced industry revenue. However, we saw growth and improved earnings in our processed foods across food service and retail, reflecting our strategy to prioritise value over volume.

A strong demand for piglets in Germany has led to an increase in exports of Danish piglets, further reducing the supply for Danish Crown. Danish abattoirs faced decreased volumes, putting pressure on our fresh business and reducing industry revenue. Overall, Danish pig production dropped by 9.4% on top of the 17.9% decline over the two previous years.

Increased competition in Asia, with higher self-sufficiency and stronger competition from Spain, Brazil and the US, has affected our export business. High-value sales have been replaced with less profitable alternatives.

Consumer meat consumption is generally declining as a result of changing preferences, but consumer confidence is improving after a period of high inflation and market turbulence. We increased sales to European retail and food service customers, with a significant recovery in processed food compared to 2022/23.

Despite market challenges and raw material shortages, we increased our total value creation; however, the prices we paid to our farmers remained lower than those of European competitors.

Optimising the supply chain for fewer pigs

With a continuous decrease in the supply of pigs across Europe, we focused on balancing production capacity to maintain efficiency at our production sites. Consequently, in August we closed the Ringsted abattoir in Denmark to concentrate production at our four remaining Danish abattoirs. We also activated a model where our farmer owners provide data on their pig supply volumes for the next 12 months and any deviations lead to price adjustments. These measures have helped adjust our supply chain and cost base to the new supply situation and market conditions.

Value over volume

The fresh business suffered from reduced raw material supply and could not maintain the revenue levels of 2022/23. However, we improved performance through various savings initiatives under our Horizon programme, which aims to transform Danish Crown into a modern food company. We met the overall targets of the Horizon cost and efficiency improvement plan for 2023/24, achieving DKK 0.95 billion, and will roll out additional initiatives to bring about commercial improvements in the coming year.

Danish Crown

The business unit Danish Crown and **Danish Crown Beef** process raw materials from our farmer owners in Denmark into food sold both at home and abroad, supported by the trading company **ESS-FOOD**.

47,272 Revenue (DKKm)

The revenue growth was driven by price increases, as volumes were down 1%, due mainly to a reduced supply of pigs in Denmark.

2021/22: 45,153 2022/23: 47,453

1,845 EBIT (DKKm)

EBIT has improved significantly compared to last year as a result both of improved margins in the market and of increased cost efficiency in our production sites.

2021/22: 1,449 2022/23: 1,345

11,591 Employees

Throughout the year, we have reduced the number of employees to align with the decline in raw materials supplied to our Danish abattoirs.

2021/22: 12,887 2022/23: 12,005

Our efforts to become a modern food company are on track. We are shifting from selling bulk fresh meat to more processed products for food service and retail, adding more value to our products. This aligns with our strategy of focusing on value over volume.

Meat and nutrition

Meat remains an important part of nutrition and dietary guidelines in Denmark and many other countries. We aim to produce less but better meat, extracting more value from pigs and working with different aspects of sustainability – see more in the sustainability statement. Our new brand framework will help communicate the positive aspects of our value chain, resulting in high-quality consumer products and meal solutions.

By focusing on these strategic areas, we aim to navigate the challenges of the current market by remaining a trusted partner for our customers and delivering a competitive price for our farmers.

Partnering with Team Denmark

Meat plays an important part of food and nutrition for many Danish athletes. Together with Team Denmark and the National Olympic Committee & Sports Confederation of Denmark, Danish Crown turned the spotlight onto a healthy and balanced diet during the summer – both for athletes and for the Danish population in general. During the summer, we were a proud partner for Denmark's Olympians, and also for the Danish Children's Olympics in Billund, in which 7,400 children participated.

New balance in the beef market

The year 2023/24 has been marked by significant price fluctuations in a challenging market. The market has been searching for a new balance following last year, which was defined by inflation and weakened consumer purchasing power. Over the course of the year, we have seen a normalisation in consumers' willingness to pay, with a shift in focus away from only low-cost products.

Danish Crown Beef experienced sales growth of 1% (meat segment), driven by a rise in sales to Retail and Food service customers, which now make up 57% of total meat sales. Overall, our value-added product range grew by 4%-point versus last year expressed in volumes.

Successful scaling of global categories

Danish Crown seeks continuously to scale our global categories across markets. In the bacon category, for example, TULIP Bacon Pancetta was developed for the Italian market, but is now also a popular product on supermarket shelves in Denmark, Sweden, Norway and Portugal, with more countries to follow in the coming year.

New strong beef product solution

Danish Crown Beef continues to offer strong product and concept solutions. We relaunched our Danish Veal concept in Greece under the Danish Veal brand, which has been well received. The Danish market also saw impressive growth of 14% in our Danish Veal products. BurgerBoost broke records again with a 23% increase, and we successfully added BurgerBoost Sliders to the product line.

The raw material markets have been finding a new balance after years of capacity adjustments in both Denmark and Germany, allowing us to keep animal numbers for slaughterhouses above the industry's overall decline in livestock numbers.

Danish Crown Beef remains a preferred partner for Danish and German farmers. In Germany, we saw a 11% increase in the supply of slaughter animals, where the German market increased with 1% in total. There was also a rise in contract slaughtering at our German beef facilities, contributing positively to our results. In Denmark, our share of the supply of slaughter animals increased by 2%, giving us a total market share of 64%.

Reducing emissions is an integral part of our operations. At farm level, we work closely with our Owner Service and agricultural advisors to reduce emissions. Efforts include optimising feed mixtures, supporting cattle crossbreeding, and providing guidance on biogas.

Our financial performance in 2023/24 was affected by high interest costs and declining operating income from our German facilities and our leather company, Scan-Hide. In Germany, structural changes driven by animal welfare concepts and a preference for German meat have caused supply and demand to seek a new balance. Additionally, a new road toll introduced in December 2023 has increased the cost of exporting goods through the country. At Scan-Hide, the leather market faced a significant slowdown in autumn 2023, leading to lower prices and challenging sales. Sustainability and traceability, creating transparency from farm to finished product, remain top priorities for the company, which is a leader in the industry.

ESS-FOOD

The trading company ESS-FOOD took advantage of volatile markets to find pockets of opportunity around the world. Sales in Africa, the Middle East and Europe were particularly strong, whereas sales to Asian markets were more difficult. Overall, ESS-FOOD delivered good performance.

Adapting to new market conditions

A highly competitive Polish market impacted our financial performance. Inflation continued to affect consumer behaviour, with a shift towards shopping in discount stores. Sokołów's new management focused on revising the company's business strategy and improving efficiency.

In 2023/24, Sokołów maintained a strong position in the Polish market. The year saw a leadership change. As part of this change, we have revised our business strategy and launched the Sokołów to the Max! programme, which focuses on increasing volumes, strengthening our brand, improving efficiency and modernising internal processes.

We continued to focus on various sustainability initiatives, such as installations of solar panels, animal welfare, and health and safety at our production facilities – see more in the sustainability statement.

Challenging market conditions

The Polish market remained highly competitive, impacting our financial performance. Inflation continued to be a significant factor, though it began to ease in 2024. Despite this, fierce competition among our customers continued and the reintroduction of 5% VAT on food led to a decrease in category value and a consumer shift towards discount stores.

Brand and product development

As part of the Sokołów to the Max! programme, we fine-tuned our brand. We also developed a new packaging design and a marketing communication strategy to reach a broader audience. Our Sokoliki product range, aimed at children, continued to grow with new products and media campaigns. We also sponsored the Sokoliki Cup football tournament for children, promoting a healthy lifestyle as part of our social responsibility efforts.

Store and sales initiatives

In response to the tough market situation, our own stores implemented strategies to increase sales and improve profitability. We enhanced customer service, offered a wider range of premium products, including products from local smokehouses, and expanded our online sales. Despite these efforts, fierce competition in a difficult market significantly impacted our earnings for 2023/24.

Sokołów

Sokołów is a leading food company in Poland based on raw materials from Polish pigs and cattle. Products are sold to customers and directly to consumers through our 300 stores. Sokołów is the best-known meat brand in Poland.

9,656 Revenue (DKKm)

Revenue decreased in local currency as volumes were down 2% on last year as a result of changes in consumer behaviour in response to strong inflation. The presented revenue growth in DKK is due to the stronger Polish złoty.

2021/22: 8,238 2022/23: 9,098

132 EBIT (DKKm)

EBIT again came under pressure, with strong inflation in a highly competitive Polish market making it difficult to fully offset increased costs by increasing sales prices.

2021/22: 310 2022/23: 194

7,648 Employees

Employee numbers were reduced to reflect lower production volumes and the increased efficiency and automation of our production sites.

2021/22: 8,166 2022/23: 7,947

Sokołów High Protein+

High Protein+ is a line of meat products with a high protein content. High Protein+ is aimed at those looking for lifestyle products, fitness enthusiasts and athletes. Currently, the range includes beef jerky, two types of kabanos, mini salami snacks, salami chips and hot dogs.

Stabilising prices and competition

As inflation eased, raw material prices stabilised, leading to lower costs. However, this also created pressure from customers and consumers, who expected lower prices, while farmers faced challenges in maintaining profitability. The ongoing ban on exporting Polish meat due to African Swine Fever, and the influx of cheaper meat from Spain, Belgium and Germany, added to the competitive pressure. In the beef market, the entry of a new competitor and competition from South America made it difficult to achieve strong earnings.

Operational and safety improvements

In November 2023, a fire at our Sokołów Podlaski plant caused by a malfunction in the electrical system was swiftly contained, and all employees were safely evacuated. The plant was closed for two weeks, but we managed to serve customers from other sites and resumed full operations quickly. The damage was fully insured, and we are in the process of reclaiming the costs.

To improve production processes, we began implementing the OPTIMA programme across our plants, in line with the Danish Crown standards. Understanding lean management principles is key to optimising efficiency, so we provided training for employees at all levels. We developed and monitored five key indicators related to safety, quality, shipments, employee absenteeism and production costs. These efforts will continue in order to promote a culture of continuous improvement.

We also launched a project to improve the efficiency of buyer and customer service by optimising sales routes and distribution networks, aiming to find the fastest, best and most cost-effective ways to reach our customers and deliver the expected contribution to the Danish Crown Group.

Sustainable growth in the Swedish market

Our Swedish business continued to deliver sustainable growth in a market where inflation drove consumers towards private label and processed products. Competition for livestock increased as competing companies changed ownership. Consumers maintained a strong preference for Swedish-origin products.

In 2023/24, competition for livestock from farmers intensified following the entry of a new player into the market, leading to higher prices for farmers and, consequently, consumers. The number of pigs sent to slaughter in Sweden decreased by 1.5%. KLS has though managed to increase its market share and nominally also increased its number of pigs slaughtered. Inflation and a weak currency increased costs for raw materials, transport and energy. We worked hard to adapt, raising our selling prices to achieve a better balance, and earnings exceeded the previous year.

Inflation remained high in Sweden during 2023/24, more so than in many other EU markets, although it began to ease in the second quarter of 2024. Consumers' preference for private label and processed products has remained strong, which benefits KLS, given our strategic focus on these areas.

Growing volume and revenue

We grew our Swedish business in terms of slaughtered pig volumes and net revenue. This growth was supported by the previous year's investment in production efficiency at our large abattoir in Kalmar. We also increased volumes of processed products at our Halmstad and Gothenburg sites. Our portfolio of soups and convenience products continued to expand.

To support our growth, we are working on various sustainability initiatives, among others the Swedish version of Climate Track (KLS Gaard-data), which now covers 95% of our Swedish pig farmers and suppliers – see more in the sustainability statement.

KLS has launched a series of products under its own brand, Charkuterifabriken, which includes not only sliced cold cuts and snacks but also charcuterie products for cooking, all based on Swedish raw materials.

Charkuterifabriken

One of our most recent launches of new products is our cheese and bacon sausage from Charkuterifabriken based on Swedish meat.

KLS

The food company KLS is a market leader in Swedish meat production based on raw materials from Swedish pigs and cattle. KLS has four abattoirs and four processing facilities in Sweden.

6,118 Revenue (DKKm)

While volumes were stable, price increases pushed up revenue. The product mix changed towards more processed and private label products.

2021/22: 5,514 2022/23: 5,723

148 EBIT (DKKm)

Growth in volumes and markets share has resulted in an increased EBIT in SEK (before translation into DKK).

2021/22: 156 2022/23: 132

1,321 Employees

The calculation of the number of employees has been changed and adapted to the group's calculation method. It has not been possible to adjust the comparative figures.

2021/22: - 2022/23: -

Market struggles impact DAT-Schaub's earnings

DAT-Schaub's earnings have normalised as a result of reduced supply of raw materials and downward pressure on sales prices. These factors combined to result in lower earnings than in 2022/23. The company continues to pursue its strategic ambitions.

In the hog and sheep natural casing market, our wide presence in local markets helped us defend our market position. However, we still experienced a drop in earnings to more normal levels as a result of decreasing sales prices as customer demand decreased. The global market for anti-coagulation treatments also struggled, with demand reducing after COVID-19 stockpiling led to an oversupply of products. This affected our mucosa and raw heparin business, causing declines in volumes, sales prices and earnings. We anticipate continued volatility in this market in the coming year.

Sales of stomachs in Asian markets also saw a decrease in prices compared to 2022/23.

Raw material supply challenged

The availability of raw materials from pigs became a challenge as a result of reduced slaughter volumes across Europe. However, growth in the Americas helped offset this, allowing us to maintain a strong position in the hog casing market by using raw materials from both Europe and the Americas.

There was a significant reliance on raw materials from outside Denmark, and the reduction in Danish slaughter animals further decreased the availability of local raw materials. This situation highlights the importance of having a diverse supply base and not depending too heavily on a few countries. We worked closely with both existing and new suppliers to maximise the value of DAT-Schaub's raw materials.

Operational adjustments

In July, a fire destroyed the production area of our Portuguese natural casing selection plant in Porto. We responded by temporarily moving most of its production to other selection plants, before successfully re-establishing production in Porto over the past few months.

Strategic acquisitions

At the very beginning of the new financial year, 2024/25, DAT-Schaub acquired 100% of Tripera Paraguaya S.A. (TRIPAR SA). This acquisition in South America is a strategic move, as the region has been increasingly important to us since our first acquisitions there six years ago. Our goal is to grow our market positions both organically and through acquisitions, ensuring a stable supply of raw materials.

DAT-Schaub

DAT-Schaub is a global business that processes and sells natural and artificial casings for the food industry and ingredients for the pharmaceutical industry.

4,766 Revenue (DKKm)

Pressure on prices for our products throughout the year, combined with lower volumes, reducing revenue.

2021/22: 5,306 2022/23: 5,326

558 EBIT (DKKm)

As expected, EBIT was down on 2022/23. Margins were reduced as a result of fierce competition in all product groups.

2021/22: 1,111 2022/23: 961

3,050 Employees

The calculation of the number of employees has been changed and adapted to the group's calculation method. It has not been possible to adjust the comparative figures.

2021/22: - 2022/23: -

Identifying and mitigating our key risks

At Danish Crown, enterprise risk management (ERM) plays a crucial role in identifying and mitigating risks that may significantly impact the group. Our risk management process encompasses a wide range of risks, including commercial, strategic, operational, compliance, and environmental, social and governance (ESG) risks.

Top-level commitment

The Executive Management is responsible for overseeing the ERM, driving risk awareness and establishing a risk-awareness culture across the group.

Risk identification

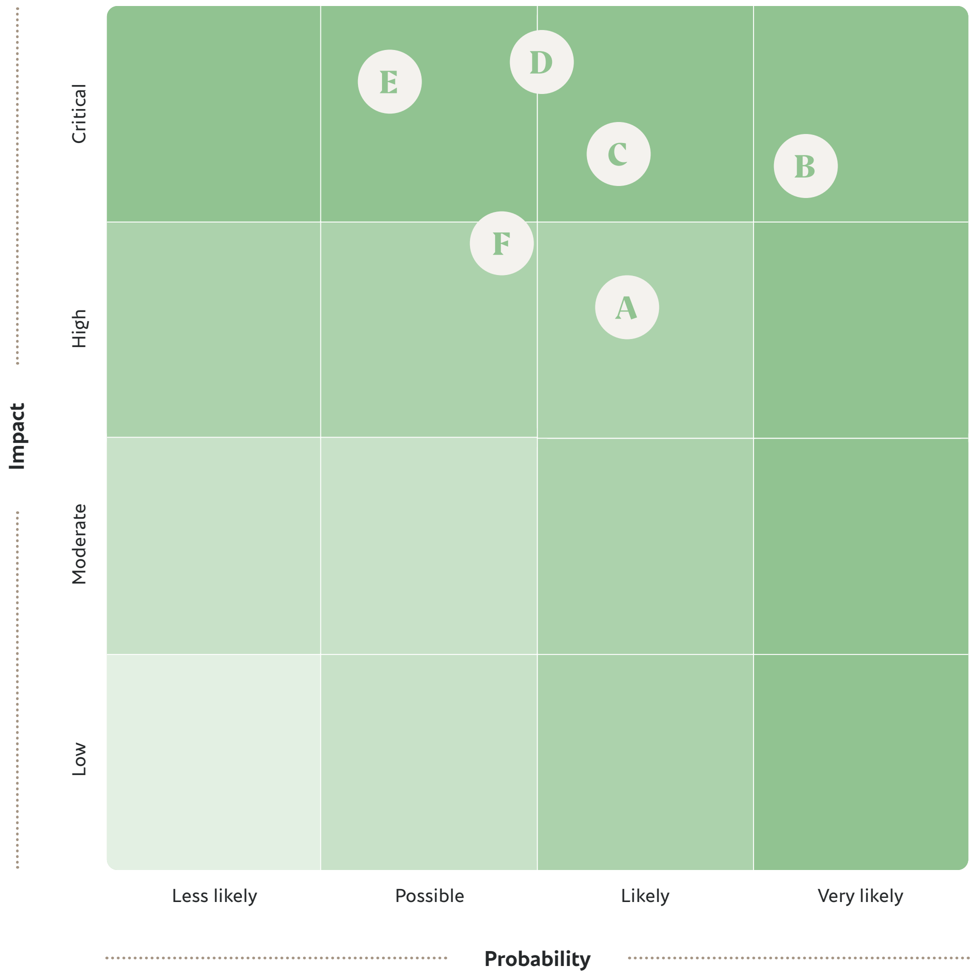
Within each of our main business units, the business unit's Management identifies significant risks, assigns risk owners and formulates mitigating actions. Additionally, relevant group functions contribute by identifying key risks within their respective areas. By adopting this bottom-up approach, we ensure a thorough risk identification process.

Consolidation and validation

Following the initial risk identification, risks are consolidated based on impact, likelihood, and including mitigating actions and risk owners. The Executive Management approves the consolidated risks before final sign-off by the Board of Directors.

Implementation and review

Mitigating actions are implemented throughout the year, ensuring continuous risk mitigation efforts. Additionally, a review of risks and the progress of related mitigating actions is carried out at least annually by the business units, the Senior Management Team and the Board of Directors.



A: Changing consumer and customer demand
B: Decreasing raw material base
C: Geopolitical incident
D: IT security breach
E: Biosecurity incident
F: Food safety incident

A Changing consumer and customer demand

Commercial risk

Risk description and impact

Expectations from our key stakeholders – including customers, consumers and banks – are driving the need for proactive change. In particular, changes in food consumption patterns in some countries due to consumers' increased focus on sustainability, animal welfare and health may negatively affect consumer demand for meat and meat-based products. In addition, a growing preference for domestic produce is emerging in the global market, which is a challenge for us as a global exporter of meat.

Risk mitigation

We strongly believe that meat is a relevant source of protein. Our communication strategy supports our view that better meat and meat-based products are a part of a healthy and balanced diet. Through strong consumer insight and close relations with our customers, we ensure our product range matches consumer demand.

Through innovation, we can adapt to changes in consumer preferences and food consumption trends. In addition, initiatives that drive our sustainability agenda are deeply embedded in our business strategy.

Probability: Likely **Impact:** High

B Decreasing raw material base

Operational risk

Risk description and impact

As a cooperative, owned by Danish farmers, we are exposed to fluctuations in our owners' supply of livestock for slaughter. We are also exposed in other markets where we source livestock for slaughter.

Increasing regulatory requirements and higher production costs in farming may put greater financial pressure on farmers. In addition, political and regulatory uncertainty around sustainability is reducing the willingness of farmers to make long-term investments. These challenges may lead to a decrease in the number of pigs available and lower capacity utilisation in our abattoirs.

Risk mitigation

We are committed to rightsizing our slaughtering and deboning capacity to match the decreased supply of pigs, and we strive constantly to improve efficiency in our operations and increase the value of our products so that we can pay farmers better prices. In 2023/24, we launched several initiatives to optimise capacity utilisation. In addition, we introduced revised payment rules to incentivise stability in our owners' supply of pigs.

We recognise the urgent need to address the effects of our operations on climate change and sustainability in general, and strive to improve our production efficiency, reduce our carbon footprint, work with deforestation-free soy feed on farms, and create packaging with a reduced footprint.

Probability: Very likely **Impact:** Critical

C Geopolitical incident

Operational risk

Risk description and impact

The increasing tensions, geopolitical challenges and risk of pandemics across the world may trigger unforeseen incidents, such as lower imports, export bans and wars. Such events will have immediate adverse impacts on our supply chain, farming and manufacturing operations.

Risk mitigation

Robust continuity plans and multi-site operations, together with a continued pursuit of new business opportunities in all markets, help ensure that we can adjust our supply chain to accommodate potential disruptions.

Redundancy in sourcing channels will mitigate the impact of sudden logistical/supply disruptions.

To reduce our exposure to geopolitical incidents we are strengthening our position in Europe.

Probability: Likely **Impact:** Critical

D IT security breach

Operational risk

Risk description and impact

We rely on well-functioning IT systems to support our operations. As a consequence, we are exposed to the threat of a cyber attack, resulting in unauthorised access to or failure of our IT systems. This may have serious consequences for our entire supply chain operations and for the protection of confidential data, and may lead not only to a financial loss but also to a loss of reputation. Given the evolving nature of cyber attacks, this risk may increase over time.

Risk mitigation

We have a robust IT security control framework in place and an Information Security Board monitoring the level of IT security threats. Mitigating measures include the implementation of our IT Security Roadmap and a programme to implement the Network and Information Security (NiS2) Directive.

In case of a breach in IT security, the group has business continuity and disaster recovery plans in place.

Probability: Likely **Impact:** Critical

E Biosecurity incident

Commercial risk

Risk description and impact

As we are a global food company, biosecurity is an inherent risk to our business. An incident of disease or infection in livestock may impact our supply chain, farming and manufacturing operations, resulting in financial losses. An outbreak of African Swine Fever may affect the free movement of livestock and lead to restrictions on exports of products from the EU.

Risk mitigation

We have both preventive and remedial plans in place for the most significant biosecurity risks and have implemented relevant measures at our production facilities. We support and comply with all regulatory requirements.

Probability: Possible **Impact:** Critical

F Food safety incident

Operational risk

Risk description and impact

As a food company we are obliged to comply with all relevant food safety requirements. We are mindful that our leading market positions depend on our ability to maintain a very high level of food safety and quality in our production, thereby meeting our customers' and consumers' requirements for safe and healthy food products.

Due to the nature of our manufacturing operations, we are inherently exposed to the risk of accidental raw material or product contamination. A food safety incident or undetected food hazard may have a significant financial and reputational impact and invoke regulatory sanctions and penalties, such as product recalls and restrictions on our operations.

Risk mitigation

Working to ensure high food safety is an integrated part of our daily operations. It is a focal point in the entire supply chain. We have robust food quality and safety processes and procedures in place throughout the supply chain conforming to all relevant standards and regulations. Our employees are dedicated to food quality and safety, controls and traceability, ensuring high food safety standards. We continuously monitor the effectiveness of our food safety programmes and procedures.

Probability: Possible **Impact:** High

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DKKm	2023/24	2022/23	2021/22	2020/21	2019/20
Income statement					
Revenue	67,812	67,602	64,212	58,287	60,794
Operating profit before special items (EBIT)	2,427	2,398	2,885	2,818	2,860
EBIT margin	3.6%	3.5%	4.5%	4.8%	4.7%
Operating profit after special items	1,961	2,198	2,885	2,818	2,718
Net financials	-679	-536	-226	-161	-185
Net profit for the year from continuing operations	1,042	1,469	2,180	2,255	2,141
Net profit for the year from discontinued operations	0	0	0	0	14
Balance sheet					
Total assets	27,438	29,069	29,356	25,539	24,473
Invested capital	19,258	20,855	20,779	18,391	17,044
– of which net working capital	6,402	7,398	7,659	5,850	4,981
Return on average invested capital (ROAIC)	12.1%	11.5%	14.7%	15.9%	16.2%
Equity	7,581	7,747	8,173	8,363	8,055
Solvency ratio	27.6%	26.7%	27.8%	32.7%	32.9%
Net interest-bearing debt	11,677	13,108	12,606	10,028	8,989
Financial gearing	2.8	3.3	2.9	2.3	2.1
Interest cover	5.8	7.1	18.8	24.2	19.7
Cash flow statement					
Cash flows from operating and investing activities	3,038	1,612	480	1,137	3,506
– of which investment in property, plant and equipment	1,232	1,824	1,551	1,718	1,494

	2023/24	2022/23	2021/22	2020/21	2019/20
Supplementary payments, DKK/kg					
Supplementary payments, pigs and piglets	0.70	1.10	1.30	1.30	1.35
Supplementary payments, sows	0.80	1.10	1.10	1.10	1.20
Supplementary payments, cattle	1.35	1.30	1.35	1.30	1.25
Total supplementary payments, DKKm					
Supplementary payments, pigs and piglets	663	1,048	1.497	1,512	1,450
Supplementary payments, sows	33	46	54	48	45
Supplementary payments, cattle	93	89	91	90	89
Total supplementary payments	789	1,183	1,642	1,650	1,584
Disbursement according to articles 22.2 d of the Articles of Association	37	30	23	22	34
Disbursement according to article 21.5 of the Articles of Association	330	0	0	0	0
Total disbursement	1,156	1,213	1,665	1,672	1,618
Supplies from cooperative owners, weighted in million kg					
Pigs and piglets	946.2	953.0	1,151.7	1,162.6	1,074.4
Sows	41.8	41.6	49.3	44.0	37.7
Cattle	68.9	68.1	67.2	69.3	70.9
No. of cooperative owners					
No. of cooperative owners	5,272	5,737	5,404	5,620	5,900
No. of employees					
Average no. of full-time employees	23,959	25,796	26,641	25,918	22,996

Making the business ready for the next step in the journey

We stabilised our earnings in 2023/24 and implemented key initiatives to position the company for continued growth and development.

Despite a decrease in the supply of pigs for slaughter, we managed to keep both volumes and revenue on a par with 2022/23. Revenue stabilised at DKK 68 billion, while we were able to increase gross profit slightly from a low level, but still not to a satisfactory level. Improvements were seen across our markets, although we also faced strong market pressures, especially in the Polish retail market and the market for heparin and mucosa.

As fewer of our products were sold overseas, distribution costs were reduced.

Administrative costs were negatively impacted by a number of organisational changes. At the beginning of the year, Danish Crown announced a white-collar right-sizing exercise following the closure of the Sæby facility in August 2023. Later in the year, we changed the top management both at group level and in the Danish Crown business unit. Excluding the cost of these organisational changes, there was a 3% increase in administrative costs.

Both Sokołów and DAT-Schaub had fires at production facilities that impacted day-to-day operations. In both cases, we had critical production lines back up and running relatively quickly. DKK 0.1 billion has been recognised as other income, as the insurance coverage exceeded the book value of the assets affected by the fires. Costs of approximately the same amount for ramping up production and other tasks related to the two fires have been included in production costs.

Overall, operating profit before items (EBIT) ended on 2.4 billion and thus on par with last year.

The closure of the facility in Ringsted, Denmark, during the year led to impairment charges and expected site closure costs totalling DKK 0.4 billion. Furthermore, we are in the process of divesting or closing non-core and non-value-adding activities and facilities, resulting in divestment gains and impairment charges amounting to a net expense of DKK 0.1 billion. A total of DKK 0.5 billion has been expensed under special items. All these actions have been taken with the aim of building the future Danish Crown.

Net financials increased by DKK 0.1 billion despite decreasing debt.

We realised profit after tax of DKK 1.0 billion, compared to DKK 1.5 billion in 2022/23. This was below expectations, but heavily impacted by the many activities to set up Danish Crown for the future.

Assets

Total assets decreased by DKK 1.6 billion, due partly to a DKK 1.0 billion decrease in working capital following our focused efforts to reduce the amount of capital tied up in inventories and receivables, and partly due to impairment charges of DKK 0.5 billion.

As a consequence of having fewer sites, we invested less than in previous years. We invested DKK 1.2 billion in property, plant and equipment and added lease assets of DKK 0.3 billion, making total investments of DKK 1.5 billion, which is DKK 0.6 billion less than in 2022/23. One third of the total was invested in Denmark, and one third in the UK and Poland.

Equity

Equity decreased by DKK 0.2 billion to DKK 7.6 billion during the year, mainly due to the ordinary supplementary payment to our farmer owners in December 2023 exceeding the previous year's profit. Due to the lower balance sheet total, the solvency ratio rose from 26.7% to 27.6%.

Liabilities

Net interest-bearing debt decreased by DKK 1.4 billion to DKK 11.7 billion, mainly as a result of lower working capital.

Financial gearing is back on track after being brought down from 3.3 to 2.8, which is below our long-term target of 3.0.

Our financing structure is based predominantly on credit facilities with a life of more than one year. 92% of interest-bearing debt was non-current at the end of the year, up from 70% a year earlier. The development is partly explained by planned refinancing.

The share of interest-bearing debt maturing more than five years from the balance sheet date increased from 14% to 25%. Fixed-rate loans accounted for around 14% of total loans, compared to 18% at the end of 2022/23.

Cash flows

Cash flow from operating activities improved once again, to DKK 3.8 billion, thanks to the reduction in working capital. In particular, we managed to reduce the amount of capital tied up in inventories. We believe it will be possible to reduce working capital further and will continue to focus on this in the coming year.

We invested DKK 1.2 billion in property, plant and equipment during the year and paid out DKK 1.3 billion to our farmer owners and to non-controlling interests in group companies. In total, our net interest-bearing debt decreased by DKK 1.4 billion.

Outlook 2024/25

Our projections for the coming year reflect a number of key trends and strategies that will shape our journey going forward.

Market dynamics

2024/25 is expected to see a continued decrease in slaughter animal production across Europe. The pace of the decline slowed in 2023/24, but the downward trend remains challenging. These shifts in production may impact our supply chain and pricing strategies.

Although inflation rates in most markets are easing, a certain level of inflation is expected to persist. This is likely to result in a more stable market environment than in previous years. However, markets will continue to be fiercely competitive, with discerning customers and consumers placing significant emphasis on pricing, quality and sustainability.

Financial outlook

We will continue to focus on adding value to our products and delivering high-quality food. This approach aligns with evolving consumer preferences and market demand for environmentally responsible products.

The price increases initiated during 2022/23 and 2023/24 are expected to continue in the new financial year. As a result, we expect our revenue to remain stable in the range of DKK 66-68 billion in 2024/25, despite the anticipated reduction in slaughter animals.

Our business simplification and transformation initiatives took more material form in 2023/24, including the closure of the Ringsted abattoir, and in October 2024 we announced a reduction of 500 administrative jobs. More transformation initiatives will continue in the coming year. These efforts are expected to yield significant cost savings. We project a further increase in EBIT in 2024/25 and expect to be within the range of DKK 2.5-2.7 billion.

We remain committed to reducing our net working capital, with a target of decreasing average net working capital days by 1-2. This will improve our gearing.

Non-financial outlook

We expect to progress towards our greenhouse gas emission reduction targets validated by the Science Based Targets initiative (SBTi). We have broken down our targets into annual reductions. For scope 1 and 2 emissions, we will build on the progress made in 2023/24, which was well ahead of the planned annual reduction, and we expect to reach a total reduction of 20-25% compared to our 2019/20 base year. For scope 3 emissions, our goal is to regain momentum in our reduction and reach 7-10% compared to 2019/20. We plan to publish revised scope 3 targets in line with new SBTi guidance on target-setting for Forest, Land and Agriculture (FLAG). Additionally, we aim to reach a key milestone by ensuring that 62-67% of the soy used in our value chain is deforestation- and conversion-free.

	Result 2023/24	Outlook 2024/25
Financials		
Revenue, DKKbn	68	66-68
EBIT, DKKbn	2.4	2.5-2.7
Net working capital days	40.3	37-39
Financial gearing, ratio	2.8	<3.0
Non-financials		
Scope 1 and 2 emission reductions from base year, %	22	20-25
Scope 3 emission reductions from base year, %	5	7-10
Deforestation- and conversion-free soy in value chain, %	58	62-67

Forward-looking statements

Forward-looking statements are subject to risks and uncertainties that could cause the group's actual results to differ materially from those expressed in the forward-looking statements. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.

Corporate governance

Danish Crown is a cooperative owned by more than 5,000 Danish farmers and has built on the principles of shared ownership ever since 1887. Although it is not required of us, we largely comply with Denmark's corporate governance recommendations. Our governance structure has been debated over the year and a new structure has been approved by the Board of Representatives that will take effect from December 2024.

Active cooperative ownership

The purpose of Danish Crown is to add value for current and future cooperative owners. Throughout the year, a temporary Governance Committee worked on how farmers can be the best owners of Danish Crown and diving into the future leadership of the company. As a result, a new and more simple governance structure will take effect from December 2024.

Since our foundation in 1887, our business has built on the fundamental principles of cooperative ownership, specifically that the interests of each individual farmer are best served by a jointly and efficiently run business. The Board of Representatives therefore agreed to a timely proposal from the Board of Directors to establish an appropriate and up-to-date ownership structure for Danish Crown and its 5,272 Danish farmers. The outcome of this work resulted in an agreement in September 2024 to establish a single Board of Directors focused on business, fewer districts, a smaller Board of Representatives and a Beef Forum. The agreement opens up the potential for an external chair of the Board of Directors. Read more about the revised governance structure on page 34.

Corporate governance principles

As a cooperative, Danish Crown is not under an obligation to comply with the recommendations on corporate governance that Danish listed companies must observe. We have nevertheless chosen to follow these recommendations with two exceptions:

- The company does not publish quarterly interim reports, only a half-year report, and does not disclose ownership shares.
- Cooperative owners wishing to vote at meetings of the Board of Representatives must attend in person or by written proxy.

Dual governance structure

Our cooperative ownership means that Danish Crown has had a two-tier governance structure:

- The Board of Directors of the cooperative Leverandørselskabet Danish Crown AmbA has been responsible for owner-related activities.
- The Board of Directors of the limited company Danish Crown A/S has been responsible for business-related activities.

The democratic structure of Danish Crown is our foundation. Danish Crown is a large and professional organisation where processes are clearly defined in our articles of association, instructions for the Boards of Directors and Executive Management, annual wheels, and agendas for meetings, etc. In this way, Danish Crown aligns with other large comparable groups. Our cooperative ownership builds on three pillars that strengthen both the individual farmer and Danish Crown as a business.

Board evaluation

Previously, an evaluation of the work of the two Boards of Directors was conducted annually. The evaluation was initiated by the Chair of the two Boards of Directors via the Nomination, Compensation and Benefits Committee and the Nomination and Remuneration Committee respectively. An external consultant was involved in the evaluation at least every third year. In 2024, the evaluation of the Boards of Directors was performed in cooperation with an external consultant. The evaluation was based on an online questionnaire and interviews with the individual board members. The findings of the 2024 evaluation were presented and discussed at board meetings in 2024. The Board of Directors will take account of the findings when considering the future development of the Board and its structure, with a specific focus on ensuring that the composition of the Board reflects the required pool of competence, capability and experience for supporting Danish Crown's strategic direction, including the ongoing transformation into a global food company.

Environmental, social and governance (ESG) matters

As a result of the election process in December 2023, several new members were elected to the Board of Representatives and the Board of Directors. Due to the change in board members, the key focus has been on training the new members in corporate governance principles etc. In addition, new members of the Board of Representatives have received training in ESG with a focus on scope 3 greenhouse gas (GHG) emissions. In general, ESG matters are a high priority, and several members of our Board of Directors and Executive Management have experience in overseeing ESG matters from current or previous roles elsewhere and from their work with Danish Crown, both on the farming side and on the business side. For 2024/25, additional training is planned for the Board of Directors in ESG matters material to Danish Crown. Due to the importance of ESG for Danish Crown, many of our employees are experts in different aspects of ESG, including animal welfare, climate and food safety. Our Board of Directors and Executive Management therefore have access to specialist knowledge on the ESG topics most relevant to Danish Crown. As a company, achieving our sustainability ambitions depends on close collaboration and effective execution across the functions and business units of Danish Crown as well as with our owners and stakeholders in the value chain. This is why we also give special weight to our functional boards and committees in terms of driving and governing our sustainability solutions and their impact. In other words, our ESG work is anchored at all levels of the organisation.

The three pillars of our cooperative ownership

Active ownership

Danish Crown exists for its current and future owners, who actively take responsibility for their jointly owned company. Their influence over the development of the business helps ensure broad support for strategic decisions.

Capital for investments

Our ownership structure strengthens the understanding that capital needs to be in place to invest in the future – both on farms and in the group.

Stable supplies

The farmers who own the cooperative have both a right and a duty to supply their slaughter animals to Danish Crown, which in turn undertakes to add value and reward owners with simple, fair and competitive prices for their animals.

Leverandørselskabet Danish Crown AmbA

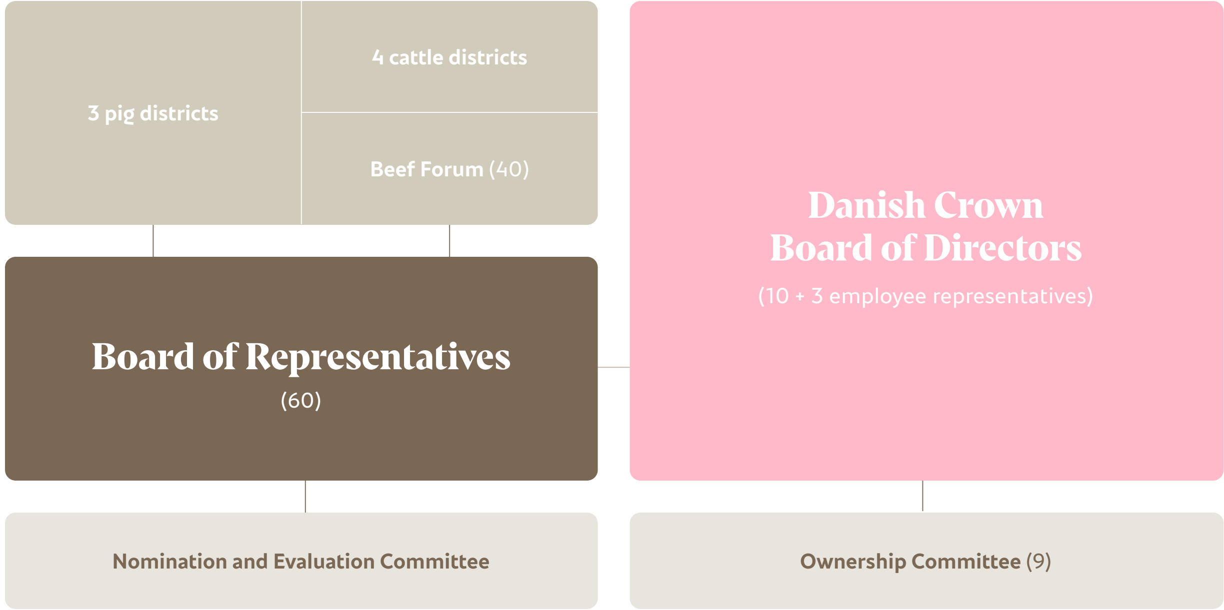
DOMAIN	AREA OF RESPONSIBILITY	KEY ESG ACTIVITIES IN 2023/24
Cooperative owners Cattle districts Pig producer districts	Leverandørselskabet Danish Crown AmbA is a cooperative owned by 5,272 Danish farmers. Local district meetings are held twice a year, and farmers exercise their ownership rights in the districts by electing members to the Board of Representatives every second year according to the "one owner, one vote" principle.	Members of the cooperative are an essential part of our value chain and impact our business activities in ESG areas such as the environment and animal welfare. They work with clear guidelines and high standards in these areas. For example, they are all covered by our Codes of Practice and the DANISH Product Standard. The majority of our farmer owners are also part of the Climate Track (our ESG programme for farmers), which means they share production and ESG data with Danish Crown. Read more on page 52. Pig farmers report selected ESG data. If they fail to do so, they get a deduction in their payment. The data they provide play an important part in reporting on emissions and animal welfare.
Board of Representatives **Board of Representatives** Number of meetings: 7 Participation rate: 87%	The Board of Representatives is the cooperative's supreme authority with 90 representatives elected by and from the farmers in the cooperative for a two-year period. The Board of Representatives appoints members to the Board of Directors and approves the annual distribution of profits based on a proposal from the Board of Directors. A new governance structure was agreed in September 2024. The new structure places responsibility with a single Board of Directors comprising five owner representatives. To ensure external influence in the future, at least one member of the chairship must be external, and the chair position may be held by an external board member going forward. Quarterly meetings are held to inform about key developments in Danish Crown's strategy, operations and current status.	The Board of Representatives regularly discusses ESG topics. In 2023/24, new representatives attended a training session on sustainability focusing on reducing scope 3 GHG emissions. This included how to implement actions and initiatives to cut emissions as part of our commitment to the Science Based Targets initiative. Representatives then lead discussions at district meetings to encourage other farmers to implement and invest in initiatives that can help reduce GHG emissions at farm level.
Board of Directors **Board of Directors** Number of meetings: 20 Participation rate: 100% Nomination, Compensation and Benefits Committee Number of meetings: 5 Participation rate: 100%	The cooperative's Board of Directors, whose members are elected for two years at a time, currently consists of ten members and one observer, all elected by and from the 90 members of the Board of Representatives. The Board of Directors is responsible for all matters related to the cooperative's owners, including procurement of livestock, and also handles matters related to capital, ownership and strategy. The Board of Directors elects the members of the Danish Crown A/S Board of Directors. The Board of Directors has assigned tasks, but not decision-making power, to the Nomination, Compensation and Benefits Committee. This committee prepares an annual evaluation and recommendation for the Board of Directors on the composition of the Danish Crown A/S's Board of Directors' committees and functional boards, as well as their remuneration. Chair: Asger Krogsgaard	The Board of Directors supports the preparation and approval of new or updated codes and policies impacting farmers. A number of codes and policies were updated during the year, including the Animal Welfare Policy, the Carbon Insetting Policy and the Deforestation and Land Conversion Policy. The Nomination, Compensation and Benefits Committee of the cooperative supports the Nomination and Remuneration Committee of Danish Crown A/S in setting long-term incentive programme targets for sustainability.

DOMAIN	AREA OF RESPONSIBILITY	KEY ESG ACTIVITIES IN 2023/24
Board of Directors **Board of Directors** Number of meetings: 12 Participation rate: 90% **Audit and Risk Management Committee** Number of meetings: 6 Participation rate: 92% **Nomination and Remuneration Committee** Number of meetings: 5 Participation rate: 100%	The Board of Directors is responsible for overseeing the company's business operations, development, management and financial affairs. This includes ensuring that our business is conducted in accordance with laws and regulations. The Board of Directors elects a Chair and a Vice Chair who do not participate in the day-to-day management of the company. The Board of Directors currently consists of six farmer owners elected by the general shareholders' meeting for one year at a time, three employee representatives elected for four years at a time, and four independent external members elected by the general shareholders' meeting for one year at a time who each contribute relevant high-level expertise and experience. The Board of Directors has assigned tasks, but not decision-making power, to two committees. In 2023/24, the Board of Directors updated the Audit and Risk Management Committee's terms of reference and extended their coverage to include business risks and broader ESG compliance requirements and reporting. The committee monitors the group's accounting and auditing matters and reports significant accounting practices and estimates to the Board of Directors prior to the approval of the annual report. The need for an internal audit function is reviewed regularly, but this is not considered necessary at present. Chair, Audit and Risk Management Committee: Jesper V. Christensen The Nomination and Remuneration Committee prepares a remuneration policy and remuneration recommendations for the Executive Management each year. Chair, Nomination and Remuneration Committee: Asger Krogsgaard	The Board of Directors approves the sustainability strategy as well as new and updated group codes and policies relevant to the management of our business, such as the Responsible Procurement Policy, the Human and Labour Rights Policy, and the Political Engagement and Expenses Policy. The Audit and Risk Management Committee, by delegation from the Board of Directors, oversees the group's ESG-related processes, including the double materiality assessment and the sustainability statement. Additionally, the committee oversees enterprise risk management and compliance processes and activities, and reports to the Board of Directors on significant issues. The Nomination and Remuneration Committee has integrated ESG into the long-term incentive programme targets for members of the Executive Management.
Executive Management	The Executive Management is responsible for the day-to-day management of the company, ensuring that resources and capital are allocated in line with the cooperative's interests, purpose and vision. The Executive Management is responsible to the Board of Directors for defining and delivering on group strategies and targets. All members of the Executive Management work closely with, but independently of, the Board of Directors, which has issued formal instructions setting out the Executive Management's duties and responsibilities.	The Executive Management oversees and endorses implementation of our sustainability strategy and policies, as well as sponsoring selected high-level sustainability projects and ensuring that sustainability is a focus area across all business units and group functions.

A new governance structure

A Board of Directors focused on business, a smaller Board of Representatives and the potential for an external chair of the Board of Directors are among the changes to our articles of association, which were approved in September 2024 with effect from December 2024.

New governance model



The Board of Representatives

The Board of Representatives consists of 60 members elected by the pig districts, the Beef Forum, and minority groups. Additionally, it includes 16 employee-elected observer posts according to the voluntary arrangement regarding employee representation.

Danish Crown Board of Directors

The Board of Directors undertakes the overall management of the company. The Board of Directors consists of four members appointed by and from the pig districts' members of the Board of Representatives, the chair of the Beef Forum, five external members recommended by the Nomination and Evaluation Committee and approved by the Board of Representatives, and three employee representatives.

The Board of Directors constitutes itself with a presidency of one chair and two vice chairs: one member of the chairship must always be external, one vice chair must always be a farmer owner, and the chair can be external.

Furthermore, the five owner representatives on the board will be elected freely from within the Board of Representatives, unlike the previous system where they were elected within our farmers districts.

Ownership issues handled by a new committee

Previously, decisions and recommendations to the Board of Representatives on ownership issues were managed by Danish Crown's board. This responsibility will now be taken on by a newly established Ownership Committee. The Ownership Committee, an advisory and recommending body, will report to the board and oversee ownership and farmer matters, including recommendations regarding breaches of our Farmer Code of Practice and other key political issues affecting cooperative members. The Ownership Committee will be made up of one cooperative member, who will be the vice chair of the AmbA board, one owner-elected board member, the chairs of the Pork and Beef Supplier Panels, and three members elected by the Board of Representatives.

The committee's responsibilities will also include evaluating all board members and overseeing competence development for members of both the Board of Directors and the Board of Representatives in collaboration with Danish Crown's People & Culture department.

Supplier Panels

The former Ownership Committees for Pork and Beef will be transformed into Supplier Panels, which will advise the Ownership Committee on farmer-related issues.

A smaller Board of Representatives

To reflect the structural changes within the agricultural sector, it has also been decided to reduce the number of members in both the Board of Representatives and the Beef Forum. The Beef Forum will be reduced from 53 to 40 members, two of whom will be elected by minority groups. Meanwhile, the Board of Representatives will be reduced from 90 to 60 members, with 50 members elected by members of the pig districts, two by minority groups, and eight from the Beef Forum.

Members will continue to be elected within districts, but the number of pig districts will be reduced from seven to three, and four districts for cattle farmers.

Executive Management and Board of Directors

From left to right: Rasmus Gramkow Pedersen, Søren Bonde, Thomas L.W. Hansen, Jonas Würtz Midtgaard, Brian Vestergaard, Karsten Willumsen, Camilla Sylvest, Søren Brinck, Asger Krogsgaard, Knud Jørgen Lei, Daniel O. Pedersen, Jesper V. Christensen, Britta Veis, Ulrik Bremholm, Niels Duedahl, Kim Kjær Knudsen, Jørgen Larsen, Svend Amstrup Jensen

Member biographies

Executive Management Team

Niels Duedahl (b. 1966)
Appointed: 2024
Position: Group CEO

Britta Veis Jensen (b. 1962)
Appointed: 2024
Position: SVP, Group Finance & Tax, Interim CFO

Board of Directors – Chairship

Asger Krogsgaard (b. 1966)
Cooperative owner
Profession: Farmer owner
Elected first time:
Leverandørselskabet Danish Crown AmbA 2003
Danish Crown A/S 2011
Other internal positions:
Nomination, Compensation and Benefits Committee
Nomination and Remuneration Committee
Audit and Risk Management Committee
External positions:
Danish Bacon & Meat Council, Danish Agriculture & Food Council, Danish Pig Meat Industry, Danish Agriculture & Food Council
Education: Farmer, Agrarian Economist

Camilla Sylvest (b. 1972)
Independent member
Profession:
EVP, Commercial Strategy & Corporate Affairs, Novo Nordisk A/S
Elected first time: Danish Crown A/S 2017
Other internal positions:
Nomination and Remuneration Committee
External positions: Agenx SE
Education: MSc (Economics), Executive MBA

Daniel O. Pedersen (b. 1987)
Cooperative owner
Profession: Farmer owner
Elected first time:
Danish Crown AmbA 2023
Danish Crown A/S 2023
Other internal positions:
Audit and Risk Management Committee, User Panel for Owner Communication
Education: Farmer

Board of Directors – Independent

Jesper V. Christensen (b. 1969)
Independent member
Profession: EVP, CFO, Danfoss A/S
Elected first time:
Danish Crown A/S 2016
Other internal positions: Audit and Risk Management Committee
External positions:
Central Board of the Confederation of Danish Industry (DI)
Education: MSc (Accounting and Finance)

Søren Brinck (b. 1974)
Independent member
Profession: CCO, EVP, Group Commercial & Group Strategy, Carlsberg Group
Elected first time:
Danish Crown A/S 2022
Other internal positions:
Nomination and Remuneration Committee
Education: MSc (Marketing)

Leverandørselskabet Danish Crown AmbA

Asger Krogsgaard (Chair)
Daniel O. Pedersen (Vice Chair)
Rasmus Gramkow Pedersen
Jonas Würtz Midtgaard
Karsten Willumsen
Kim Kjær Knudsen
Knud Jørgen Lei
Svend Amstrup Jensen
Søren Bonde
Ulrik Bremholm
Jørgen Larsen (Observer)

Danish Crown A/S

Asger Krogsgaard (Chair)
Daniel O. Pedersen
Karsten Willumsen
Knud Jørgen Lei
Søren Bonde

Independent members:
Camilla Sylvest (Vice Chair)
Jesper V. Christensen
Søren Brinck

Employee-elected members:
Brian Vestergaard
Henrik Redmond
Thomas L.W. Hansen

* All board members are up for election in 2024.

Member biographies

Board of Directors – Farmer owners

Rasmus Gramkow Pedersen (b. 1987)

Cooperative owner
Profession: Farmer owner
Elected first time:
Danish Crown AmbA 2024
Education: Farmer

Jonas Würtz Midtgaard (b. 1981)

Cooperative owner
Profession: Farmer owner
Elected first time:
Danish Crown AmbA 2023
Other internal positions:
Owner Committee Pork
External positions:
Sector Board Pig (LGF), Central Board, Danish Agriculture & Food Council
Education: Farmer

Ulrik Bremholm (b. 1967)

Cooperative owner
Profession: Farmer owner
Elected first time:
Danish Crown AmbA 2017
Other internal positions:
Nomination, Compensation and Benefits Committee, Owner Committee Pork
External positions:
Danish Bacon & Meat Council Chair, The Industrial Committee 'Dansk Kød' [Danish Meat], Danish Pig Levy Fund and Veterinary Committee, Danish Pig Meat Industry, Danish Agriculture & Food Council, Committee on Male Pigs and Castration, Task Force on African Swine Fever, Fonden Langelands Elforsyning
Education: Farmer, Bcom, Agricultural Economic

Karsten Willumsen (b. 1974)

Cooperative owner
Profession: Farmer owner
Elected first time:
Danish Crown AmbA 2013
Danish Crown A/S 2019
Other internal positions:
Nomination and Remuneration Committee
Audit and Risk Management Committee, Owner Panel Beef
External positions:
Sector Board Cattle & Dairy, Danish Agriculture & Food Council, Danish Cattle Levy Fund, Kvæg Politisk Forum
Education: Farmer, Agricultural Leadership Diploma

Kim Kjær Knudsen (b. 1986)

Cooperative owner
Profession: Farmer owner
Elected first time:
Danish Crown AmbA 2023
External positions:
Sector Board Pig (LGF), Central Board, Danish Agriculture & Food Council, Steering Committee, Danish Agriculture & Food Council
Education: Farmer

Knud Jørgen Lei (b. 1967)

Cooperative owner
Profession: Farmer owner
Elected first time:
Danish Crown AmbA 2013
Danish Crown A/S 2021
Other internal positions:
Education Committee
External positions:
Danish Pig Levy Fund
Education: Farmer, MSc (Engineering)

Svend Amstrup Jensen (b. 1981)

Cooperative owner
Profession: Farmer owner
Elected first time:
Danish Crown AmbA 2023
Other internal positions:
Nomination, Compensation and Benefits Committee
Owner Committee Pork
External positions:
Danish Pig Meat Industry, Danish Agriculture & Food Council (observer), Linkogas
Education: Farmer

Søren Bonde (b. 1962)

Cooperative owner
Profession: Farmer owner
Elected first time:
Danish Crown AmbA 2013
Danish Crown A/S 2017
Other internal positions:
User Panel for Owner Communication
External positions:
Nature Energy Nordfyn A/S, Nordfyns Biogas AmbA
Education:
Farmer, Business Course, Corporate Governance and Board Training Programmes

Jørgen Larsen (b. 1954)

Cooperative owner
Profession: Farmer owner, auditor, estate agent
Elected first time:
Danish Crown AmbA (observer) 2019
Other internal positions:
Owner Panel Beef
Education Committee
External positions: VikingDanmark
Education: Farmer, Bcom (Agro Business and Landscape Management), business courses (accounting and auditing)

Board of Directors – Employee-elected

Brian Vestergaard (b. 1973)

Member elected by the employees
Profession: Shop steward, Danish Crown, Blans, Denmark
Elected first time:
Danish Crown A/S 2017
Other internal positions:
Chair, Danish Crown's Shop Steward Delelgation
External positions:
Member, Southern Jutland section board of the Danish Food and Allied Workers' Union (NNF)
Education: Butcher

Henrik Redmond (b. 1960)

Member elected by the employees
Profession:
Shop steward, Danish Crown, Vejle Nord, Denmark
Elected first time:
Danish Crown A/S 2013
Other internal positions:
Chair, Danish Crown's Shop Steward Delegation, Danish Crown European Works Council
External positions:
Member of the Eastern Jutland section board of the Danish Food and Allied Workers' Union (NNF)
Education:
Commercial and clerical education, business course (occupational health and safety management)

Thomas L.W. Hansen (b. 1974)

Member elected by the employees
Profession:
Shop steward, Danish Crown, Rønne, Denmark
Elected first time:
Danish Crown A/S 2021
Other internal positions:
Chair, Danish Crown's Shop Steward Delegation
MS Danish Crown Pork Rønne II
Education: Butcher

Remuneration

The remuneration of our Executive Management Team reflects our financial performance. Despite good progress in year one of the execution of our two-year Horizon transformation plan in the Danish Crown business unit, our pig price is not yet competitive at a European level.

Challenging market conditions across most of our business units led to a financial performance that is not considered satisfactory. The year's performance, with payments to our owners DKK 2.72 below our peer group index, resulted in the Executive Management's cash-based LTI programme ending up below the threshold, meaning no payout in December 2024. This will be the third consecutive year with no payout.

It was, in many ways, a year of business transformation, including a review of the leadership of Danish Crown and the establishment of a temporary Governance Committee reporting to the cooperative's Board of Representatives. The remuneration of the temporary Governance Committee was aligned with the two Remuneration Committees.

The transformation has resulted in new board members and new roles for existing board members, as well as a new Executive Management Team: our new Group CEO, Niels Duedahl, started in September 2024, and our new Group CFO, Anders Aakaer Jensen, will start by December 2024. Further information on these changes can be found in our separate Remuneration Report.

Remuneration Policy

The overall objective of our Remuneration Policy is to support the long-term interests and sustainability of Danish Crown. To meet our objective, the policy is designed to attract and retain suitably qualified members of the Boards of Directors, and to attract, motivate and retain suitably qualified members of the Executive Management.

Remuneration of the Executive Management and the Boards of Directors should be competitive, but not market-leading, compared to remuneration at comparable Danish companies.

The policy for 2023/24 was approved by the Boards of Directors of Danish Crown A/S and Leverandørselskabet Danish Crown AmbA in August 2023.

The Executive Management

The remuneration of members of the Executive Management consists of a fixed base salary, a one-time bonus agreement linked to successful execution of the Horizon transformation plan, a cash-based LTI programme and other benefits.

The members of the Executive Management receive no separate remuneration for executive positions or directorships held in group companies.


Danish Crown

Remuneration Report 2023/24

Read the full report here

Go to report

The Boards of Directors

Each member of the Boards of Directors of Danish Crown A/S and of Leverandørselskabet Danish Crown AmbA receives a fixed annual base fee. The Chair and the Vice Chair receive a multiple thereof.

Members serving on the boards of subsidiaries, committees and panels receive an additional fixed annual fee. However, the Chair of the Board of Directors of Leverandørselskabet Danish Crown AmbA receives no additional fees for sitting on board committees or subsidiary boards beyond fees for serving on the Boards of Directors of Danish Crown A/S and Leverandørselskabet Danish Crown AmbA.

Sustainability statement

Environmental, social and governance (ESG) topics are increasingly important to both Danish Crown and our stakeholders. Our work in these areas is guided by a double materiality assessment, ensuring that we address material impacts, risks and opportunities. This approach, along with our progress, is detailed in our sustainability statement.

Materiality assessment

Environment | Social | Governance

Sustainability statement, notes

Double materiality assessment

Our materiality assessment guides our work on sustainability by identifying our most significant impacts, risks and opportunities in both our own operations and our value chain. We use the outcome, which is presented in the table, to prioritise our sustainability efforts and reporting.

AREA	TOPIC	CSRD ref.	DESCRIPTION
E Environmental	Climate change	E1	The production of food has a negative impact on climate change, both in our own operations and throughout our value chain. For Danish Crown, the largest impact is in scope 3 and related to farming, including feed production. Climate change also presents regulatory risks especially at farm level.
	Water	E2	Water is required for food production, including for cleaning purposes and to maintain stringent food safety standards.
	Biodiversity	E4	Agriculture impacts biodiversity, for example through the use of land for feed production and effects on water quality. There are also regulatory risks in our value chain associated with this impact.
	Resource use	E5	Producing food requires resources, for example for packaging. Both the production and consumption of food are linked to food waste. However, the organic material generated can be used to produce green energy.
	Animal welfare	G1	Animal welfare is a material impact both in our own operations and on farms. This includes animal health, which can also have financial impacts on our business, particularly in relation to African Swine Fever.
S Social	Own workforce	S1	We provide employment opportunities for a diverse workforce and have an impact on the health and safety of our employees, as well as on their access to equal treatment and opportunities.
	Value chain workers	S2	Our impact on workers extends beyond our own workforce to people working in the value chain. It is essential for us to avoid causing or contributing to adverse impacts on human rights.
	Food safety	S4	Food safety incidents can have a significant negative impact on consumers, and maintaining high standards of food safety and control in our production and for our products is a prerequisite for our global market position.
	Health and nutrition	S4	Consumption of meat and other food products influences personal health and well-being. As explained in our Nutrition Programme, we believe that a certain amount of meat can be an important part of a balanced diet.
G Governance	Business conduct	G1	As a global company, the way we and others conduct business is important for the overall functioning of the economies and societies in which we operate. Topics such as anti-corruption and whistleblower protection are therefore among our material impacts.

The overall process

Our double materiality assessment (DMA) process is a systematic approach designed to identify and assess the impacts, risks and opportunities (IROs) related to our business and value chain. The assessment covers the entire Danish Crown Group.

The process is overseen by our Executive Management and driven by a dedicated working group that includes representatives from Finance and Sustainability. This group is responsible for ensuring the integrity and relevance of the process, reviewing plans and making key decisions.

The DMA process consists of four main steps. The first involves understanding our business context, which includes an examination of our business model, value chain and stakeholders. The second step is the identification of IROs, where we focus on activities and business relationships with a high risk of adverse impacts. In the third step, the materiality of each identified IRO is rated based on a set of criteria. The final step is validation, where we ensure that the overall assessment of material versus immaterial IROs is consistent and reflects reality. The validation step includes calibration by the working group, consultation with selected external stakeholders, and approval by our Audit and Risk Management Committee.

Key steps in Danish Crown's DMA process

Step 1	Step 2	Step 3	Step 4
Understanding our business context	**Identification of impacts, risks and opportunities**	**Assessment of materiality**	**Validation and disclosure**
A solid understanding of the business model and value chain relevant in a DMA context is developed and key stakeholder groups are identified.	A full list of negative or positive impacts, risks and/or opportunities is developed.	Based on ratings and thresholds, it is assessed which impacts, risks and opportunities are material.	The outcome is validated by relevant stakeholders and disclosed in the Annual Report.

STAKEHOLDER GROUP	ENGAGEMENT CHANNELS
Farmer owners	Ongoing dialogue, for example through our owner service, Board of Representatives meetings and farmer owners' participation in the Climate Track programme (see more on page 52).
Suppliers	Ongoing dialogue and partnerships with key suppliers. We are also working on including our contract suppliers of livestock in Sweden, Poland and Germany in the Climate Track programme.
Value chain workers	Dialogue with trade unions and NGOs.
Own workforce	A variety of processes. Central to these is the ongoing dialogue between managers and employees (see more on page 135).
Customers, incl. food service, industry and retail	Ongoing business dialogue and annual customer analysis, with a focus on animal welfare, climate, nature, packaging, food waste and health.
Consumers	Ongoing dialogue, for example as part of consumer analysis, with a focus on animal welfare, climate, nature, packaging, food waste and health.
Affected communities	Ongoing dialogue with local authorities and government bodies in relation to impacts of production facilities on local communities, and with NGOs focusing on affected communities in relation to production of soy and palm oil.
Financial institutions	Ongoing dialogue, with a focus on how we ensure measurable progress in areas such as climate and deforestation.
NGOs, civil society and governments	Ongoing dialogue and engagement with individual NGOs and through industry associations and partnerships such as the Round Table on Responsible Soy.
All	All internal and external stakeholders can raise concerns through our whistleblower platform (see more on page 69).

Inputs and stakeholder engagement

In our DMA process, we utilise various data sources, including internal stakeholder interviews and analyses, as well as external reports. We also use existing ESG data, including data collected in connection with our annual reporting.

The internal stakeholders involved are subject matter experts, heads of relevant group functions and business unit representatives. For external stakeholders, we engage in ongoing dialogue to understand their interests and perspectives. During the DMA process, we make use of these insights by interviewing internal stakeholders who frequently interact with key external parties. The table on the previous page provides a high-level overview of how we generally engage with our key stakeholder groups. We also deem ESG ratings to be a source of insight into stakeholder expectations. We have taken the following ESG ratings into consideration in our DMA: EcoVadis, Sedex and Sustainalytics.

Additional input for risks and opportunities

In addition to the above, a key input when identifying and assessing risks is our Enterprise Risk Management (ERM) process (read more on page 22). ESG risks are considered as part of this process, with the management of each business unit providing insights into key risks in their business unit.

When identifying and assessing opportunities, we use insights from our ongoing analysis of customer and consumer perspectives on sustainability and how these translate into commercial opportunities. The insights from this translation are already integrated into our overall management process, as top management is informed about these independently of the DMA process.

Criteria for ratings and thresholds

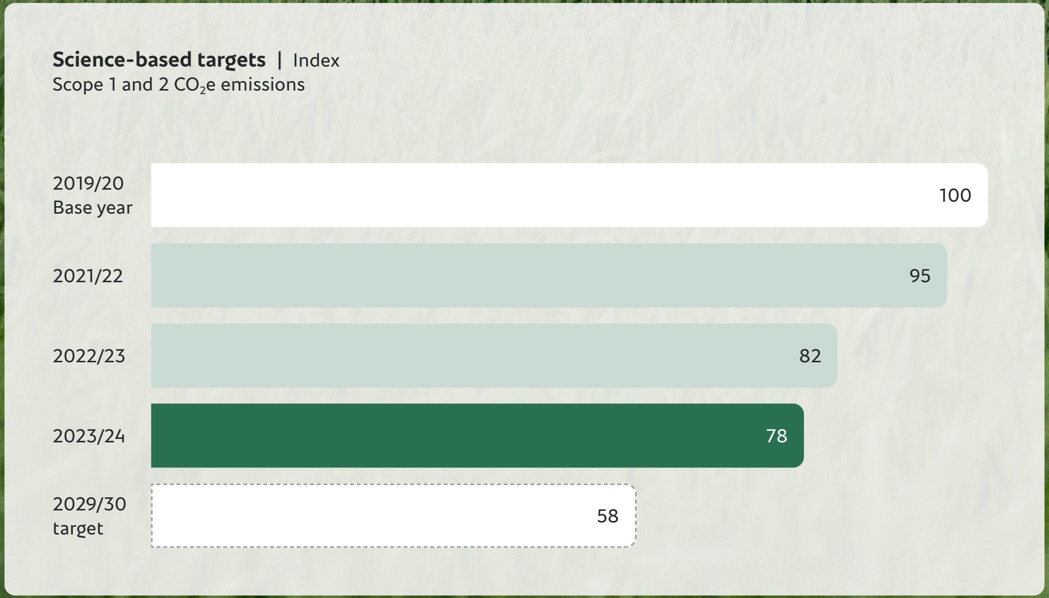
We rate all IROs based on the criteria defined in the European Sustainability Reporting Standards (ESRS). This means that all negative impacts are rated based on their severity and likelihood. Scale, scope and irremediability are weighted equally in our assessment of severity. Positive impacts are rated based on scale and scope, also with equal weight. Risks and opportunities are rated based on the size of financial effects and likelihood.

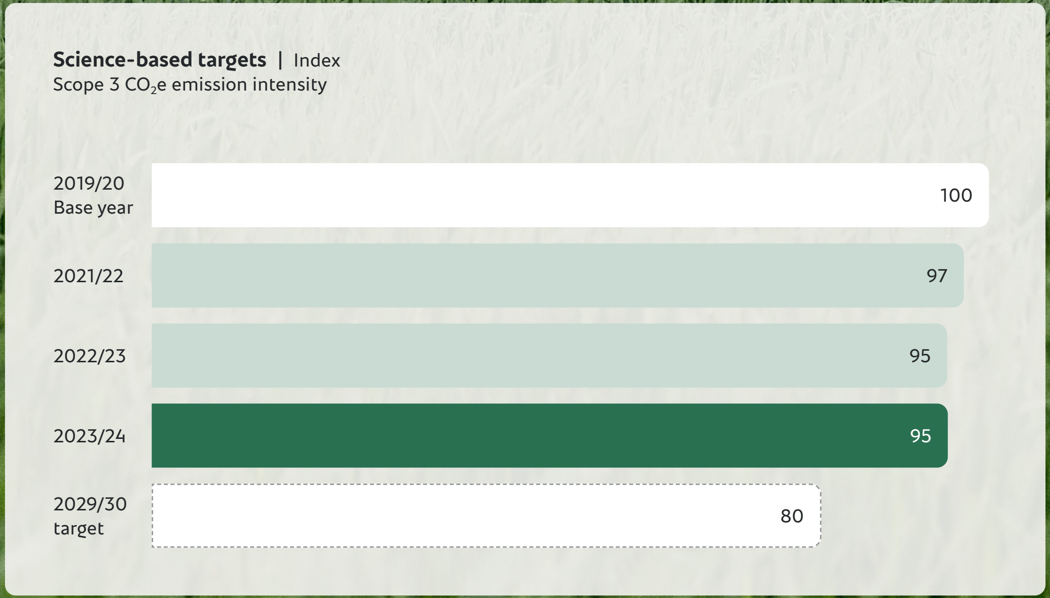
To support a consistent assessment, we quantify our qualitative assessment of each of the criteria using a 1-5 scoring. We then determine their materiality based on our thresholds. The higher the likelihood of an impact, risk or opportunity, the smaller the severity or financial effect has to be for it to be material. For potential negative human rights impacts, the threshold is lower to take into consideration that severity must take precedence over likelihood.

Time horizons

In our identification and assessment of IROs, the short-, medium- and long-term horizons are all considered. In alignment with ESRS, short-term is defined as the current financial year, medium-term is one to five years ahead, and long-term is more than five years ahead. Scenario analyses and forecasts are not currently conducted.

Environment
Our environmental impact





Indicator overview

E Environment[1]	Unit	Target	2023/24	2022/23	2021/22	Base year	Developments
Greenhouse gas emissions (GHG) market-based[2]							
Scope 1 GHG emissions	'000 tonnes CO_2e	-	152	157	168	172 (2019/20)	Consumption of natural gas, gas oil, diesel and gasoline has decreased, resulting in a 3% reduction in our scope 1 emissions compared to 2022/23. We are working to convert from natural gas to district heating at two of our Danish production facilities. These projects are expected to have a positive impact on our scope 1 emissions in the coming financial years.
Scope 2 GHG emissions	'000 tonnes CO_2e	-	176	184	228	246 (2019/20)	Consumption of electricity as well as district heating and steam have decreased due to efficiency improvements at several production facilities. However, the general market-based emission factor for Danish electricity has increased. As a result, the reduction in electricity consumption has led to a smaller decrease in scope 2 emissions, than what would otherwise be expected.
Scope 3 GHG emissions	'000 tonnes CO_2e	-	10,687	10,965	12,230	12,096 (2019/20)	Scope 3 emissions have declined across several categories. This includes a 3% reduction in emissions per animal for Danish pigs compared to the last financial year. Additionally, the reduction in the number of slaughtered animals has contributed to the overall decrease in absolute scope 3 emissions.
Total GHG emissions	'000 tonnes CO_2e	-	11,015	11,306	12,626	12,514 (2019/20)	The development in total emissions reflect the developments described above.
Scope 1 and 2 emissions – reduction rate	% change from base year	-42 (2029/30)	-22	-18	-5	- (2019/20)	Combined scope 1 and 2 emissions continued to decline in 2023/24. Compared to our 2019/20 baseline, absolute scope 1 and 2 emissions have decreased by 22%. This means we are ahead of the planned annual reduction rate for our SBTi target for scope 1 and 2.
Scope 3 emission intensity	kg CO_2e per kg output	-	4.49	4.47	4.59	4.72 (2019/20)	Despite a reduction in absolute scope 3 emissions and in the emissions per animal for Danish pig, our scope 3 emission intensity has remained stable as our production has also declined. As a result, we are behind our planned annual reduction rate for our SBTi target for scope 3. Compared to our 2019/20 baseline, scope 3 emissions per output have decreased by 5%.
Scope 3 emission intensity – reduction rate	% change from base year	-20 (2029/30)	-5	-5	-3	- (2019/20)	

1 See notes on page 134 for accounting policies.
2 More emission data, including location-based data, are available in the notes.

Environment[1]	Unit	Target	2023/24	2022/23	2021/22	Base year	Developments
Energy							
Energy consumption	’000 MWh	-	1,250	1,282	1,348	-	Total energy consumption decreased, but as our production volume decreased at a higher rate, energy consumption per tonnes produced increased slightly, as part of our energy consumption is independent of production e.g., consumption of electricity and hot water for cleaning.
Energy consumption intensity	kWh per tonnes output	-	525	523	506	-	
Energy consumption from renewable sources	%	-	5	-	-	-	New indicator.
Certification coverage related to energy	% of production facilities	-	14	-	-	-	New indicator.
	% of output	-	31	-	-	-	
Climate Track[2]							
Share of livestock in Climate Track	%	-	74	-	-	-	2023/24 is the first time the indicator covers all relevant animals and countries.
Water							
Water consumption	1,000 m^3	-	10,136	10,224	10,574	10,136 (2023/24)	Our total water consumption has remained stable in recent years. However, with a decrease in our output, the water consumption per output has increased slightly. Our 2023/24 water consumption per output will serve as the baseline for our new water target: A 10% reduction in water consumption by 2029/30.
Water consumption intensity	m^3 per tonnes output	-	4.3	4.2	4.0	4.3 (2023/24)	
Water intensity – reduction rate	% change from base year	10 (2029/30)	-	-	-	-	
COD in wastewater intensity	kg per tonnes output	-	5.4	7.8	7.1	-	Chemical oxygen demand (COD) relative to production volume decreased due to improvements in methods and measurement procedures. Additionally, the nature of COD sampling means that some variance is expected.
Biodiversity							
Share of deforestation- and conversion-free soy	%	100 (2027/28)	58	46	-	-	In line with our goal to achieve 100% deforestation- and conversion-free (DCF) soy by 2027/28, the share of DCF soy has increased, primarily due to a higher proportion of DCF soy in Danish pig and sow feed.
Waste							
Total waste	tonnes	-	34,271	29,939	30,780	-	Total waste has increased, partly due to improved reporting and more comprehensive estimates for facilities lacking actual data. Meanwhile our ongoing focus on recovery is reflected in a continued increase in the recovery rate.
– of which hazardous waste	tonnes	-	566	-	-	-	
Waste directed to recovery	tonnes	-	11,117	-	-	-	
Share of waste directed to recovery	%	-	32	28	25	-	

1 See notes on page 134 for accounting policies
2 Read more about the Climate Track programme on page 52.

Environment[1]	Unit	Target	2023/24	2022/23	2021/22	Base year	Developments
Packaging							
Packaging volume intensity	kg per tonnes output	-	30	27	28	28 (2020/21)	The weight of packaging per output increased in 2023/24 compared to 2022/23, primarily due to a higher share of processed products compared to fresh products. Processed products require six times more packaging per ton output than fresh products.
Packaging volume intensity – reduction rate	% change from base year	30 (2029/30)	+6	-4	0	- (2020/21)	
Share of recyclable packaging materials	%	100 (2029/30)	80	83	84	-	Despite efforts to increase recyclability, the share of recyclable packaging has decreased due to increased production of products with low recyclability rates. Concrete steps are being taken to reverse this trend.
Share of recycled content (all materials)	%	60 (2029/30)	57	57	55	-	The share of recycled content remained stable at a high level.
Share of certified fibre materials	%	100 (2024/25)	99	98	97	-	The share of certified fibre has slightly increased and is now close to target fulfilment.
Environment							
Certification coverage related to environment	% of production facilities	-	15	-	-	-	New indicator.
	% of output	-	49	-	60	-	The share of output produced at facilities with environmental certification has decreased, since the last calculation in 2021/22, primarily due to the closure of our abattoirs in Sæby and Ringsted, which were both certified.
Animal welfare							
Slaughtered animals	'000 animals	-	16,229	16,706	19,867	-	The total number of animals raised organically, as free-range, and/or without antibiotics has decreased by 40% compared to 2022/23. This is primarily due to a significant reduction in free-range and organic animals in Denmark, Sweden, and Germany. Additionally, in Denmark the number antibiotic-free animals has decreased by more than 50% due to market conditions.
- of which organic, free-range and/or raised without antibiotics	'000 animals	-	604	1,036	1,008	-	
Certification coverage related to animal welfare	% of livestock	-	54	-	82	-	The share of livestock at facilities with animal welfare certification has decreased, since the last calculation in 2021/22, primarily due to the closure of our abattoirs in Sæby and Ringsted, which were both certified.
	% of abattoirs	-	32	-	-	-	New indicator.

1 See notes on page 134 for accounting policies

Understanding major sources of greenhouse gas emissions

Scope 3

13% Packaging, ingredients and others

- Emissions from raw material procurement, including external meat (besides livestock) and food ingredients
- Major raw material sources are fossil fuels (for plastic) and wood pulp (for paper and cardboard)
- Emissions from converting raw materials into final packaging

2% Transport

- Emissions from transport of food items, locally & internationally

9% Others, farming

- Capital goods and services
- Fuels
- Others

56% Animal feed

- Emissions from crop production (on farm) and its processing into feed for livestock
- Application of fertiliser and manure
- Purchased feed
- Land use change

16% Farm

- Housing and manure storage
- Emissions from enteric fermentation

Scope 1+2

0% Capital goods

- Emissions for production of purchased capital goods

3% Processing

- Emissions from converting raw agricultural items into final food products

Scope 3

0% Retail

- Emissions from lighting, space conditioning, refrigeration and other retail processes
- Downstream transportation

1% End of life

- Emissions from disposal of consumer packaging

Scope 1
Direct CO_2e emissions from primary energy at our production facilities, e.g. natural gas.

Scope 2
Indirect CO_2e emissions from secondary energy, e.g. electricity.

Scope 3
Indirect CO_2 emissions at farm level and the rest of our value chain.

The calculations are based on 2023/24 data and excludes some scope 3 emissions for DAT-Schaub, Sokołów and ESS-FOOD. Figures are approximate and have been rounded. The distribution of emissions related to livestock production (others, farming; animal feed; and farm) are based on our life cycle assessment data for conventional Danish pigs and Danish slaughter calves.

Climate change

E S G

Our approach, policies and objectives
Danish Crown is committed to taking action to combat climate change by reducing greenhouse gas (GHG) emissions both within our own operations and throughout our value chain. This commitment is embedded in our ESG Policy and our Climate Roadmap towards 2030. Our near-term targets, which have been validated by the Science Based Targets initiative (SBTi), are:

- 42% reduction in absolute scope 1 and 2 GHG emissions by 2029/30 from a 2019/20 base year.
- 20% reduction in scope 3 GHG emissions per kg output by 2029/30 from a 2019/20 base year.

We made progress towards our science-based targets in 2023/24, reducing our scope 1 and 2 GHG emissions to **22%** below our base year.

Our approach to achieving our science-based targets focuses on four main areas:

- Farm level: The greatest reduction potential is on farms, and a key focus for us is to reduce emissions for our slaughter animals. We are developing roadmaps for achieving reductions and engaging farmers through the Climate Track programme (see more on page 52). We also have an agriculture programme covering our efforts to support and promote ESG in agriculture.
- Production and energy: While our scope 1 and 2 emissions do not represent the largest share of our impact, they originate from areas where we have the greatest direct control. We are, for example, working to base our energy mix on more renewable energy sources.
- Logistics: Our CLEARPATH logistics programme is the umbrella for our work with our logistics providers to achieve emission reductions.
- Sourcing**:** Engaging with our key suppliers and establishing partnerships with selected suppliers will help us achieve reductions in the remaining parts of our scope 3 emissions.

An important element of our efforts to reduce our climate impact is enabling customers and consumers to make informed choices. We have developed a third-party-verified model for life cycle assessment (LCA) that enables us to calculate the carbon footprint of all our fresh retail products from the abattoirs as well as for particular recipes, meaning that we can calculate the impact of processed products such as bacon, pepperoni and sausages using data from specific suppliers, abattoirs and processing facilities.

Actions to reduce our climate impact

Working to reach our emission reduction targets is a long-term effort and requires a continued focus within each area. Many of the actions completed in 2023/24 form the basis for our future actions, and both completed and future actions are described here.

→ General

- In 2023/24, we included scope 1, 2 and 3 emission reductions in our long-term incentive targets for the Executive Management, while also introducing a target to increase the use of deforestation- and conversion-free soy in the feed for our slaughter animals. Read more in our Remuneration Report.

- In 2023/24, we worked on revising our scope 3 targets in line with new guidance on target-setting for Forest, Land and Agriculture (FLAG). We expect to submit the revised targets to the SBTi by the end of 2024.

- In 2023/24, we developed the first version of our Climate Roadmap towards 2030, where we describe our strategy to transition our processes, operations and business model to meet our public climate commitments.

→ Farm level

Our goal is for all our farmer owners and contract suppliers of slaughter animals in Denmark, Sweden, Poland and Germany to be enrolled on the Climate Track programme by 2025. In 2023/24, we reached a participation rate of 74%. For several years, we have been monitoring feed efficiency data for our Danish farmer owners and applying these data in our advisory service. This focus had positive effects on farmers' finances and the climate impact per output. Following its success in Denmark, the monitoring of feed efficiency was this year expanded to Swedish pig farmers on the Climate Track programme. We also developed a climate advisory model for calf farmers enabling external Danish calf advisors to guide farmers on reducing GHG emissions using farm-specific data, an action catalogue and a simulation model.

We use data from the Climate Track programme to work on carbon footprint reduction roadmaps for different animal species and countries. The initiatives in the roadmaps are broadly classified into the following categories:

- Manure, for example optimising manure management, using nitrification inhibitors, developing fertilisers and covering slurry tanks.
- Feed, for example increasing feed conversion efficiency and using deforestation-free soy.
- Methane, for example reducing methane loss from young cattle.
- Other, for example increasing efficiency and reducing mortality.

We are working on developing a model to further encourage our farmer owners to adopt these and other initiatives, aiming to reduce the climate impact of farming.

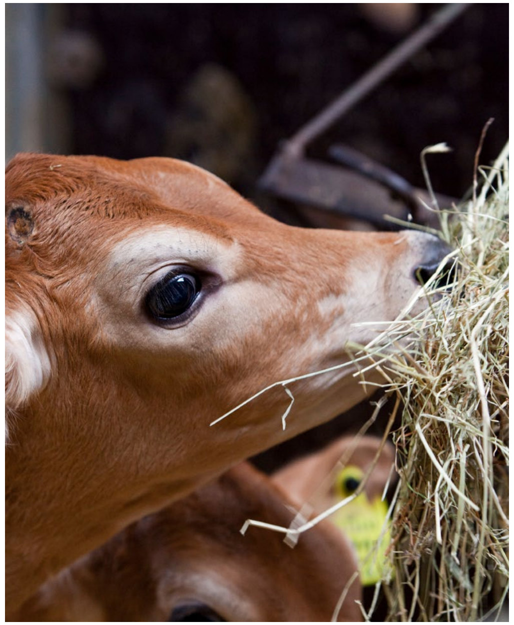
→ Production and energy

- Some of our production facilities in Denmark are working on converting parts of their natural gas consumption to district heating. In 2023/24, our production facility in Aalborg converted its heating system from natural gas to district heating. The conversion will be effective from the beginning of 2024/25. We expect to implement the same changes at our facility in Blans. Based on initial calculations, we project that the conversion in Aalborg will lead to a reduction of approximately 200 tonnes of CO_2e per year. For the conversion in Blans, we expect a reduction of more than 3,000 tonnes CO_2e per year from 2030*.

- We are continuing the roll-out of solar panels at our Polish production facilities. In 2023/24, we initiated the installation of solar panels in Robakowo and Osie, leading to an expected reduction of approximately 900 tonnes CO_2e per year*.

- We are investigating options to use the area around our production facilities for renewable energy production.

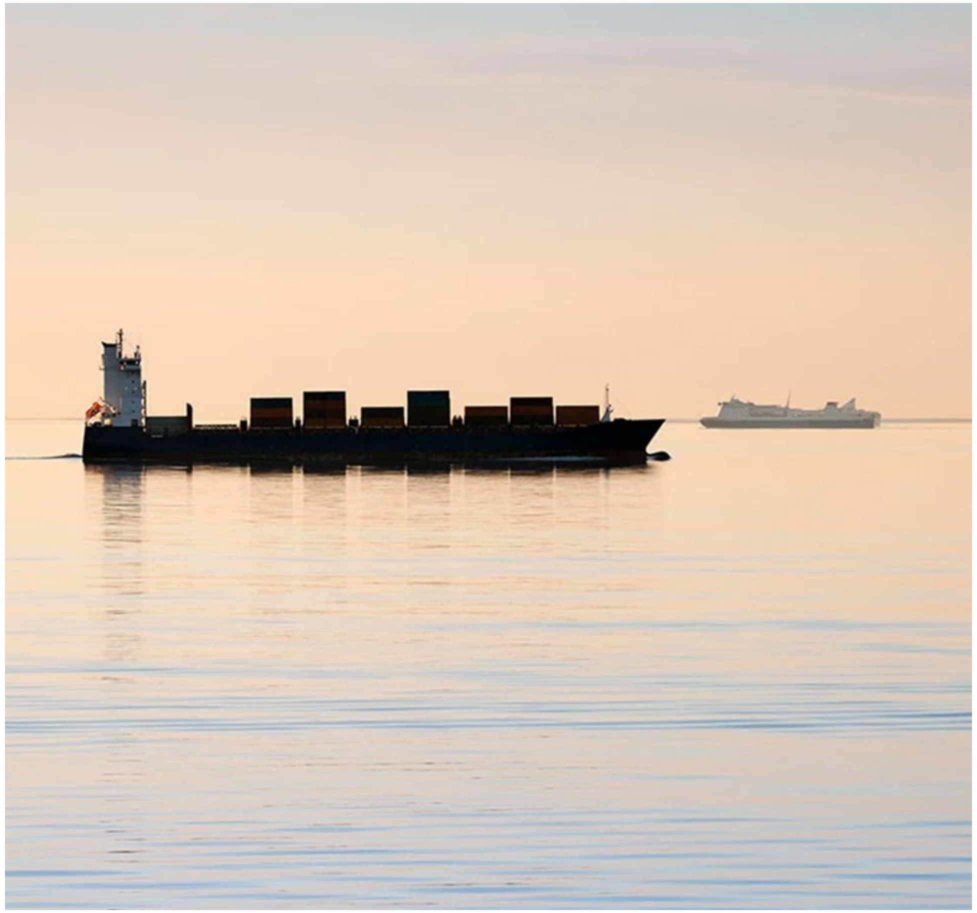
- In 2022/23, we signed a strategic agreement with a Danish biogas company to process our biomass. In 2023/24, we explored the potential of this partnership at our production facility in Horsens. The CO_2 generated during biogas production is captured, processed and reused in Horsens for processes such as vacuum packing. Additionally, we plan to fuel some of our pig transporters with compressed biogas (CBG) instead of diesel. The first two trucks will be delivered at the end of 2024.



- Our business units also implement various activities at production facilities as part of their ongoing operations. Examples are replacement of steam and gas boilers with heat pumps in Haarlem in the Netherlands, and new valve insulation using thermal insulation covers at three of our Polish facilities to reduce energy consumption. The plan is to implement the new insulation at other Polish facilities in the coming financial year.

- In 2023/24, we established an internal governance structure to meet our scope 1 and 2 targets. This structure assigns the responsibility for prioritising strategic cross-cutting investments to an energy forum. Priorities are guided by a capital expenditure model that integrates emissions and costs, aiming to maximise emission reductions in the most cost-effective manner.

* The CO_2e effects are estimated. The estimated effects are based on the knowledge and data currently available and on the assumption that all other factors remain constant.



* The CO_2e effects are estimated. The estimated effects are based on the knowledge and data currently available and on the assumption that all other factors remain constant.

→ Logistics

- We have assessed key logistics suppliers on sustainability parameters, including their commitment to reduce their GHG emissions and ability to demonstrate actual reductions. Results are shared with suppliers and incorporated into development plans. We will repeat this assessment twice a year.

- We have joined The Move to Minus 15˚C Coalition of committed partners working to transform the global logistics landscape. The Coalitions is investigating how to cut GHG emissions, save energy and lower costs by changing the temperature at which frozen food is stored and transported from -18˚C to -15˚C. If a feasible path to decrease the temperature without compromising food safety is found, it will have a positive impact on our scope 3 emissions from logistics.

- Together with one of our key suppliers, we continued testing six electric trucks, which led to a total reduction of more than 350 kg CO_2e compared to driving the same distance with diesel trucks. Over the past year, we have been gathering insights and testing technologies with the objective of identifying and resolving challenges before further rolling out electric trucks. Additionally, some of our logistics service providers for sea freight are exploring optimisation strategies, such as slow steaming, which lowers fuel consumption by reducing time in harbour and allowing a slower pace at sea.

- We have a long-term partnership with three large Danish companies to develop a transport corridor for food from Denmark to the UK which enables transport with a reduced climate impact compared to the transport options of today.

- We are always looking for ways to optimise transportation to reduce both our costs and our climate impact. In 2023/24, for example, we exchanged cold storage between our Danish Crown and Danish Crown Beef business units, leading to an estimated annual reduction of 200,000 km driven, or more than 200 tonnes CO2e*.

- In 2023/24, we developed our new logistics programme, CLEARPATH, to consolidate plans and actions for reducing GHG emissions from logistics and to be able to offer customers and consumers logistics with a focus on minimising emissions. To support the programme, we improved our data by integrating GHG emissions into the evaluation of initiatives.

→ Sourcing

Packaging is the largest category in this area. See more on page 57.

"We used data from the Climate Track programme to work on carbon footprint reduction roadmaps for different animal species and countries."

Policies addressing climate

- ESG Policy
- Carbon Insetting Policy
- Deforestation and Land Conversion Policy

Supporting improvements on the farm

Collaborative efforts across sectors and industries are needed to develop solutions with a smaller carbon footprint, and Danish Crown is involved in several such projects.

Climate Track
To support farmers in reducing emissions and improving on other parameters, data are essential. Data are therefore the cornerstone of Climate Track, our ESG programme for farmers supplying slaughter animals to Danish Crown. Farmers in the programme cooperate with us on scope 3 emission targets and supply data on animal welfare and social responsibility, depending on the country and animal type. We will work to include biodiversity parameters in the future. Farmers sharing production and ESG data with Danish Crown receive individual climate footprint calculations compared to a Danish Crown national average to inspire further reductions.

METHANE REDUCTION

○ **Flaring technology**
The aim is to perform large-scale testing of flaring technology, where methane gas from slurry tanks is collected and converted into carbon dioxide, which is a less potent greenhouse gas. In 2023/24, three farms installed the flaring technology, and we expect more farms to follow in the coming years based on the lessons learned.

● In 2023/24, we became a co-owner of the company, working on this technology, AgroGas. We also developed a climate credit model for the flaring technology based on internationally recognised methods. This will enable farmers using the technology to benefit from the sale of carbon credits.

○ **Acidification of manure**
The aim is to measure the GHG emission reduction potential of different housing and manure systems by monitoring the acidification of manure in housing and storage. Monitoring of three new farms was initiated in 2023/24.

● We have facilitated the use of the technology on farms and calculate the effects on each farm.

ENTERIC METHANE REDUCTION

○ **GreenCalf**
The aim is to reduce methane emissions from dairy-beef production. If the project is successful, there will be several methane-mitigating feed compounds with documented effects available for dairy-beef cattle farmers in Denmark. The project is financed by the Green Development and Demonstration Program (GUDP), which is organised by the Danish Agriculture Agency.

● Financing and market research in the form of consumer surveys and customer workshops. We will also generally provide input and contribute to various other tasks to support implementation, including project management.

○ **NoMethane**
The aim is to develop a novel triple-action feed additive to reduce enteric methane emissions from cattle by at least 50% without negative impacts on productivity and animal health.

● Conducting consumer surveys and acting as an input provider.

○ **MetGraz**
The aim is to investigate grazing as a potential strategy for enteric methane reduction by quantifying the reductions in methane emissions using various grazing strategies rather than indoor feeding.

● Input provider and indirect practical application in our LCA model.

OTHER

○ **Climate Reach**
The aim is to determine the optimal use of grassland crops in a cattle-crop rotation, taking into consideration the nutrient value and environmental and climate effects in both field and animal.

● Finance and input provider.

○ **Nitrification inhibitors**
The aim is to investigate the GHG reduction potential of using nitrification inhibitors in feed grain cultivation. Initial tests have shown that the inhibitors can in fact reduce GHG emissions from pigs. In 2022/23, 75 pig farmers participated in further testing, and new tests were initiated in 2023/24 involving 41 pig farmers with more than 8,000 hectares of land. The results are being evaluated to decide on the next steps.

● Facilitating use of the technology on farms and calculating the effects on each farm.

○ **Carbon sequestration in the field**
The aim is to increase carbon storage and reduce nitrate leaching and nitrous oxide emissions by creating multi-year pasture areas instead of annual crop rotations. The project has increased knowledge about the effect of crop rotations on carbon sequestration.

● Provider and supporting the practical application of project findings. If the findings are successfully integrated in our LCA model, this will enable individual farmers to see the impact of different crop rotation approaches.

○ **Extracting grass protein**
We are part of the Dansk Protein Innovation partnership and involved in its Bio Value research project to find a profitable method of extracting protein from grass. Some of our farmer owners have already tested grass protein as an alternative to soy in feed. The project is still in the process of finding ways to scale up production.

● We have previously facilitated tests of grass protein by organic pig farmers. Other project participants are looking into ways of scaling up production.

○ Project
● Danish Crown involvement

Water

E S G

Our approach, policies and objectives

Water is a vital resource, but increasingly scarce in some areas. We are aware that our production requires a significant amount of water, primarily for cleaning and maintaining food safety standards, and so, we are committed to identifying new ways to minimise water consumption without compromising food safety.

We developed a new water programme during the year which will revitalise, consolidate and guide our efforts to reduce our water consumption. As part of the new programme, we have replaced our existing water targets with a new target acknowledging the fact that our business will always require a certain level of water consumption to maintain stringent food safety standards. Our new target is therefore to reduce water consumption by 10% per output by 2029/30 compared to 2023/24. To reach our target, the programme emphasises water efficiency and reduction initiatives to ensure we use water resources as sparingly and effectively as possible at our production facilities. This includes implementing best practices, upgrading technology and streamlining processes.

Our water consumption remained stable in 2023/24 compared to 2022/23.

Actions

→ Activities in 2023/24

The foundation of our newly developed water programme and target is a water risk assessment conducted at the beginning of 2023/24. We combined insights from the World Wildlife Fund (WWF) Water Risk Filter for locations in water stress areas and our own data on water consumption. The assessment showed that only a few of our production facilities are located in areas of high water stress.

During the year, we also conducted a small-scale test of new cleaning methods that reduce water usage without compromising food safety at our production facility in Vejle, Denmark. In 2024/25, we plan to implement these methods more permanently in Vejle and expand them to other relevant facilities. It is not just the quantity of water we use that matters, but also ensuring that the water we use is fit for purpose. At our abattoir in Horsens in Denmark, we are involved in research exploring whether some of our cleaning processes can use differentiated water qualities, saving valuable drinking water, all without compromising food safety.

→ Future activities

Going forward, our focus will be on implementing our water programme and strengthening our work towards our water target, which includes setting up a framework for monitoring our progress.

Policies addressing water

ESG Policy

Biodiversity

E S G

Our approach, policies and objectives
Our work on biodiversity has two focus areas: deforestation and land conversion in our supply chain, and biodiversity at farm level. The latter is still in the development phase.

Our Deforestation and Land Conversion Policy sets the direction for our work and aims to ensure that all deforestation and land conversion linked to feed for animals and ingredients used in Danish Crown's processing activities are gradually eliminated.
The policy is supported by our Programme to Prevent Deforestation and Land Conversion. Our target is for all our farmer owners and other suppliers of livestock to use 100% deforestation- and conversion-free soy by 2027/28. In addition, we are actively monitoring the legislative process around the EU Deforestation Regulation (EUDR). The EUDR represents a significant step forward in enhancing traceability and combating deforestation in European supply chains, and we are fully committed to ensuring compliance with this regulation. Recognising that we cannot address soy and palm oil supply chain issues alone, especially since we do not buy feed ourselves, we engage in dialogue and collaboration with feed companies, NGOs, farmers, certification bodies and customers. We collaborate with global and national organisations to stop deforestation and land conversion, and participate in several global initiatives as well as local initiatives in Denmark and Sweden. In 2024/25, we plan to join the Dialogue Forum for More Sustainable Protein Feed in Germany.

We increased the share of deforestation-free and conversion-free soy from 46% in 2022/23 to 58% in 2023/24.

Actions

→ Deforestation and land conversion in our supply chain

We have assessed the highest risk of deforestation and land conversion to be in palm oil and soy used in livestock feed. Our approach to addressing these risks varies across the four countries where we have abattoirs, tailored to local maturity levels and relationships with livestock suppliers, but we are focusing on collaborative efforts in all countries. None of our approaches includes biodiversity offsets.

- Denmark: A transition plan within the DANISH Product Standard scheme requires feed companies to gradually increase the proportion of deforestation- and conversion-free soy to 100% by 2025. All Danish pig farmers supplying pigs to Danish Crown are part of this scheme. Danish Crown's pig farmers have also reduced their consumption of palm oil, and the remainder will be deforestation-free when the EUDR comes into force.
- Sweden: Since 2018, all soy imported through the Swedish Platform for High-Risk Commodities has been deforestation- and conversion-free. Our Swedish business unit, KLS, joined the organisation in 2014. The Swedish Feed Association recommends that Swedish feed companies promote certified production of palm oil by covering palm oil consumption with palm oil credits by the end of 2024. Only deforestation-free palm oil will be imported into Sweden when the EUDR comes into force.
- Germany: A major part of Danish Crown's livestock supply in Germany is covered by the QS quality scheme for food which requires feed companies to ensure deforestation- and conversion-free soy from 2024. All chain-of-custody models (including credits and mass-balance) will be accepted until the end of 2025.
- Poland: The Polish supply chain will become deforestation-free when the EUDR comes into force. Sokołów will then work on establishing closer cooperation with Polish feed companies to set and work on common goals that also cover conversion-free supply chains.

We are participating in the Scaling Up Sustainable Soy Partnership, alongside other members of the Danish Soy Alliance and WWF, to reduce land conversion in Brazil's Cerrado region.

→ Biodiversity at farm level

In 2023/24, we focused on the further development of biodiversity maps for Danish farmers. These maps will enable a high-level assessment of biodiversity on Danish farms. The ambition once the maps are finalised is to provide the farmers with an overview of biodiversity and inspire them in their cultivation of the land.

Our Danish brand Friland has introduced the Biodiversity Lift concept developed by the Innovation Centre for Organic Farming on six pilot farms. Independent farming specialists have evaluated biodiversity on these farms and proposed measures for improvement. The farmers have selected some of the measures for implementation and agreed to a follow-up visit after two years to assess progress and select further initiatives. These efforts supplement their existing commitment to organic farming.

In addition, some of the development projects described in the climate section above under "Supporting improvements on the farm" are expected to impact the water quality of the surrounding environment positively if implemented.

Policies addressing biodiversity

Deforestation and Land Conversion Policy

Waste

E S G

Our approach, policies and objectives

As part of our ESG Policy, we aim to reduce our environmental impact partly through waste reduction and efficient use of natural resources. We work continuously with our suppliers and waste management companies to seek new ways to minimise, recycle and reuse our waste streams.

As a food company, we aim to minimise food waste by putting every part of the animal to good use. When it is practically and economically viable to sell our by-products for human consumption, we ensure that our production process is organised to separate these parts from inedible ones, maintaining product quality and food safety. The inedible parts of the animal also have value for our business, for example in medicines, feed and green energy production. We only accept animal parts becoming actual waste if all other viable options have been exhausted. As food waste also occurs after our products leave our production, we are working on various initiatives to minimise food waste in our downstream value chain.

Actions

→ Activities in 2023/24

Our waste management efforts largely consist of ongoing initiatives. For example, we have continuous dialogue and cooperation with our waste management companies in Denmark and Sweden at site level on how to reduce waste and enhance recycling practices. In 2023/24, this led to improvements in the sorting of corrugated board and plastic at some of our facilities in Sweden. In Denmark, the collaboration with our waste management company led to the initiation of various tests to explore how changes in the sorting of certain fractions of foil and plastic could result in waste treatment being moved higher up in the waste hierarchy.

The waste recovery rate increased from 28% in 2022/23 to 32% in 2023/24.

New initiatives to reduce food loss were also launched in 2023/24. Our production facility in Teterow, Germany, invested in equipment enabling the lower part of cattle's legs to be used for food. In Sweden, daily weighing of food spilled on the floor has been initiated, enabling future tracking and reductions of floor spill. Meanwhile, our production facility in Haarlem, the Netherlands, continued its focus on reducing food loss due to uneven bacon slices, and selling the uneven slices that cannot be

avoided to Swedish and Danish food service customers at a reduced price.

Our ongoing work to reduce food waste at consumer level includes introducing "best before, often good after" labelling for all new packaging for relevant products in Denmark, taking into consideration any potential health risks. Additionally, we have ongoing food waste collaborations in Poland and Sweden. In Poland, selected Sokołów stores cooperate with Too Good To Go. In Sweden, our production facilities occasionally donate manufactured food that cannot be sold to customers to an organisation that helps the homeless.

→ Future activities

We will continue our ongoing efforts as described above and work on identifying relevant new initiatives that can move us closer to our ambitions. In addition, we will work on translating our ambitions into a new waste target.

Policies addressing waste and resource use

ESG Policy

2 ZERO HUNGER

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Packaging

E S G

Our approach, policies and objectives
Packaging is addressed directly in our ESG Policy, where we recognise the important function of packaging in all our food products, as it serves to protect the food, prolong shelf life and prevent food from being wasted along the value chain. Concrete objectives are being defined in our packaging strategy, where we commit to continuously improving our ability to deliver food packaging solutions that increase food safety, prevent food waste and lower greenhouse gas emissions through innovation and using the best available technologies. The strategy includes targets for reduction, recyclable materials, recycled content and certified material.

Our target is to increase the share of recycled content in our packaging materials to **60%** in 2029/30. In 2023/24 we reached **57%**.

Actions
The key to achieving our packaging targets and meeting the ambitions of our strategy is collaboration with our most important suppliers. In addition, our packaging guidelines provide a foundation for ensuring that we make the right decisions when developing our packaging materials. The guidelines were updated in 2023/24 and rolled out in the business unit Danish Crown and Danish Crown Beef when designing new packaging.

Another significant step forward is that we started to apply an LCA tool to packaging in our evaluation of potential packaging solutions and alternative packaging. The tool is an integrated part of decisions on new or revised packaging. In addition, we are continuously improving our packaging master data set-up, currently with a focus on data related to Extended Producer Responsibility, which moves the responsibility for packaging waste from consumers back to companies.

A concrete example of how this approach has led to improved packaging solutions is the phasing out of black meat trays in Denmark in favour of more transparent meat trays. Both trays are made of recycled content and a recyclable mono-material, but the black colour prevents the trays from being recycled in many sorting facilities, resulting in this otherwise recyclable plastic being sent to incineration. The colour change enables better recycling of the plastic trays. Danish Crown Beef has introduced vacuum-packed beef mince for selected customers. The solution is not currently recyclable, but reduces plastic consumption by 65% per pack and increases shelf life, thereby potentially reducing food waste. A recyclable solution is currently being tested.

Additionally, we are testing the replacement of non-recyclable bottom foils with a recyclable mono-plastic solution at three of our processing sites. Based on the results of these tests and further analysis, we are investigating introducing recyclable mono-materialas in several of our product categories, including cold cuts.

We will continue to explore the potential for improved recyclable packaging solutions, including flow-pack, vacuum-pack and mono-material solutions.

Policies addressing packaging
ESG Policy

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Animal welfare

E S G

Our approach, policies and objectives

At Danish Crown, animal welfare is a priority all the way from breeding and rearing to transportation and slaughter. Our vision is that all animals in our care are treated as sentient beings and with respect and decency throughout their lives, and animal health and welfare are a cornerstone of our business. These objectives are the foundation of our Animal Welfare Policy, which supports us in meeting both society's and customers' expectations and clearly outlines our position on issues such as routine confinement, transportation, and the use of antibiotics and growth promoters. In addition, we monitor our efforts regarding animal welfare in our annual Animal Welfare Position Statement and Welfare Outcome Measure Reporting.

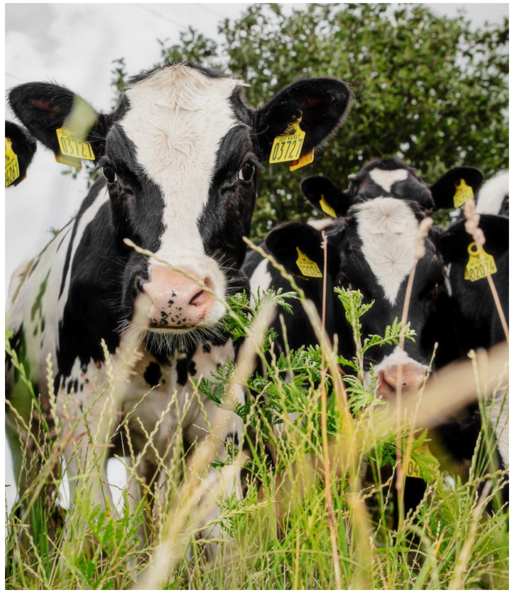
Our work towards our objectives is done in cooperation with our farmer owners and other suppliers of slaughter animals. In addition to the expectations and requirements of our Animal Welfare Policy, we set out supplementary requirements in our Codes of Practice for livestock suppliers. The different codes are all based on relevant legislation and recognised international standards and specific national requirements.

Actions

Animal welfare is an integrated part of our daily operations and driven by continuous improvements and awareness. These efforts were acknowledged in 2023/24, when we achieved certification from the Spanish Institute of Agrifood Research and Technology (IRTA). The certification covers good practices in relation to animal welfare, product quality and transparency. It considers parameters such as proper diet and shelter, good health and behaviour. Our certification is a general certification covering all Danish Crown pig farmers in Denmark as well as all our Danish pig abattoirs. To achieve the certification, several of our abattoirs and pig farmers were audited. Additionally, in Poland our three pig abattoirs were certified in accordance with another standard, ISO 34700:2016, covering animal welfare in the slaughter area.

One recent development is that, since July 2023, pork intended for sale in the US State of California must come from farms that have undergone annual third-party auditing to ensure compliance with California's higher animal welfare requirements. In particular, the requirements focus on more space for sows than is required by Danish and EU legislation.

We have revised our approach to uncastrated male pigs. We now also accept male pigs for slaughter in

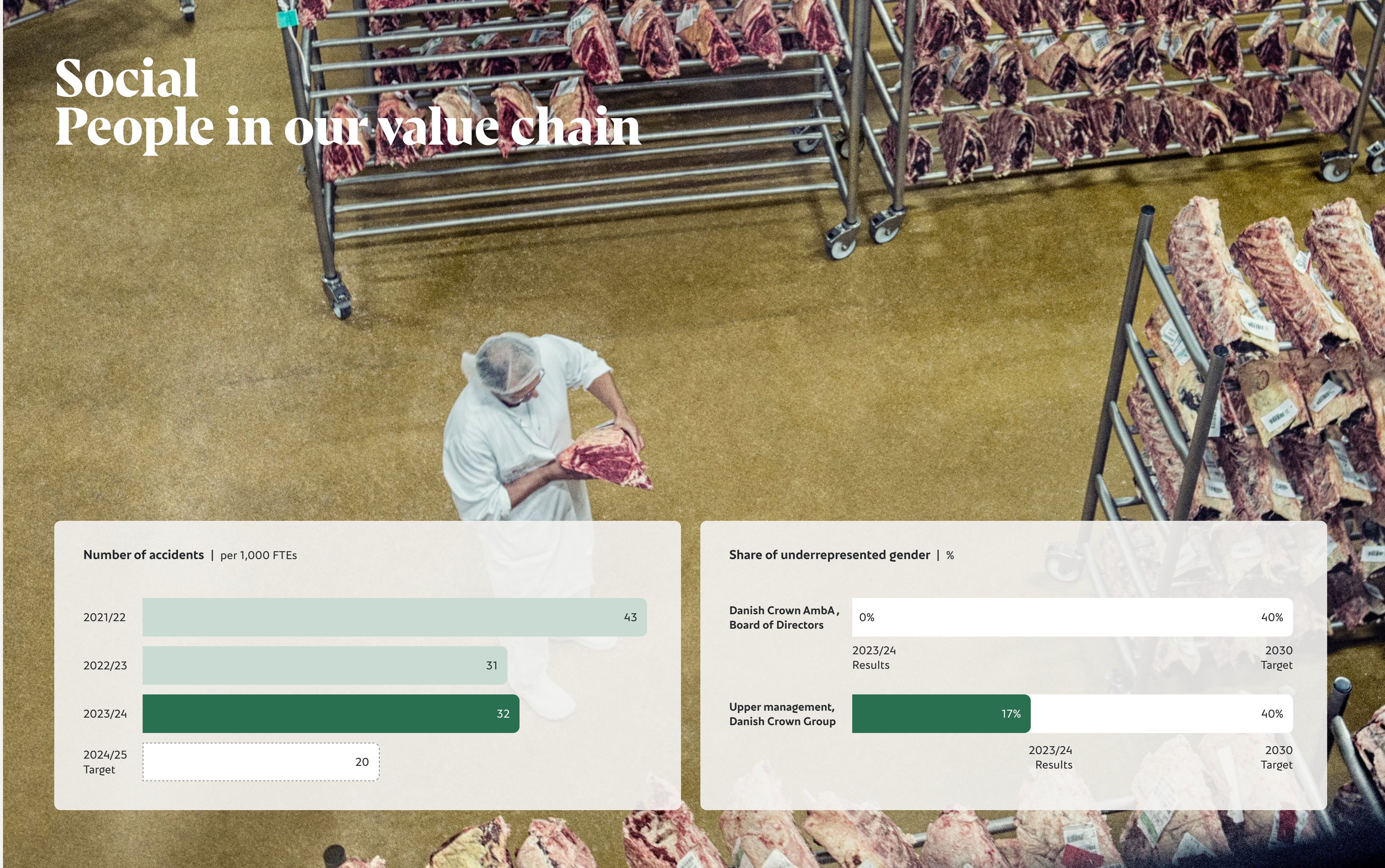


Denmark that have been immunocastrated. Immunocastration by vaccination is generally better for animal welfare than surgical castration. Moreover, uncastrated or vaccinated male pigs show better feed conversion, leading to lower greenhouse gas emissions.

We continued to develop and roll out Codes of Practice in 2023/24. We finalised additional Codes of Practice and we now have Codes of Practice for all relevant species in our main countries of operation. This means that we have Codes of Practice for sows and pigs as well as cattle in Denmark, Poland, Germany and Sweden. In addition, we have a Code of Practice for lambs in Sweden. The Codes of Practice for cattle in Germany and Sweden are not yet implemented, but will be in 2024/25. In addition, we continued our work to strengthen data collection processes and reporting to increase our knowledge.

Policies addressing animal welfare
- ESG Policy
- Animal Welfare Policy

Social
People in our value chain



Indicator overview

Social[1]	Unit	Target	2023/24	2022/23	2021/22	Base year	Developments
Our employees							
Full-time employees (FTEs)	Number of FTEs	-	23,959	25,796	26,641	-	The number of FTEs decreased as expected in view of organisation changes implemented during the year. The number of employees in headcounts is a new indicator.
Headcount	Number of employees		24,260	-	-		
Employee turnover	%		27	30	27	-	After an increase in 2022/23, our employee turnover rate has returned to the same level as in 2021/22.
Health and safety							
Coverage of health and safety management system	% of employees	-	70 (of which 34 certified)	-	-	-	Previous years' data are not comparable due to a change in accounting policies to align with the CSRD; see more in the accounting policies.
	% of production facilities	-	55 (of which 21 certified)	-	-	-	
Work-related lost-time accidents	Number of accidents per 1,000 FTEs	20 (2024/25)	32	31	43	-	Following a significant decrease in lost time accidents from 2021/22 to 2022/23, the trend in 2023/24 remained stable. Various initatives have helped maintain last year's decrease, though not further reducing the accident frequency rate. These initatives include targeted safety initiatives, including training and reinforced safety protocols. In Germany, a renewed focus on near-miss reporting was implemented, while in Sweden, improved incident reporting provided clearer insights into hazards. We recognise our 2024/25 target is approaching and may not be fully achievable, but we will continue working toward it and set a new target for the coming years.
Work-related absence due to lost-time accidents	Days of absence per accident		22	21	17		The duration of absence per accident has increased compared to 2021/22. This can be attributed to several factors: The nature and severity of reported accidents may have shifted, leading to longer recovery periods; some cases involved more complex injuries, requiring additional recovery or rehabilitation time; and improvements in incident tracking and reporting has led to more accurate capture of absence data, potentially amplifying the recorded absence days per accident.
Work-related fatalities	Number of fatalities	-	1	1	1	-	In 2023/24, there was an incident resulting in a fatality at our facility in Holsted. While we await the decision from the responsible authorities on whether this fatality will be classified as work-related, we have chosen to include it in our fatality data.

1 See notes on page 139 for accounting policies.

Report
Business
Corporate governance
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Financial statements

Social[1]	Unit	Target	2023/24	2022/23	2021/22	Base year	Developments
Equal opportunities[2]							
Board of Directors, Leverandørselskabet Danish Crown AmbA	Total number	-	11	-	-	-	Females were the underrepresented gender in upper management, in both the Board of Directors, Leverandørselskabet Danish Crown AmbA and the Board of Directors Danish Crown A/S. In the Board of Directors, Leverandørselskabet Danish Crown AmbA, there was no female representation and in the Board of Directors, Danish Crown A/S female representation was 13%, far from the overall target of 40%. Structurally it is a significant challenge to get female representation in Danish Crown AmbA as all members of the Board are elected among the owners of Danish Crown, where only a few are female. This challenge is repeated in the Board of Directors, Danish Crown A/S, where most of the non-employee elected members are also elected among the owners and suppliers of Danish Crown. This is the first year where we report on female representation in upper management, and the representation was 17% by the end of 2023/24 in Danish Crown Group. We have an ambition to reach 40% female representation by 2030. To that end, we have launched a new Diversity, Equity, and Inclusion Policy in 2023/24 where we have committed ourselves to work with short- and mid-term targets on business area level. In 2023/24, the proportion of underrepresented gender in upper management in Leverandørselskabet Danish Crown AmbA has temporarily increased from 0% to 50%, and thereby fulfills the group's increased set target of 40%.
	% of underrepresented gender	40 (2030)	0	0	0	-	
Board of Directors, Danish Crown A/S[3]	Total number	-	8	-	-	-	
	% of underrepresented gender	40 (2030)	13[4]	22	22	-	
Upper management, Leverandørselskabet Danish Crown AmbA	Total number	-	2	-	-	-	
	% of underrepresented gender	40 (2030)	50	-	-	-	
Upper management, Danish Crown Group[3]	Total number	-	35	-	-	-	
	% of underrepresented gender	40 (2030)	17	-	-	-	
Responsible sourcing							
Supplier Code of Conduct acceptance	% of suppliers	-	83	80	74	-	As part of our ongoing focus on improving our sourcing practices, we continued our efforts to increase the share of Supplier Code of Conduct acceptance within our non-meat spend. This resulted in an increase of our coverage.
Consumers: Food safety							
Recalls	Number of public recalls	-	9	6	2	-	The number of recalls increased, which is within the expected variance between years.
Certification coverage related to food safety	% of output	-	87	-	86	-	The share of output produced at facilities with food safety certification has remained stable at a high level, since the last calculation in 2021/22.
	% of production facilities		61	-	-	-	New indicator.

1 See notes on page 139 for accounting policies.
2 Internally, we also work with short- and mid-term targets for more management levels.
3 This information is provided on a voluntary basis and is not required to be disclosed cf. section 99b of the Danish Financial Statements Act.
4 In 2023/24 after carefully considering the need for continuity on the board, combined with the right mix of expertise and knowledge, one new female candidate is expected to be elected to replace one of the board members leaving during the year.

Taking care of our people

E S G

Our approach, policies and objectives

Our employees are our most valuable asset, so we focus on attracting and retaining employees, continuously improving health and safety, and ensuring equal treatment and inclusion, all with the ambition of creating good jobs for everyone.

We conduct an employee engagement survey every two years to ensure a constant focus on the motivation and engagement of our employees. The stable scores from the survey indicate that our systematic efforts to provide an attractive workplace are proving effective. We continue to upskill our people managers and introduce targeted action plans to improve the employee experience.

We are undergoing a restructuring process including site closures both this year and previously. This has regrettably resulted in saying goodbye to more than 2,000 employees in 2023/24. Our focus is therefore also to provide a proper outplacement process for the colleagues who are affected and at the same time maintain a good work environment for our remaining employees.

We respect the human and labour rights of both our own workforce and workers in the value chain. We have incorporated the UN Guiding Principles on Business and Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work into relevant policies and codes, including our Human and Labour Rights Policy launched in December 2023.

As part of our ongoing due diligence, we conduct annual human and labour rights risk assessments. We use two globally recognised tools for this purpose: Sedex and EcoVadis. Sedex focuses on the conditions and risks at each facility, while EcoVadis focuses on assessing risks at group level. By using both tools, we ensure that our human and labour rights assessments cover all levels of our organisation. The results of the assessments are analysed and presented to our business units. We also use the feedback from customer audits to drive improvements. This feedback and the results of the assessments provide a foundation for ensuring that potential risks and non-compliances are detected and mitigated, and do not reoccur. In 2023/24, we identified a need to intensify our efforts around local accommodation organised by Danish Crown in Germany.

Health and safety

As part of our ESG Policy, we have a clear objective of providing healthy and safe workplaces for our employees.

Our approach is that accidents can be prevented by well-planned preventive efforts. We therefore continuously optimise our health and safety processes, implement management systems, develop locally targeted programmes and improve accident registration. We also focus on reducing work-related ill health, for example from repetitive work and heavy lifting, which entail a high risk of injuries and chronic problems such as musculoskeletal disorders. Our reduction initiatives include automation to reduce heavy lifting, and the use of psychomotor therapists.

Equal treatment and opportunities

Our ambition is to create a diverse and inclusive working environment for all our employees. While we still have a long way to go to reach a balanced gender distribution in our upper management, we are committed to being a data-driven and transparent employer. We prioritise equal pay among our people to remain a preferred and fair employer of a diverse talent pool. As we gain more data and insights, we are able to adjust our work approach and work with diversity, equity and inclusion, while maintaining our ambition. This is a journey, and we are committed also in the long term to focusing on an enhanced, diverse and inclusive working environment.

Diversity, Equity and Inclusion Policy

The policy is a general framework for diversity, equity and inclusion, and aims to promote equitable opportunities, advance diversity and eliminate discrimination. The main objective is to ensure Danish Crown is a great place to work where the well-being of employees is prioritised. An inclusive working environment is a positive enabler for employee wellbeing, which in turn supports better mental health, safety, engagement and performance. As part of the policy, we have also set gender diversity targets (see targets on page 61).

Actions – Health and safety

→ Activities in 2023/24

- Rolled out our SafetyNet accident management system to additional facilities. Going forward, we expect to implement SafetyNet at all relevant facilities, which will further strengthen our accident management.

- Sharpened the focus on our target to reduce accidents through increased systematic reporting to top management on accident frequency and preventive measures, using both monthly and quarterly reporting.

- Continued work on implementation of the Lock Out – Tag Out (LOTO) procedure. We strengthened the procedure at the pig abattoirs and processing facilities, where it had already been introduced. We also extended the implementation of LOTO to more production facilities across the Danish Crown Group. This work will continue.

- Increased health and safety resources at production facilities in the Danish Crown business unit, KLS, Danish Crown Beef and DAT-Schaub.

- Strengthened training approaches, with a focus on concrete mitigation actions; for example, we introduced a "Safety Walk and Talk" initiative involving inspections and conversations with employees in Sokołów, Poland.

- Continued use of psychomotor therapists at Danish production facilities to reduce the physical burden on our employees and increase awareness about work-related ill health.

→ Future activities

We will continue our ongoing efforts as described above and work on finding relevant new initiatives that can move us closer to our targets and ambitions.

In 2023/24, our frequency of lost-time accidents was 32 per 1,000 FTEs

Actions – Equal treatment and opportunities

→ Activities in 2023/24

- Conducted the CHECK engagement survey to measure motivation and satisfaction in the organisation. Based on the survey, targeted action plans for all teams have been introduced.

- Improved collection and transparency of employee data across the group, including diversity and inclusion data. For example, measurements of equal pay have been included in the salary review process to guide people managers in decision-making related to salary, and to move towards closing any gender pay gaps.

- Adjusted approach to diversity, equity and inclusion to enable us to achieve our ambition of creating a diverse and inclusive working environment for all our employees.

→ Future activities

We will continue to strengthen governance around the diversity, equity and inclusion agenda. The Board of Directors sets the ambition and the Executive Management owns the agenda to ensure clear ownership and accountability. Another ongoing focus will be implementation of inclusive leadership training in relevant areas of our business.

In 2024/25, we plan to initiate a comprehensive review of internal HR policies and practices to enhance transparency and promote greater diversity. Additionally, we aim to improve our employee turnover analysis and tools, expanding their scope to cover other key countries of operation, such as Germany.

Policies addressing conditions for own employees

- ESG Policy
- Code of Conduct
- Human and Labour Rights Policy
- Diversity, Equity and Inclusion Policy

4 QUALITY EDUCATION
5 GENDER EQUALITY

Responsible sourcing and workers in our value chain

E S G

Our approach, policies and objectives
At Danish Crown, we recognise the critical role of procurement, and we want to live up to our responsibility for due diligence not only in our own operations and processes but throughout our supply chain. Our objective is to implement a procurement approach that promotes social, environmental, ethical and economic responsibility in our supply chain activities. This objective is part of our Responsible Procurement Policy, which is supported by our Supplier Code of Conduct, Business Partner Code of Conduct and Codes of Practice. All codes are based on relevant legislation and recognised international standards for the environment, animal welfare, food safety, and human and labour rights, including the elimination of child and forced labour.

To identify potential and actual negative impacts, with the emphasis on human and labour rights, we have developed a risk-based sourcing framework to assess our suppliers on predefined parameters, which provides an indication of potential negative impacts in our supply chain. Based on the outcome of the assessment, focus areas will be identified, such as specific suppliers or products where dialogue and requirements will be intensified with the aim of preventing or mitigating any adverse impact directly linked to our operations or business activities. The framework has been piloted at all German production facilities that fall under the German Supply Chain Act, which imposes due diligence obligations for the prevention of human rights violations. The framework will be rolled out further in 2024/25.

Any ESG, policy or code breaches can be reported through our whistleblower platform, which is available to both internal and external stakeholders (see more on page 69).

Actions
→ Activities in 2023/24
During the financial year, we launched a new Responsible Procurement Policy, a Business Partner Code of Conduct and further aligned our Supplier Code of Conduct with legislative requirements. We initiated dialogue with relevant suppliers to investigate their ESG commitments, create greater supply chain transparency and meet the requirements of the above-mentioned German Supply Chain Act. To ensure the correct implementation and application of our policies and codes, we developed a training concept targeting relevant employees.

We increased acceptance of our Supplier Code of Conduct to 83% in 2023/24.

→ Future activities
In the coming financial year, we will expand the roll-out of the risk-based sourcing framework to cover more countries besides Germany, and we will require that more suppliers accept our Supplier Code of Conduct. This will further strengthen our procurement processes and increase supply chain transparency.

Policies addressing conditions for workers in our value chain
- Responsible Procurement Policy
- Supplier requirements: Supplier Code of Conduct, Business Partner Code of Conduct and Codes of Practice

8 DECENT WORK AND ECONOMIC GROWTH

Healthy and safe meals for consumers

Our approach, policies and objectives

Danish Crown contributes to 43 billion meals each year worldwide, and we want to become even more relevant to customers and consumers by offering safe, healthy and nutritious products.

Food safety

High standards of food safety and control in our production and for our products are prerequisites for our global market position. Therefore, our ESG Policy clearly states our commitment to ensure high levels of food safety and quality. Our strict self-check programmes based on Hazard Analysis and Critical Control Points (HACCP) identify potential food hazards and form the foundation of all our food safety work. The majority of our facilities are third-party-certified in terms of food safety. The specific certifications are adapted to the production and context of each facility. Our systems also ensure traceability of the animals delivered by the individual farmer.

For Danish Crown, food safety is also about continuous training, promoting the right culture and awareness, and being open about potential hazards and errors to ensure that these are addressed effetively and without fear of consequences. These efforts are supported by our Food Safety and Quality Forum, which ensures knowledge sharing, opportunity identification and continuous improvements across Danish Crown.

Core principles: Health and safety

Core principles

At Danish Crown, we believe that:

1. A balanced diet and regular exercise are essential for maintaining a healthy lifestyle.
2. Meat is an important part of a balanced diet for most people.
3. We should eat better meat in smaller portions.
4. Transparency helps consumers create balanced diets.

Commitments

At Danish Crown, we want to:

1. Contribute a wide range of products that fit in well with a balanced diet.
2. Offer products with different nutritional profiles in our product categories.
3. Inspire consumers to eat a balanced diet.
4. Ensure that our image and visuals reflect a balanced diet.

Health and nutrition

Danish Crown has an unwavering commitment to flavour, quality and a wide product range that caters to different cultures and lifestyles, ensuring the creation of great-tasting food for everyone to enjoy. As a leading food company, we acknowledge our ability to influence people's eating habits, which in turn influence their personal health and long-term well-being. Therefore, we believe food companies have a responsibility to support the development of healthy eating habits. To guide our efforts in the area, we have established a nutrition programme that sets out core principles that support the promotion of nutritious dietary choices.

Actions

Food safety has always been a top priority at Danish Crown, so our work on food safety is an integrated part of our daily operations and driven by continuous improvements and awareness.

An unwavering focus on health and nutrition is an essential part of our work as a global food company. In 2023/24, we developed a new group-wide Nutrition Programme and started to include macronutrient information on the recipes we offer to consumers on our websites.

87% of our output was produced at production facilities with a food safety certification recognised by the Global Food Safety Initiative (GFSI) in 2023/24

Policies addressing food safety
- ESG Policy
- Supplier requirements: Supplier Code of Conduct

Governance
Business conduct

Code of Conduct

Our Code of Conduct sets out the essence of our group culture, business principles and core values. This includes how we engage with our employees, customers, suppliers, other business partners and the surrounding community. The code provides direction on how we want to develop our business, aiming to:

- Guide our employees regarding expected behaviour and decision-making
- Emphasise the importance of compliance with laws and regulations
- Unite our employees across companies and cultures in order to act as one
- Define Danish Crown's business principles across the world
- Create trust in Danish Crown among external stakeholders
- Protect Danish Crown's reputation from undesirable behaviour

The code is implemented in numerous detailed group policies and standards.

Anti-corruption training | Completion rate in %

Indicator overview

G Governance[1]	Unit	2023/24	2022/23	2021/22	Developments
Composition of Board of Directors of Danish Crown A/S[2]					
Number of independent board members	Number	3	4	4	In 2023/24, there has been a temporary decrease in the number of independent board members. We expect to elect a new independent board member later in 2024, who will replace the member who left during 2023/24.
Share of independent board members	%	27	33	31	
Number of employee representatives	Number	3	3	3	
Share of employee representatives	%	27	25	23	
Whistleblower cases					
Cases received	Number	54	57	24	See page 69.
Substantiated cases	Number	25	21	14	
– of which corruption and bribery cases	Number	0	0	0	
Open cases	Number	3	0	0	
Cases received per employee	Number /1000 FTEs	0,23	0.22	0.08	
Completion of anti-corruption training[3]					
Blue-collar employees, low-risk	%	-	-	-	No training for low-risk functions.
White-collar employees, medium-risk (e-learning)	%	-	95	-	Training coverage is calculated every second year, and coverage has therefore not been calculated in 2023/24.
White-collar employees, high-risk (targeted training)	%	98	-	-	2023/24 was our first year with targeted training for high-risk functions.

1 See notes on page 142 for accounting policies.
2 For data on gender diversity, please see page 61.
3 The training frequency for both medium-risk and high-risk functions is every two years.

Fighting corruption for a brighter future

Our approach, policies and objectives

Corruption in all its forms is a major obstacle to economic and social development around the world, and as a global company we acknowledge our responsibility to comply with the anti-corruption and bribery rules and regulations in all countries in which we operate.

Our Code of Conduct sets out our stance of zero tolerance of corruption and bribery. Our Code of Conduct is supported by our Anti-Coruption Compliance Policy and underlying standards detailing our position on gifts, hospitality and travel expenses, facilitation payments and conflicts of interest. Our comprehensive anti-corruption compliance programme supports the implementation of the policy and standards with measures aimed at identifying and mitigating the risks of corruption and bribery.

We believe that the fight against corruption is best fought together, and Danish Crown therefore actively collaborates with members of the UN Global Compact and participates in the OECD Integrity and Corruption Forum.

Prevention and detection

We conduct a thorough risk assessment throughout the group every two years to identify and assess the risk of corruption, enabling targeted compliance activities and controls to minimise the likelihood of corruption in our supply chain. Based on our risk assessment, we have started to screen customers and suppliers in high-risk areas for confirmed incidents of corruption or bribery.

98% of employees in high-risk functions have attended our training, demonstrating their understanding of our policy and standards.

Incidents or allegations of corruption can be reported in numerous languages via our whistleblower platform. In addition, we have implemented a disclosure management system to support our employees in being transparent. Disclosure is required in the event of a conflict of interest, and also for gifts and hospitality given or received above a predefined financial threshold. Paid travel expenses and donations must be disclosed.

Training and awareness

Our training approach is adapted to the corruption and bribery risks associated with different functions. We consider all white-collar employees to be functions at risk. Our management and employees working on sales and procurement in high-risk countries are considered most at risk. Blue-collar employees are considered low-risk functions.

It is mandatory for all employees in functions at risk to successfully complete a comprehensive e-learning course. This must be completed during onboarding and then repeated every two years to ensure ongoing awareness of our anti-corruption compliance programme.

Employees in high-risk functions are provided with additional training to ensure a comprehensive understanding of the potential risks associated with their function.

Our Board of Directors has been trained in our Anti-Corruption Compliance Policy, with a focus on the risks of a conflict of interests for members of the board and owner representatives.

Our learning materials are updated regularly based on a revised risk assessment and any identified corruption risks.

With the above consistent training approach, we ensure that all relevant functions at Danish Crown have the same understanding of the risks of corruption and bribery and know how to manage and report any incident.

Incidents

No cases of corruption or bribery were reported in 2023/24. Nor was any legal action concerning corruption or bribery brought against us during the reporting period.

Policies addressing anti-corruption
- ESG Policy
- Anti-corruption Compliance Policy

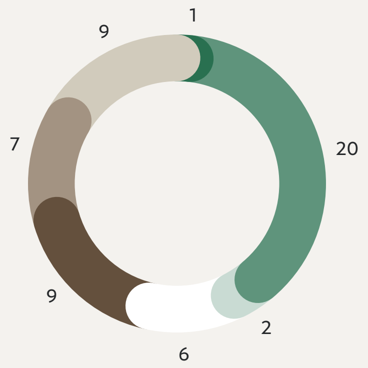
Whistleblower protection

E S G

To ensure compliance with our Code of Conduct and group policies, as well as laws and regulations, both internal and external Danish Crown stakeholders are encouraged to share suspected criminal or unethical activities through our externally hosted and ISO 27001-certified whistleblower platform.

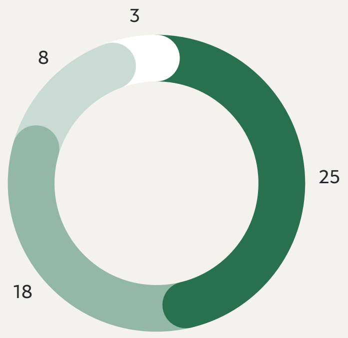
All reports are investigated by a whistleblower committee composed of objective and impartial parties. National whistleblower committees have been created in response to country laws transposing the “EU Directive on the protection of persons who report breaches”. The local committee members have received training by the central Danish Crown Whistleblower Committee to ensure that all reports are investigated consistently and in accordance with our Whistleblower Policy and related operating procedures.

Whistleblower cases – classification |



- Audit & System test
- EHS
- Food safety & quality
- Fraud & embezzlement
- Harassment
- Out of scope
- Other compliance breaches

Whistleblower cases – conclusion |

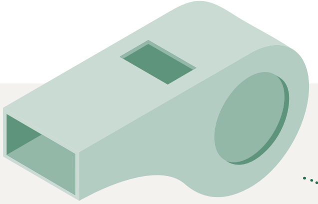


- Internal action
- Not substantiated
- Out of scope
- Under investigation

In all matters, attention is paid to the duty of confidentiality in order to ensure the anonymity and protection of the whistleblower. Hence, whistleblower awareness training has been provided to the Danish Crown Top 350 managers, and all employees becoming involved in a specific case investigation receive detailed information about the case-handling procedures and the risk related to failure to respect confidentiality obligations. Our workforce is informed regularly about the whistleblower platform and encouraged to file a report in case of perceived misconduct.

In 2023/24, 54 reports were submitted within the group, of which 25 were substantiated and gave rise to internal remediation. No cases of corruption or bribery were reported.

Close monitoring of incoming reports contributes to compliance with the Whistleblower Protection Directive regarding communication to the whistleblower. Information on the handling of the allegations submitted is provided to the whistleblower on receipt of the report and a status on the investigation is provided within three months.



Supporting transparency with our whistleblower platform

At Danish Crown, we have committed ourselves to pursuing high ethical, moral and legal standards in all our business activities and to promoting and supporting a culture of honest and just behaviour, corporate compliance and good corporate governance.

Policies addressing whistleblower protection

Whistleblower Policy

Tax and legal compliance

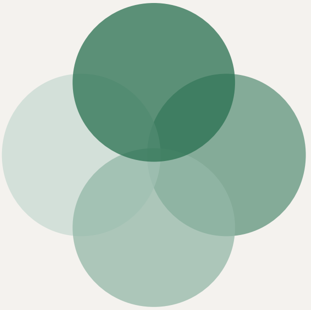
E S G

Cooperative

Danish Crown is ultimately operated as a cooperative and is consequently subject to Danish tax regulations for cooperatives. The cooperative is taxed based on the tax value of the equity within the cooperative. In addition, Danish Crown owns and operates subsidiaries around the world, most of which are operated as limited liability companies subject to local corporate taxes.

As Danish Crown is a cooperative, earnings do not stay within Danish Crown but are distributed to our approx. 5,300 farmer owners, who are also our suppliers. Only a small part of earnings is retained in the cooperative. The distribution takes place in the form of the highest possible price we pay our owners for pigs and cattle, and the Danish farmer owners then pay income tax in Denmark.

Tax policy



A culture of compliance

The Danish Crown Group Tax Policy sets the direction for an effective, structured, systematic and proactive approach to relevant tax matters. The policy is available on our website and has been approved by our Board of Directors. The overall responsibility for tax compliance lies with our Group CFO.

Pay the correct and appropriate amount of tax where value is created

As a global company, we have tax responsibilities in many jurisdictions around the world. We make sure to comply with national and international tax legislation wherever we operate, and to report and pay the correct amount of tax to the local authorities. These principles are founded as a result of Danish Crown's activitites being driven by commercial decisions. Danish Crown does not operate in tax havens as defined by the OECD and the EU.

Ensure tax compliance

Being proactive is key to staying compliant in all tax matters. When new legislation is presented, our in-house team of tax professionals thoroughly assesses the potential effects on our business, together with external advisors where relevant, to ensure that our systems, processes and internal controls are adjusted accordingly. Always staying compliant is essential for our work on the UN Sustainable Development Goals, of which goal 8 (Decent work and economic growth) and goal 16 (Peace, justice and strong institutions) are positively influenced by our continuous efforts in this regard.

Build on good relations with tax authorities

We are dedicated to establishing good relations with tax authorities in the countries we operate in. As a Danish-based group, we have an open dialogue with the Danish tax authorities through our participation in the Tax Governance scheme. We have also obtained a Low Risk assessment from the tax authorities in the UK for our business there. Additionally, we participate in the tax panels of the Confederation of Danish Industry (DI) and the Danish Agriculture and Food Council, demonstrating our interest in influencing legislation, ensuring tax compliance and countering aggressive tax planning.

Stay competitive

It is crucial to stay competitive in a growing market with increasing competition. This may mean that we apply for tax incentives. We continue to invest in new technology at our abattoirs and processing facilities to ensure modern and future-proof production operations throughout the group. We therefore qualify for R&D-related tax incentives in Denmark for relevant new investments, as well as similar incentives in the UK in relation to our Rochdale plant.

Tax contribution

Taxes borne by Danish Crown across the world can be equity tax, income tax, withholding tax, property tax, employer contributions, customs duties and various local taxes payable by Danish Crown.

In addition to various country-specific local taxes, taxes collected include net value-added tax and personal taxes on wages and salaries for our approx. 24,000 employees in the countries we operate in.

As a committed global corporate member of the community, we are transparent about our tax contribution, currently on a voluntary basis.

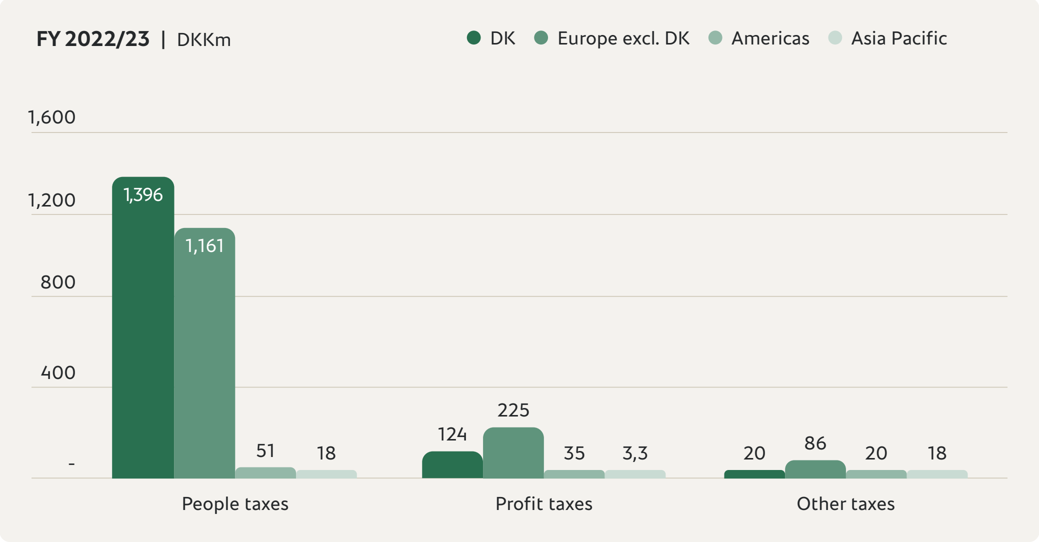
At the same time, we are preparing for further transparency on tax contributions being required by law (public country-by-country reporting) and for further tax compliance requirements (Pillar Two reporting). Being primarily based in Denmark means that the greatest amount of tax is paid there. Danish Crown also has a substantial presence in other European jurisdictions, especially Sweden, Poland, Germany and France, and so a large part of our tax contribution is paid in those countries.

Data protection and data ethics

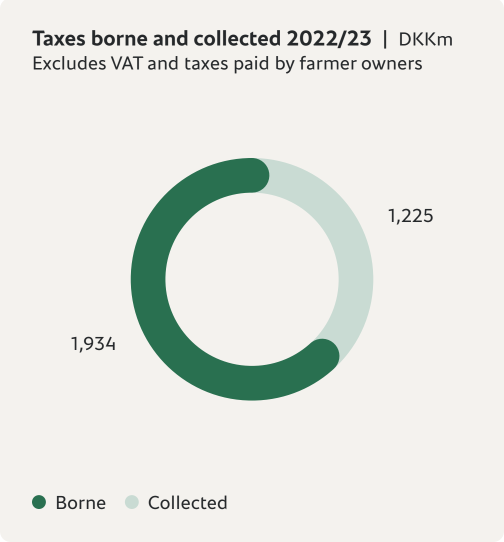
Danish Crown is committed to ensuring that our values permeate every aspect of how we handle data – from collection to processing and utilisation. To uphold this commitment, we have a comprehensive Data Ethics Policy and Data Protection Compliance Policy outlining the principles that guide our actions. These policies not only dictate how we approach the ethical use of data, but also extend to the development and deployment of technologies involved in data processing across the group.

Danish Crown actively provides training to employees in data and IT roles, equipping them with the knowledge and tools to navigate scenarios related to data processing. Through this training, we empower our workforce to make informed decisions that align with our values and contribute to responsible handling of data throughout our operations.

The group's policies on data protection and data ethics, cf. section 99d of the Danish Financial Statements Act, can be found on danishcrown.com.



1 The geographical distribution for FY 2022/23 is illustrated



Competition law

At Danish Crown, we compete and operate in the market on equal terms, and we avoid unfair trading practices.

We recognise the importance of confidentiality, and we do not disclose our business partners' confidential information to unauthorised persons or companies. We take responsibility for complying with the anti-trust laws and regulations applicable in the countries in which we operate, and we continually strive to ensure that our compliance culture is embedded in leadership teams.

We have adopted and implemented a Group Competition Law Compliance Policy supported by guidelines providing detailed advice on how to comply with the policy.

We actively conduct mandatory training, both face-to-face and e-learning, for all relevant employees, providing them with the knowledge and tools required to manage issues related to competition law compliance. Training covers management, sales, procurement and marketing employees, as well as targeted training of relevant corporate functions.

Policies adressing tax and legal compliance
- Data Ethics Policy
- Data Protection Compliance Policy
- Export Controls and Sanctions Policy
- Tax Policy

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Corporate and public affairs

E S G

A key principle in our public affairs approach is that our business practices remain consistently transparent and that our communications with politicians, organisations, authorities and other external partners are marked by openness and honesty. Our commitment to this is part of our Political Engagement and Expenses Policy, which also includes the aim to make constructive contributions that will lead to policies that help our business, our consumers and society thrive.

Our Political Engagement and Expenses Policy prohibits the use of corporate funds to contribute to candidates, parties, political expenditure or electioneering communications. Danish Crown is included in the EU Transparency Register (No. 306545150942-33).

Due to our extensive experience and expertise in the food industry, Danish Crown contributes to a wide range of initiatives and collabrates with partners and stakeholders to effect transformative changes in society. For example, Danish Crown is a member of the UN Global Compact and actively engages in sharing best practices and insights on human and labour rights, environmental stewardship, and anti-corruption measures. Such partnerships enhance the collective effort by promoting ethical business practices on a broader scale.

Our contributions and public affairs activities focus particularly on the following key issues for our business: climate, sourcing of feed, animal welfare, food safety and quality, labour market, market access, energy and security policy. While Danish Crown is a non-political company, we place great emphasis on maintaining an open dialogue with all political parties and actively participate in business associations and relevant interest organisations across the political spectrum.

All political and lobbying activities are overseen by the Board of Directors of Danish Crown A/S and comply with Danish and European legislation. Additionally, no member of Danish Crown's Executive Management or supervisory bodies has been employed by any public body in the past two years.

Policies addressing public affairs

- Political Engagement and Expenses Policy
- ESG Policy

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Financial statements

The financial statements present our performance during the year and position at the end of the year. Key financial information such as revenue, costs, profit, assets, liabilities and equity is presented in a structured format to aid analysis and understanding.

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Consolidated financial statements

Income statement

1 October – 30 September

DKKm	Note	Group 2023/24	Group 2022/23
Revenue	2	67,812	67,602
Production costs	3,4	-58,577	-58,434
Gross profit		**9,235**	**9,168**
Distribution costs	3,4	-5,021	-5,053
Administration costs	3,4,5	-1,939	-1,807
Other operating income		135	77
Other operating costs		-11	-10
Income from investments in associates and joint ventures	13	28	23
Operating profit before special items (EBIT)		**2,427**	**2,398**
Special items	6	-466	-200
Operating profit after special items		**1,961**	**2,198**
Financial income	7	72	74
Financial costs	8	-751	-610
Profit before tax		**1,282**	**1,662**
Tax on profit for the year	9	-240	-193
Profit for the year		**1,042**	**1,469**
Cooperative owners of the parent		1,021	1,449
Non-controlling interests		21	20
Distribution of profit for the year		**1,042**	**1,469**

Statement of comprehensive income

1 October – 30 September

DKKm	Note	Group 2023/24	Group 2022/23
Profit for the year		**1,042**	**1,469**
Items subsequently recycled to the income statement:			
Foreign currency translation adjustment of foreign enterprises		208	-18
Hedging of net investments in foreign enterprises		-72	28
Fair value adjustments etc. of financial instruments hedging future cash flows		0	1
Fair value adjustments of financial instruments hedging realised cash flows recycled to the income statement		-4	-4
Other comprehensive income from joint ventures and associates		-17	-24
Recycled to the income statement		-3	0
Tax on other comprehensive income		2	7
Items not recycled to the income statement:			
Actuarial gains/losses on defined benefit plans etc.		-12	3
Tax on other comprehensive income		0	-1
Other comprehensive income		**102**	**-8**
Comprehensive income		**1,144**	**1,461**
Cooperative owners of the parent		1,124	1,443
Non-controlling interests		20	18
Distribution of comprehensive income		**1,144**	**1,461**

Balance sheet – assets

30 September

		Group	
DKKm	Note	30.09.2024	30.09.2023
Intangible assets	10	3,621	3,647
Property, plant and equipment	11	8,873	9,476
Lease assets	12	770	765
Equity investments in associates and joint ventures	13	292	327
Other securities and equity investments	14	10	11
Deferred tax assets	17	77	96
Non-current assets		**13,643**	**14,322**
Inventories	18	5,059	5,844
Biological assets	19	29	33
Trade receivables	20	7,173	7,153
Receivables from and prepayments to cooperative owners		236	253
Receivables from associates		42	42
Corporation tax receivable		0	105
Other receivables		840	979
Prepayments		145	150
Other securities and equity investments	14	2	33
Cash		269	155
Current assets		**13,795**	**14,747**
Total assets		**27,438**	**29,069**

Balance sheet – equity and liabilities

30 September

		Group	
DKKm	Note	30.09.2024	30.09.2023
Cooperative owners' accounts		842	913
Owners' accounts		940	934
Other reserves		-111	-246
Retained earnings		5,812	6,059
Equity owned by cooperative owners of the parent		**7,483**	**7,660**
Equity owned by non-controlling interests		98	87
Equity		**7,581**	**7,747**
Pension obligations		23	15
Deferred tax liabilities	17	411	551
Other provisions	16	166	112
Loans	21,22	11,224	9,484
Non-current liabilities		**11,824**	**10,162**
Other provisions	16	187	187
Loans	21,22	960	4,065
Trade payables		3,922	4,040
Payables to associates		14	36
Corporation tax payable		169	0
Other payables		2,741	2,795
Deferred income		40	37
Current liabilities		**8,033**	**11,160**
Total liabilities		**19,857**	**21,322**
Total equity and liabilities		**27,438**	**29,069**

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Statement of changes in equity

30 September

DKKm	Cooperative owners' accounts	Owners' accounts	Reserve for foreign currency translation adjustments	Reserve for value adjustment of hedging instruments	Retained earnings	Total	Equity attributable to non-controlling interests	Total equity
	Group							
Equity at 30.09.2022	**1,108**	**895**	**-355**	**93**	**6,354**	**8,095**	**78**	**8,173**
Profit for the year	**0**	**57**	**0**	**0**	**1,392**	**1,449**	**20**	**1,469**
Foreign currency translation adjustment of foreign enterprises	0	0	-16	0	0	-16	-2	-18
Fair value adjustments etc. of financial instruments hedging future cash flows	0	0	0	1	-24	-23	0	-23
Fair value adjustments of financial instruments hedging realised cash flows recycled to the income statement	0	0	0	-4	0	-4	0	-4
Hedging of net investments in foreign enterprises	0	0	0	28	0	28	0	28
Actuarial gains/losses on defined benefit plans etc.	0	0	0	0	3	3	0	3
Tax on other comprehensive income	0	0	12	-5	-1	6	0	6
Total other comprehensive income	**0**	**0**	**-4**	**20**	**-22**	**-6**	**-2**	**-8**
Comprehensive income for the year	**0**	**57**	**-4**	**20**	**1,370**	**1,443**	**18**	**1,461**
Payment of contributed capital	-195	-18	0	0	0	-213	0	-213
Supplementary payments disbursed	0	0	0	0	-1,665	-1,665	-17	-1,682
Acquisitions of non-controlling interests	0	0	0	0	0	0	8	8
Equity at 30.09.2023	**913**	**934**	**-359**	**113**	**6,059**	**7,660**	**87**	**7,747**
Profit for the year	**0**	**23**	**0**	**0**	**998**	**1,021**	**21**	**1,042**
Foreign currency translation adjustment of foreign enterprises	0	0	209	0	0	209	-1	208
Fair value adjustments etc. of financial instruments hedging future cash flows	0	0	0	0	-17	-17	0	-17
Fair value adjustments of financial instruments hedging realised cash flows recycled to the income statement	0	0	0	-4	0	-4	0	-4
Hedging of net investments in foreign enterprises	0	0	0	-72	0	-72	0	-72
Actuarial gains/losses on defined benefit plans etc.	0	0	0	0	-12	-12	0	-12
Recycled to the income statement	0	0	0	0	-3	-3	0	-3
Tax on other comprehensive income	0	0	-15	17	0	2	0	2
Total other comprehensive income	**0**	**0**	**194**	**-59**	**-32**	**103**	**-1**	**102**
Comprehensive income for the year	**0**	**23**	**194**	**-59**	**966**	**1,124**	**20**	**1,144**
Payment of contributed capital	-71	-17	0	0	0	-88	0	-88
Supplementary payments disbursed	0	0	0	0	-1,213	-1,213	-9	-1,222
Equity at 30.09.2024	**842**	**940**	**-165**	**54**	**5,812**	**7,483**	**98**	**7,581**

Cash flow statement

1 October – 30 September

		Group	
DKKm	**Note**	**2023/24**	**2022/23**
Operating profit before special items (EBIT)		2,427	2,398
Depreciation, amortisation and impairment	4	1,692	1,547
Income from investments in associates and joint ventures	13	-28	-23
Changes in provisions		-47	-46
Change in net working capital	30	574	489
Operating cash flows		**4,618**	**4,365**
Financial interest received	7	36	43
Financial interest paid	8	-744	-594
Corporation tax paid		-78	-377
Cash flows from operating activities		**3,832**	**3,437**
Purchase etc. of intangible assets	10	-16	-50
Purchase etc. of property, plant and equipment	11,12	-1,232	-1,824
Sale of property, plant and equipment	11,12	85	45
Dividends received from associates and joint ventures	13	0	69
Purchase of other securities and equity investments	13, 14	-37	-5
Sale of other securities and equity investments	13, 14	406	4
Acquisition of businesses	15	0	-64
Cash flows from investing activities		**-794**	**-1,825**
Disbursement of supplementary payments		-1,213	-1,665
Disbursement to non-controlling shareholders		-9	-9
Proceeds from borrowings	30	3,659	3,027
Repayment of loans	30	-5,273	-2,916
Payment of contributed capital		-88	-213
Cash flows from financing activities		**-2,924**	**-1,776**
Change in cash and cash equivalents		**114**	**-164**
Cash and cash equivalents at 1 October		155	319
Cash and cash equivalents at 30 September	**30**	**269**	**155**

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Net working capital

Financing

Other notes

Income statement

Note 1 Significant accounting estimates and judgments

When preparing the annual report in accordance with the group's accounting policies, management is required to make estimates and assumptions that affect the assets and liabilities recognised, including information on any contingent assets and liabilities.

Management's estimates are based on historical experience and other assumptions which are deemed relevant at the time. These estimates and assumptions form the basis for the recognised carrying amounts of assets and liabilities and the related effects recognised in the income statement. Actual results may differ from such estimates and assumptions.

Management considers the following estimates and judgments significant to the preparation of the consolidated financial statements.

Production costs

Costs for the purchase of slaughter animals from the cooperative owners are recognised at current published settlement prices for the year under production costs. At the year-end closing, the Board of Representatives of Leverandørselskabet Danish Crown AmbA determines how large a share of the profit for the year to transfer to consolidation purposes and how large a share of the profit to distribute as supplementary payments, which is treated as dividend.

Intangible assets

At least once a year, the group tests goodwill and other intangible assets with indefinite useful lives for impairment. A further description of the basis of accounting estimates can be found in note 10. No impairment was recognised on goodwill.

Property, plant and equipment and lease assets

Management makes accounting estimates concerning residual values, and these are reassessed on an annual basis. In addition, separate assessments are made of impairment losses in connection with capacity adjustments, closure of facilities or any other situations where there is an indication of impairment as a result of changed production or market conditions.

An impairment charge of DKK 546 million was recognised on facilities that are to be closed or have been closed during 2023/24 (2022/23: DKK 83 million).

A specification of property, plant and equipment and lease assets is provided in note 11 and 12.

Inventories

When assessing the net realisable value of inventories of fresh/frozen meat and casings, management estimates the expected development in market prices. Price developments in the world market may be affected by access to major markets.

At the end of 2023/24, a write-down of inventories of DKK 31 million has been recognised due to a decrease in the market price of pork (2022/23: DKK -148 million). A specification of inventories is provided in note 18.

Deferred tax liabilities and tax assets

Deferred tax assets are recognised if it is probable that taxable income will be available in the future against which temporary differences or tax losses carried forward can be utilised.

As a result of higher uncertainty as to the future earnings of loss-making units, the majority of the tax assets related to tax losses carried forward have been written down.

The group's uncertain tax positions are regularly assessed and necessary provisions are recognised on the basis of estimates of likely outcomes and a risk assessment thereof.

A specification of deferred tax liabilities and tax assets is provided in note 17.

Note 2 Revenue

Allocation of revenue on business units and sales channels

DKKm	Danish Crown	Sokołów	KLS	DAT-Schaub	Total
2023/24					
Industry	22,826	1,887	1,486	3,714	29,913
Foodservice	5,675	918	363	56	7,012
Retail	15,431	6,235	3,855	202	25,723
Other	3,340	616	414	794	5,164
Total	**47,272**	**9,656**	**6,118**	**4,766**	**67,812**
2022/23					
Industry	23,844	1,863	1,427	3,868	31,002
Foodservice	5,654	1,047	298	61	7,060
Retail	14,691	5,567	3,551	204	24,013
Other	3,266	621	447	1,193	5,527
Total	**47,455**	**9,098**	**5,723**	**5,326**	**67,602**

Allocation of revenue on business units and markets

DKKm	Danish Crown	Sokołów	KLS	DAT-Schaub	Total
2023/24					
Denmark	6,723	10	8	260	7,001
Europe	29,082	9,371	6,110	2,565	47,128
Asia	8,321	247	0	180	8,748
Other	3,146	28	0	1,761	4,935
Total	**47,272**	**9,656**	**6,118**	**4,766**	**67,812**
2022/23					
Denmark	6,529	5	17	342	6,893
Europe	28,220	8,758	5,706	2,911	45,595
Asia	9,734	309	0	167	10,210
Other	2,972	26	0	1,906	4,904
Total	**47,455**	**9,098**	**5,723**	**5,326**	**67,602**

Income statement

Note 3 Staff costs

DKKm	2023/24	2022/23
Salaries and wages	7,654	7,326
Pensions	574	500
Other social security costs	790	843
	9,018	**8,669**
Staff costs are distributed as follows:		
Production costs	6,726	6,465
Distribution costs	1,100	1,064
Administration costs	1,192	1,140
	9,018	**8,669**
Of which:		
Remuneration for the Board of Representatives	3	2
Remuneration for the Board of Directors	9	9
Remuneration for the Executive Registered Management	56	22
	68	**33**
Average no. of employees	23,959	25,796

Key management personnel is defined as Executive Management. The remuneration to the Executive Management in 2023/24 amounts to DKK 82 million (2022/23: DKK 32 million).

The remuneration to the Executive Management does not include pension but includes costs for long-term bonuses in 2023/24 of DKK 0 million (2022/23: DKK 2 million). In addition, the remuneration includes severance payment of DKK 39 million (2022/23: DKK 0 million).

The calculation methodology and therefore the presented numbers differs from the calculation methodology used and the numbers presented in the remuneration report.

Note 4 Depreciation, amortisation and impairment

DKKm	2023/24	2022/23
Amortisation of intangible assets:		
Production costs	38	18
Distribution costs	75	69
Administration costs	38	36
	151	**123**
Depreciation of property, plant and equipment and lease assets:		
Production costs	1,299	1,214
Distribution costs	133	127
Administration costs	102	85
	1,534	**1,426**
Impairment of intangible and property, plant and equipment:		
Special items	546	83
	546	**83**
Gain on the disposal of non-current assets	35	10
Loss on the disposal of non-current assets	42	8

Note 5 Fees to the parent's auditors appointed by the Board of Representatives

DKKm	2023/24	2022/23
Statutory audit	11	10
Other assurance engagements	0	0
Tax advice	0	0
Other services	1	1
	12	**11**

Income statement

Note 6 Special items

DKKm	2023/24	2022/23
Special items, income:		
Gain from sale of activities	291	0
	291	**0**
Special items, costs:		
Impairment of facilities	546	83
Demolition and closure costs	211	117
	757	**200**
	-466	**-200**

The process of divesting or closing non-core and non-value adding activities including facility closure to increase capacity optimisation has led to profit on divestment, impairment of the fixed assets and closure costs.

For asset specification reference is made to note 10, 11 and 12.

Note 7 Financial income

DKKm	2023/24	2022/23
Interest, cash etc.	36	43
Foreign currency gains and losses, net	32	27
Fair value adjustment of derivative financial instruments hedging the fair value of financial instruments	-6	-29
Fair value adjustment of hedged financial instruments	6	29
Fair value adjustment recycled from equity concerning hedges of future cash flows	4	4
	72	**74**

Note 8 Financial costs

DKKm	2023/24	2022/23
Interest costs, credit institutions etc.	715	575
Interest, lease debt	29	19
Foreign currency gains and losses, net	7	16
	751	**610**

Income statement

Note 9 Tax on profit for the year

DKKm	2023/24	2022/23
Current tax	361	190
Change in deferred tax	-379	-89
Adjustment concerning previous year, current tax	-23	-76
Adjustment concerning previous years, deferred tax	12	2
Write-down of tax assets and provision for uncertain tax provisions	246	146
	217	**173**
Tax in cooperatively taxed enterprises and tax on other income not subject to income tax	23	20
Tax on profit for the year	**240**	**193**
Tax on profit for the year can be explained as follows:		
Calculated tax at a tax rate of 22%	276	361
Effect of differences in tax rates for foreign enterprises	-21	-9
Tax in cooperatively taxed enterprises and tax on other income not subject to income tax	23	20
Tax effect of profit in cooperatively taxed enterprises	-222	-247
Tax effect of non-taxable income	-79	-17
Tax effect of non-deductible costs	28	13
Adjustment concerning previous years, current tax	-23	-76
Adjustment concerning previous years, deferred tax	12	2
Write-down of tax assets and provision for uncertain tax provisions	246	146
	240	**193**
Effective tax rate (%)	**19.1**	**11.8**
Foreign currency translation adjustment of foreign enterprises	15	-12
Fair value adjustments etc. of financial instruments hedging future cash flows	-1	1
Fair value adjustments of financial instruments hedging realised cash flows recycled to the income statement	0	-2
Hedging of net investments in foreign enterprises	-16	6
Actuarial gains/losses on defined benefit plants etc.	0	1
Tax on other comprehensive income	**-2**	**-6**

The group is within the scope of the OECD Pillar Two minimum taxation rules. Pillar Two legislation was enacted in Denmark where the parent entity is incorporated, and is effective from 1 January 2024, but only for the group's tax year 2024/25. As a result, the group has no related current tax exposure in 2023/24.

The group does not expect the OECD/EU Pillar Two model rules and their local implementation to have a material impact on the group's consolidated financial statements for 2024/25. An analysis based on most recent country-by-country reporting and financial statements for the group shows an effective tax rate in excess of 15% in the majority of the jurisdictions where the group operates. In jurisdictions where the effective tax rate shows lower than 15%, the jurisdictions pass either the routine profits test or the De minimis test and thereby still qualify for the Transitional safe harbour rules.

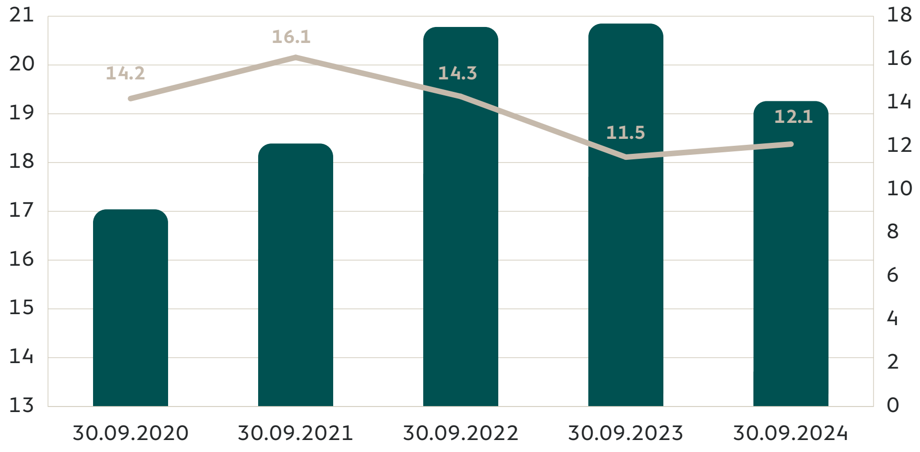
The group applies the temporary exception from the requirement to account for deferred taxes arising from the implementation of the Pillar Two model rules (including any qualified domestic minimum top-up tax).

Invested capital

Calculation of invested capital

DKKm	Note	30.09.2024	30.09.2023
Intangible assets	10	3,621	3,647
Property, plant and equipment	11	8,873	9,476
Lease assets	12	770	765
Equity investments in associates and joint ventures	13	292	327
Other securities and equity investments, long-term	14	10	11
Net working capital		6,402	7,398
Other provisions	16	-353	-299
Pension obligations		-23	-15
Deferred tax, net	17	-334	-455
		19,258	**20,855**
Average invested capital		20,057	20,817
Return on average invested capital (ROAIC)		12.1%	11.5%

Development in invested capital past 5 years



Invested capital, DKKbn   ROAIC, %

Note 10 Intangible assets

DKKm	Goodwill	Software	Acquired trademarks etc.	Total
Cost at 01.10.2023	3,080	708	1,374	5,162
Foreign currency translation adjustments	37	3	37	77
Reclassifications	0	65	0	65
Additions	0	15	1	16
Disposals	0	-3	0	-3
Cost at 30.09.2024	**3,117**	**788**	**1,412**	**5,317**
Amortisation and impairment at 01.10.2023	0	620	895	1,515
Foreign currency translation adjustments	0	3	18	21
Reclassifications	0	-1	0	-1
Impairment for the year	0	2	11	13
Amortisation for the year	0	65	86	151
Amortisation of disposals for the year	0	-3	0	-3
Amortisation and impairment at 30 .09.2024	**0**	**686**	**1,010**	**1,696**
Carrying amount at 30.09.2024	**3,117**	**102**	**402**	**3,621**
Cost at 01.10.2022	3,068	663	1,353	5,084
Foreign currency translation adjustments	-8	1	9	2
Additions on acquisition	20	0	12	32
Additions	0	50	0	50
Disposals	0	-6	0	-6
Cost at 30.09.2023	**3,080**	**708**	**1,374**	**5,162**
Amortisation and impairment at 01.10.2022	0	584	803	1,387
Foreign currency translation adjustments	0	-2	12	10
Impairment for the year	0	1	0	1
Amortisation for the year	0	43	80	123
Amortisation of disposals for the year	0	-6	0	-6
Amortisation and impairment at 30.09.2023	**0**	**620**	**895**	**1,515**
Carrying amount at 30.09.2023	**3,080**	**88**	**479**	**3,647**

Except for goodwill with an indefinite useful life, all other intangible assets are considered to have finite useful lives over which the assets are amortised.

Acquired trademarks etc. primarily concern trademarks in Poland with a remaining life of 5-15 years.

Invested capital

Note 10 Intangible assets – continued

Impairment testing of goodwill
Goodwill arising on acquisition etc. at the date of acquisition is allocated to the cash-generating units which are expected to obtain economic benefits from the business combination.

The carrying amount of goodwill is allocated to the cash-generating units as follows:

DKKm	30.09.2024	30.09.2023
Danish Crown	1,218	1,217
Sokołów	710	656
KLS	211	207
DAT-Schaub	524	546
Danish Crown Group	454	454
	3,117	**3,080**

Goodwill is tested for impairment at least once a year, or more frequently if there are indications of impairment. The annual impairment tests are made at the end of the financial year and has not resulted in any impairment of goodwill in the financial year. The recoverable amount for the individual cash-generating units to which the goodwill amounts have been allocated is calculated on the basis of calculations of the units' net present value.

The cash-generating units' net present value is calculated using the cash flows stated in the units' budgets and strategy plans for the next five financial years. Account is taken of timing differences in strategy plans. For financial years following the budget and strategy periods (terminal period), cash flows in the most recent strategy period have been extrapolated, adjusted for expected growth rates for the specific markets. The most important uncertainties in this regard are related to the determination of discount rates and growth rates as well as the uncertainties and risks reflected in the budget and strategy figures.

The discount rates applied reflect market assessments of the time value of money, expressed as a risk-free interest rate, and the specific risks which are associated with the individual cash-generating unit. Discount rates are generally determined on an 'after tax' basis based on the estimated weighted average cost of capital (WACC).

The growth rates used are based on the forecasts and strategy plans of the individual units as well as on expectations for discount rates, interest and inflation levels. The growth rates used do not exceed the expected average long-term growth rate for the markets in question.

The most important budget assumptions are based on expectations for the organic growth in tonnage in the market(s) in which the companies primarily operate, the possibility of moving up in the value chain (new and more processed products) and the development in raw material prices for the principal products (pork and beef as well as by-products). For Sokołów and KLS, such expectations cover the Polish and Swedish markets, while the assessment for DAT-Schaub and Danish Crown covers a number of global primary markets. The estimates of growth and the correlation between selling prices and raw material prices in the budget and strategy periods are based on historical experience and expectations for future growth and market conditions.

If the budgeted EBITDA used in the value in use calculation for Sokolow had been 2% lower than management's estimate at 30 September 2024, the headroom between the value in use and the invested capital would be nil. A comprehensive improvement plan has been initiated to secure an uplift in EBITDA. The underlying budget and forecast figures have been risk adjusted with sufficient caution.

	Growth factor in the terminal period %		Risk-free interest rate, 10-year swap interest rate		WACC after tax %		WACC before tax %	
Per cent	**2023/24**	**2022/23**	**2023/24**	**2022/23**	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Danish Crown	1.0	1.0	2.6	2.6	6.7	7.7	8.6	9.8
Sokołów	2.0	2.0	5.8	5.8	9.6	11.2	11.9	13.8
KLS Ugglarps	1.0	1.0	2.4	2.5	6.4	7.4	8.0	9.3
DAT-Schaub	1.0	1.0	2.6	2.6	6.7	7.7	8.6	9.8
Danish Crown Group	1.0	1.0	2.6	2.6	6.7	7.7	8.6	9.8

Invested capital

Note 11 Property, plant and equipment

DKKm	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Assets under construction	Total
Cost at 01.10.2023	11,186	11,582	1,049	1,483	25,300
Foreign currency translation adjustments	118	211	21	39	389
Reclassifications	446	-441	-10	-60	-65
Completion of assets under construction	551	714	51	-1,316	0
Additions	294	308	46	584	1,232
Disposals	-97	-237	-55	0	-389
Cost at 30.09.2024	**12,498**	**12,137**	**1,102**	**730**	**26,467**
Depreciation and impairment at 01.10.2023	6,758	8,317	749	0	15,824
Foreign currency translation adjustments	54	148	14	0	216
Reclassifications	301	-301	1	0	1
Impairment for the year	327	176	25	0	528
Depreciation for the year	437	777	108	0	1,322
Depreciation and impairment on disposals for the year	-54	-196	-47	0	-297
Depreciation and impairment at 30.09.2024	**7,823**	**8,921**	**850**	**0**	**17,594**
Carrying amount at 30.09.2024	**4,675**	**3,216**	**252**	**730**	**8,873**
Of which recognised interest costs	28	0	0	0	28

DKKm	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Assets under construction	Total
Cost at 01.10.2022	10,619	10,973	927	1,358	23,877
Foreign currency translation adjustments	-26	76	37	-29	58
Completion of assets under construction	399	476	81	-956	0
Additions	338	315	59	1,125	1,837
Additions from acquisitions	1	1	0	0	2
Disposals	-145	-259	-55	-15	-474
Cost at 30.09.2023	**11,186**	**11,582**	**1,049**	**1,483**	**25,300**
Depreciation and impairment at 01.10.2022	6,525	7,729	682	0	14,936
Foreign currency translation adjustments	-26	23	19	0	16
Impairment for the year	23	59	1	0	83
Depreciation for the year	373	749	99	0	1,221
Depreciation and impairment on disposals for the year	-137	-243	-52	0	-432
Depreciation and impairment at 30.09.2023	**6,758**	**8,317**	**749**	**0**	**15,824**
Carrying amount at 30.09.2023	**4,428**	**3,265**	**300**	**1,483**	**9,476**
Of which recognised interest costs	31	0	0	6	37

Finance costs of DKK 0 million were recognised in the cost of assets under contruction in the financial year (2022/23: DKK 6 million).

Invested capital

Note 12 Lease assets

DKKm	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
Cost at 01.10.2023	908	248	241	1,397
Foreign currency translation adjustments	37	7	1	45
Additions	108	49	80	237
Disposals	-40	-39	-88	-167
Cost at 30.09.2024	**1,013**	**265**	**234**	**1,512**
Depreciation and impairment at 01.10.2023	341	139	152	632
Foreign currency translation adjustments	16	6	0	22
Impaiment for the year	0	5	0	5
Depreciation for the year	105	47	63	215
Depreciation and impairment on disposals for the year	-19	-36	-77	-132
Depreciation and impairment at 30.09.2024	**443**	**161**	**138**	**742**
Carrying amount at 30.09.2024	**570**	**104**	**96**	**770**
Cost at 01.10.2022	814	271	218	1,303
Foreign currency translation adjustments	15	2	-2	15
Additions from acquisition	0	2	10	12
Additions	107	26	55	188
Disposals	-28	-53	-40	-121
Cost at 30.09.2023	**908**	**248**	**241**	**1,397**
Depreciation and impairment at 01.10.2022	247	141	137	525
Foreign currency translation adjustments	-2	-1	-11	-14
Depreciation for the year	112	50	60	222
Depreciation and impairment on disposals for the year	-16	-51	-34	-101
Depreciation and impairment at 30.09.2023	**341**	**139**	**152**	**632**
Carrying amount at 30.09.2023	**567**	**109**	**89**	**765**

Lease debt is specificed in note 22.

Invested capital

Note 13 Equity investments in associates and joint ventures

DKKm	Associates 30.09.2024	Associates 30.09.2023	Joint ventures 30.09.2024	Joint ventures 30.09.2023
Cost at 1 October	167	169	17	17
Foreign currency translation adjustments	0	-7	0	0
Additions	32	5	0	0
Disposals	-26	0	0	0
Cost at 30 September	**173**	**167**	**17**	**17**
Value adjustments at 1 October	93	166	50	50
Foreign currency translation adjustments	2	-3	0	0
Share of net profit	28	16	0	7
Share of other comprehensive income	-17	-24	0	0
Distribution during the year	0	-62	0	-7
Disposal	-54	0	0	0
Value adjustments at 30 September	**52**	**93**	**50**	**50**
Carrying amount at 30 September	**225**	**260**	**67**	**67**

DKKm	Associates 2023/24	Associates 2022/23	Joint ventures 2023/24	Joint ventures 2022/23
Statement of comprehensive income				
Revenue	1,188	1,832	1,597	1,780
Profit for the year	22	118	-1	14
Other comprehensive income	2	-14	0	0
Total comprehensive income (100%)	**24**	**104**	**-1**	**14**
Dividend received	**0**	**62**	**0**	**7**
Non-current assets	752	710	84	83
Current assets	444	639	173	173
Non-current liabilities	191	205	0	0
Current liabilities	335	485	122	120
Equity (100%)	**670**	**659**	**135**	**136**

The financial year of Daka Denmark A/S, Agri-NorCold A/S, Oriental Sino Limited, WestCrown GmbH, Green Fertilizer Denmark ApS and AgroGas ApS runs from 1 January to 31 December. The financial year for K/S af 5.1.2024 I and Anpartsselskabet af 5.1.2024 runs from 1 August to 31 July. For consolidation purposes, financial statements are prepared in accordance with Danish Crown's accounting policies for periods corresponding to Danish Crown's accounting periods.

Note 14 Other securities and equity investments

DKKm	30.09.2024	30.09.2023
Unlisted shares	10	11
Listed bonds	2	33
	12	**44**
Securities are recognised in the balace sheet as follows:		
Non-current assets	10	11
Current assets	2	33
	12	**44**

Note 15 Acquisitions

DKKm	Principal activity	Acquisition date	Ownership interest acquired %	Voting share acquired %
During the financial year 2023/24, the group did not acquire any companies.				
2022/23				
SELO Group	Sale of casings	18.04.2023	70%	70%
NordicSpoor A/S (Trendline activity)	Sale of leather	01.10.2022	-	-
SPF-Danmark A/S (Rosgaard activity)	Transportation	06.06.2023	-	-

The group did not sell any companies during 2023/24 or 2022/23.

Invested capital

Note 16 Other provisions

DKKm	Restructuring costs	Employee related	Specific requirements	Other	Total
Other provisions at 01.10.2023	73	129	45	52	299
Foreign currency translation	0	3	1	0	4
Utilised during the year	-40	-48	0	-10	-98
Reversal of unutilised provisions	-4	-18	0	-5	-27
Provisions for the year	89	32	0	54	175
Other provisions at 30.09.2024	**118**	**98**	**46**	**91**	**353**
Other provisions at 01.10.2022	24	84	87	94	289
Foreign currency translation	0	1	0	0	1
Utilised during the year	-71	-12	0	-15	-98
Reversal of unutilised provisions	-20	-10	-42	-31	-103
Provisions for the year	140	66	0	4	210
Other provisions at 30.09.2023	**73**	**129**	**45**	**52**	**299**

Other provisions can be specified by maturity as follows:

	Due within 1 year	Due between 1 and 5 years	Due after 5 years	total
30 September 2024	187	72	94	**353**
30 September 2023	187	50	62	**299**

The provisions were made based on the latest information avaliable.
The group belives that the risk in the indivdual areas has been fully provided for and that it will not require additional provisions.

Note 17 Deferred tax

DKKm	30.09.2024	30.09.2023
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	77	96
Deferred tax liabilities	-411	-551
	-334	**-455**
Tax value of non-recognised deferred tax assets	**609**	**393**
The expiry dates of tax losses to be carried forward can be specified as follows:		
No expiry dates	1,502	598
Expiry within 1 year	115	71
Expiry between 1 and 5 years	651	546
Expiry after 5 years	0	0
	2,268	**1,215**

The tax value of tax losses amounting to DKK 532 million (2022/23: DKK 320 million) was not recognised as it was not deemed sufficiently probable that the losses will be utilised in the foreseeable future.

Invested capital

Note 17 Deferred tax – continued

2023/24 DKKm	Deferred tax at 01.10.2023	Foreign currency translation adjustment	Changes in respect of previous years	Recognised in the income statement	Recognised in other compre-hensive income	Change in tax rate	Deferred tax at 30.09.2024
Intangible assets	-117	-1	0	-10	0	0	-128
Property, plant and equipment	-97	-4	-65	57	0	0	-109
Financial assets	3	0	0	-1	0	0	2
Current assets	16	-1	2	5	0	0	22
Non-current liabilities	-166	0	-3	107	0	0	-62
Current liabilities	218	5	-9	42	1	0	257
Tax losses carried forward	320	-2	35	179	0	0	532
	177	**-3**	**-40**	**379**	**1**	**0**	**514**
Write-down of tax assets and provision for uncertain tax provisions	-632	2	28	-246	0	0	-848
	-455	**-1**	**-12**	**133**	**1**	**0**	**-334**

2022/23 DKKm	Deferred tax at 01.10.2022	Foreign currency translation adjustment	Changes in respect of previous years	Recognised in the income statement	Recognised in other comprehensive income	Change in tax rate	Deferred tax at 30.09.2023
Intangible assets	-103	1	4	-19	0	0	-117
Property, plant and equipment	-86	1	-13	0	0	1	-97
Financial assets	3	0	0	0	0	0	3
Current assets	57	0	-1	-39	-1	0	16
Non-current liabilities	-156	0	-11	1	0	0	-166
Current liabilities	158	3	19	40	-1	-1	218
Tax losses carried forward	244	-18	-12	106	0	0	320
	117	**-13**	**-14**	**89**	**-2**	**0**	**177**
Write-down of tax assets and provision for uncertain tax provisions	-516	18	12	-146	0	0	-632
	-399	**5**	**-2**	**-57**	**-2**	**0**	**-455**

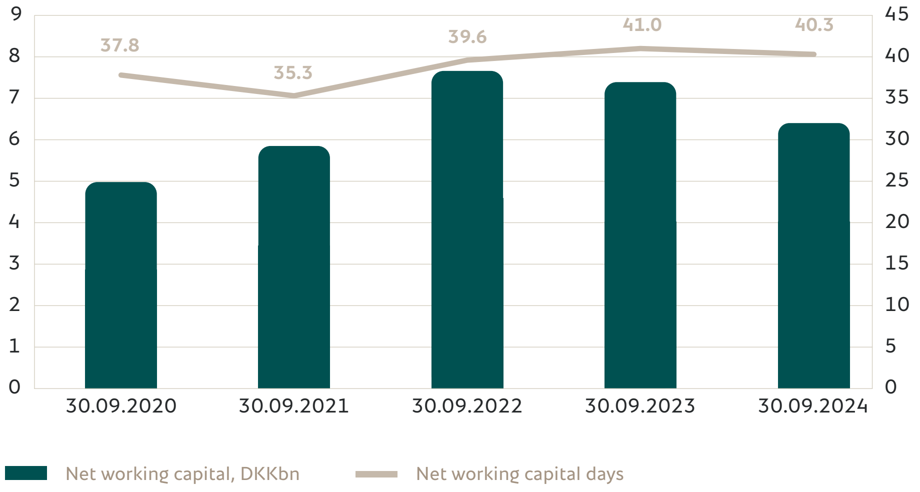
Deferred tax assets and deferred tax liabilities are set off in the balance sheet when a legal right of set-off exists, and the deferred tax asset and deferred tax concern the same legal tax unit/consolidation.

Net working capital

Calculation of net working capital

DKKm	Note	30.09.2024	30.09.2023
Inventories	18	5,059	5,844
Biological assets	19	29	33
Trade receivables	20	7,173	7,153
Receivables from associates		42	42
Corporation tax receivable		0	105
Other recievables		840	979
Prepayments		145	150
Trade payables		-3,922	-4,040
Payables to associates		-14	-36
Corporation tax payable		-169	0
Other payables		-2,741	-2,795
Deferred income		-40	-37
		6,402	**7,398**

Development in net working capital past 5 years, DKKbn



Note 18 Inventories

DKKm	30.09.2024	30.09.2023
Raw materials and consumables	721	943
Semi-finished goods	575	630
Finished goods and goods for resale	3,763	4,271
	5,059	**5,844**
Cost of sales	45,494	46,012
Net write-down for the year of inventories recognised as income (-) or costs (+) in the income statement	82	-143

Note 19 Biological assets

DKKm	30.09.2024	30.09.2023
Slaughter pigs	17	24
Land holdings	6	5
Other	6	4
	29	**33**
No. of slaughter pigs	12,459	13,445
No. of sows and boars	2,812	1,231
Kg produced ('000) during the year	1,579	2,319

Net working capital

Note 20 Trade receivables

DKKm	30.09.2024	30.09.2023
Trade receivables (gross)	**7,235**	**7,201**
Write-down for bad debts at 1 October	-48	-67
Foreign currency translation adjustments	-1	-1
Realised losses for the year	7	14
Reversed provisions	5	13
Provisions for bad debts for the year	-25	-7
Write-down for bad debts at 30 September	**-62**	**-48**
Trade receivables (net)	**7,173**	**7,153**

DKKm	Loss rate	Gross receivables 30.09.2024	Expected loss	Net receivables 30.09.2024	Net receivables 30.09.2023
Not due	0.1%	6,544	7	6,537	6,381
Less than 30 days overdue	0.2%	530	1	529	634
Between 30 and 90 days overdue	2.0%	83	2	81	81
More than 90 days overdue	25.0%	78	52	26	57
		7,235	**62**	**7,173**	**7,153**

The maximum credit risk on receivables more than 30 days overdue, but not written down, is DKK 39 million (30.09.2023: DKK 33 million).

The primary credit risk of the group concerns trade receivables.

The payment terms stated in the group's sales contracts with customers are based on the underlying performance obligation and customer relations. The group's payment terms comprise short-term credits averaging approximately 35 days. No sales with significant long payment terms exits.

Customers are credit-rated individually, and based on an overall assessment of the customer's ability to pay and geographical location, a decision is made on the use of credit insurance, letters of credit, prepayments or open credit terms.

For customers with outstanding balances exceeding DKK 25 million, credit insurance must be taken out unless the customer has a credit rating of A or higher with a reputable rating agency.

Receivables are written down, partly on the basis of the simplified expected credit loss model, and partly on the basis of an individual assessment of whether the individual debtors solvency is reduced, for example as a result of suspension of payments or bankruptcy.

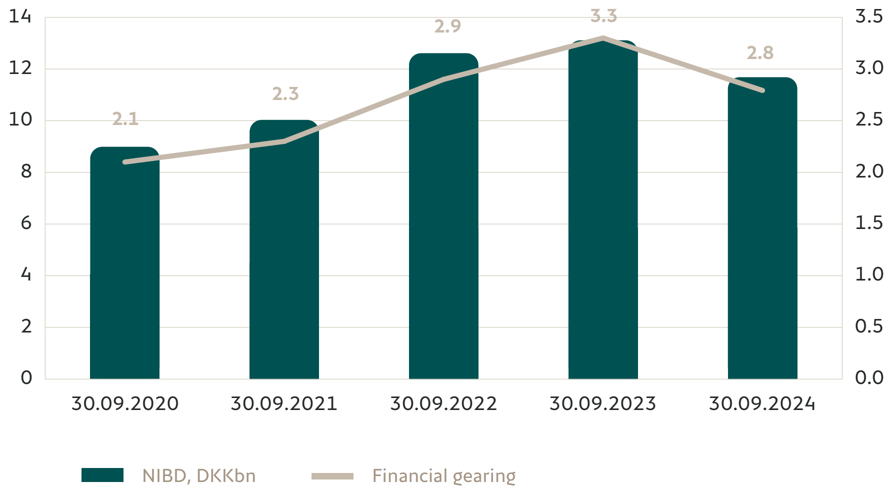
Individual receivables are written down to calculated net realised value. The carrying amount of receivables written down to net realisable value based on an individual assessment is DKK 43 million (30.09.2023: DKK 20 million).

Financing

Calculation of financial gearing

DKKm	Note	30.09.2024	30.09.2023
Mortgage debt	21	2,820	2,315
Other debt, issued bonds	21	4,878	5,121
Other credit institutions	21	0	2,360
Bank debt	21	3,721	3,012
Lease debt	21	765	741
Receivables from and prepayments to cooperative owners		-236	-253
Cash and short-term securities		-271	-188
Net interest-bearing debt (NIBD)		**11,677**	**13,108**
Operating profit before special items (EBIT)		2,427	2,398
Depreciation, amortisation and impairment	4	1,692	1,547
EBITDA		**4,119**	**3,945**
Financial gearing		**2.8**	**3.3**

Development in financial gearing past 5 years



Capital structure
The company's management assesses on an ongoing basis whether the group's capital structure matches the company's and the owners' interests. The overall target is to ensure a capital structure which supports long-term financial growth and, at the same time, maximises the return for the group's stakeholders by optimising the debt-equity ratio. The group's overall strategy is consistent with that of last year.

The group's capital structure includes debt, comprising financial liabilities in the form of mortgage debt, bank debt, lease debt, receivables from cooperative owners, cash and equity, including cooperative owner's accounts, owner's accounts, other reserves and retained earnings.

Financing

Note 21 Loans

DKKm	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
30.09.2024				
Mortgage debt	26	111	2,683	2,820
Other debt, issued bonds	223	4,655	0	4,878
Other credit institutions	0	0	0	0
Bank debt	523	2,992	206	3,721
Lease debt	188	373	204	765
	960	**8,131**	**3,093**	**12,184**
30.09.2023				
Mortgage debt	135	551	1,629	2,315
Other debt, issued bonds	246	4,875	0	5,121
Other credit institutions	2,073	287	0	2,360
Bank debt	1,425	1,587	0	3,012
Lease debt	186	327	228	741
	4,065	**7,627**	**1,857**	**13,549**

Note 22 Lease debt

DKKm	30.09.2024	30.09.2023
Total undiscounted future minimum lease payments under capitalised non-cancellable leases (operating equipment and rent) break down as follows:		
Due within 1 year	196	183
Due between 1 and 5 years	383	327
Due after 5 years	370	306
	949	**816**

DKKm	30.09.2024	30.09.2023
Total future cash flows according to leases concerning variable lease payments, options, residual value guarantees, leases that have not yet come into force, short-term leases and other non-recognised components	44	38

DKKm	2023/24	2022/23
Total lease costs recognised in profit for the year:		
Costs relating to short-term leases	49	33
Costs relating to low-value lease assets which are not part of short-term leases	8	7
Costs relating to variable lease payments which are not a part of lease debt	1	1
	58	**41**

Lease assets are described in note 12.

Financing

Note 23 Financial risks

Financial risks are managed at group level in accordance with the group's treasury policy. The treasury policy is updated once every year and approved by the Board of Directors.

There have been no changes to the group's risk exposure or risk management relative to the previous financial year.

The group's principal risks	Note	How the group manages these risks
Currency risks	23.1	Hedged using foreign currency loans and overdrafts and forward exchange contracts.
Interest rate risks	23.2	Hedged using hedging instruments and fixed-rate commitments.
Liquidity risks	23.3	Entering into long-term commitments with a credit facility option.
Credit risks	23.4	Credit insurance and ongoing credit management.

The group hedges commercial risks only and does not engage in derivative financial transactions for speculation purposes. The four following notes provide details of the group's most important financial risks and the group's management thereof.

Note 23.1 Currency risk

Currency risks in respect of assets and liabilities and future cash flows

The group's business activities result in exposure to future exchange rate changes. The group's currency policy is to regularly hedge the commercial risk that exchange rate changes affect future cash flows in DKK.

The commercial risk of exchange rate changes arises as a result of differences in exchange rates from the time of raising of cash and cash equivalents, securities, receivables, trade payables and other payables in foreign currency until these amounts are paid. Moreover, the commercial risk arises as a result of the impact on expected future sales, where expected future sales are sales orders concluded and specific expected sales in the short term.

To hedge recognised and non-recognised transactions, the group uses hedging instruments in the form of foreign currency overdrafts and loans and forward exchange contracts. The hedging of recognised assets and liabilities primarily comprises cash and cash equivalents, securities, receivables and financial liabilities.

At the balance sheet date, the fair value of the group's derivative financial instruments hedging the currency risk regarding recognised financial assets and liabilities was DKK 16 million (2022/23: -24 million).

The fair value of the derivative financial instruments is recognised under other payables/other receivables and set off against the foreign currency translation adjustments of the hedged assets and liabilities in the statement of comprehensive income.

The hedging of expected future cash flows is treated as a cash flow hedge, meaning that the fair value adjustment of hedging instruments used to hedge specific expected sales in the short term is calculated on the basis of the value of suchs sales. If the group has concluded foreign currency hedging accounting, such agreements are treated as trading portfolios, recognising fair value adjustments continuously in the income statement.

Open forward exchange contracts at the balance sheet date have a term to maturity of up to 12 months and can be specified as described in the table on the next page where agreements on the sales of currency are stated with a positive contractual value.

The group has performed a systematic review of contracts which may contain conditions making the contract or parts of it a derivative financial instrument. The review did not give rise to any recognition of derivative financial instruments.

Hedging of net investments in foreign subsidiaries

In addition to the commercial currency risk, Danish Crown has a number of investments in foreign subsidiaries and is exposed to exchange rate fluctuations in connection with the translation of these subsidiaries' equity to DKK. The group hedges some of this currency risk by raising loans in the relevant currency. This applies to net investments in EUR, GBP, SEK, USD and PLN.

The change in the foreign currency translation adjustment of these financial instruments (debt instruments) hedging the currency risk concerning investments in foreign currency is recognised in other comprehensive income. To the extent that the fair value adjustments do not exceed the value adjustment of the investment, adjustments of these financial instruments are made through other comprehensive income, otherwise the fair value adjustment is recognised in the income statement.

At the balance sheet DKK -56 million (30.09.2023: DKK 22 million) was recognised in other comprehensive income concerning fair value adjustment of instruments to hedge net investments and loans classified as additions to net investments.

There were no ineffective hedges in the present or previous financial years.

At the balance sheet date, the fair value of the cumulative market value adjustments of instruments hedging net investments amounted to DKK 55 million (30.09.2023: DKK 111 million).

Currency sensitivity analysis

The group's most important currency exposure with regard to sales concerns EUR, GBP, JPY, SEK and USD. Exchange rate fluctuations in respect of these currencies will not impact the group's financial results significantly as commercial currency positions are hedged in accordance with the group's risk policy, meaning that sales and net positions in the balance sheet are hedged.

The table below shows the effect it would have had on net profit and equity if the exchange rate of the most important currencies carrying a risk of significant exchange rate fluctuations had been 10 per cent lower than the exchange rate actually applied. If the exchange rate had been 10 per cent higher than the actual exchange rate, this would have had a corresponding positive effect on net profit and equity.

In the preparation of the sensitivity analysis, it is assumed that all hedges are assessed to be 100 per cent effective.

	Effect on net profit		Effect on equity	
DKKm	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Effect if EUR exchange rate was 10% lower than actual exchange rate	44	58	44	58
Effect if GBP exchange rate was 10% lower than actual exchange rate	-4	-4	-12	-26
Effect if JPY exchange rate was 10% lower than actual exchange rate	-1	0	-3	0
Effect if SEK exchange rate was 10% lower than actual exchange rate	-2	-1	-2	-1
Effect if USD exchange rate was 10% lower than actual exchange rate	-3	3	-5	1
Effect if other exchange rates were 10% lower than actual exchange rate	-1	-5	-1	-5

Financing

Note 23.1 Currency risk – continued

DKKm	Cash and cash equivalents	Receivables and expected sales	Trade payables and other payables	Commercial risk	Of which hedged by loans and overdrafts	Of which hedged by forward exchange contracts	Unhedged net position
EUR	14	2,292	-966	1,340	-1,886	-16	-562
GBP	4	712	-7	709	-515	-142	52
JPY	0	584	-1	583	13	-589	7
SEK	0	108	-6	102	153	-228	27
USD	0	2,409	-789	1,620	687	-2,272	35
Other currencies	25	351	-66	310	149	-452	7
30 September 2024	**43**	**6,456**	**-1,835**	**4,664**	**-1,399**	**-3,699**	**-434**
EUR	0	2,710	-1,202	1,508	-2,261	8	-745
GBP	2	999	-7	994	-475	-470	49
JPY	0	452	0	452	-96	-350	6
SEK	0	65	-8	57	260	-307	10
USD	0	2,365	-588	1,777	324	-2,137	-36
Other currencies	41	395	-88	348	195	-475	68
30 September 2023	**43**	**6,986**	**-1,893**	**5,136**	**-2,053**	**-3,731**	**-648**

	Hedging of future cash flows		Fair value hedging		Non-fulfilment of hedging criteria	
DKKm	Contractual value	Fair value adjustment, recognised in OCI	Contractual value	Fair value	Contractual value	Fair value
Forward exchange contracts EUR	0	0	0	0	16	0
Forward exchange contracts GBP	107	-4	35	4	0	0
Forward exchange contracts JPY	20	0	569	-9	0	0
Forward exchange contracts SEK	0	0	228	0	0	0
Forward exchange contracts USD	28	0	2,270	20	-26	-1
Forward exchange contracts, other	3	0	449	1	0	0
30 September 2024	**158**	**-4**	**3,551**	**16**	**-10**	**-1**
Forward exchange contracts EUR	0	0	-7	0	-1	0
Forward exchange contracts GBP	288	0	182	-1	0	0
Forward exchange contracts JPY	0	0	350	5	0	0
Forward exchange contracts SEK	0	0	307	-4	0	0
Forward exchange contracts USD	30	0	2,130	-25	-23	0
Forward exchange contracts, other	0	0	475	1	0	0
30 September 2023	**318**	**0**	**3,437**	**-24**	**-24**	**0**

Financing

Note 23.2 Interest rate risk

The Danish Crown Group has, to a wide extent, interest-bearing financial assets and liabilities and is as such exposed to interest rate risk.

We aim to ensure a reasonable balance between the group's exposure to floating and fixed interest rates. Significant changes to the mix of floating and fixed interest rates must be approved by the Board of Directors.

The group can show its financial assets and liabilities broken down by interest-reset or maturity dates, whichever occurs first, as interest-bearing assets and liabilities falling due after one year are considered to carry a fixed interest rate as shown in the table on the right-hand side of this page.

Sensitivity analysis

In the sensitivity analysis the interest rate risk is reflected by the annual change in financial cash flows, which would be caused by a 1 percentage point change in interest rates.

Interest rate fluctuations affect the group's bond portfolios, floating-rate bank deposits, mortgage debt and other payables.

An increase in interest rate levels of 1 percentage point per year relative to the interest rate level at the balance sheet date would have resulted in a decrease in the group's net profit and equity of DKK 79 million (2022/23: DKK 85 million).

A corresponding decrease in interest rate levels would have had an equivalent positive effect on the group's net profit and equity.

The following assumptions were applied when preparing the sensitivity analysis:

- Sensitivities are based on financial assets and liabilities recognised at 30 September 2024. Future instalments, raising of loans etc. during the course of the year have not been taken into consideration.
- All hedges of floating-rate loans are deemed to be 100 per cent effective.

Fair value of payables

The fair value of mortgage debt, debt to other credit institutions and bank debt has been calculated at the present value of future instalments and interest payments by using the current interest rate curve derived from current market rates (level 2).

The fair value of the interest rate swaps outstanding at the balance sheet date hedging interest rate risks on floating-rate loans amounts to DKK 0 million (30 September 2023: DKK 0 million) (level 2).

The group's bank deposits are placed in current accounts or fixed-term deposit accounts.

DKKm	Within 1 year	Between 1 and 5 years	After 5 years	Total	Fair value
Bonds	-2	0	0	-2	-2
Bank deposits	-269	0	0	-269	-268
Mortgage debt	2,820	0	0	2,820	2,828
Other debt, issued bonds	3,202	1,676	0	4,878	4,878
Other credit institutions	0	0	0	0	0
Bank debt	3,721	0	0	3,721	3,721
Lease debt	715	36	14	765	760
30 September 2024	**10,187**	**1,712**	**14**	**11,913**	**11,917**
Bonds	-33	0	0	-33	-33
Bank deposits	-155	0	0	-155	-155
Mortgage debt	2,099	56	160	2,315	2,374
Other debt, issued bonds	2,917	2,204	0	5,121	5,121
Other credit institutions	2,360	0	0	2,360	2,360
Bank debt	3,012	0	0	3,012	3,012
Lease debt	699	42	0	741	724
30 September 2023	**10,899**	**2,302**	**160**	**13,361**	**13,403**

Financing

Note 23.3 Liquidity risk

The group is exposed to unforeseen fluctuations in liquidity outflows.

The group's strategy is to have an overweight of long-term commitments to ensure financing stability. The group's strategy is also to have enough cash resources to be able to make the necessary arrangements in the events of unforeseen fluctuations in the outflow of cash. In connection with the raising of loans etc., it is group policy to ensure the greatest possible flexibility through a spreading of the loans in relation to maturity, renegotiation dates and counterparties, taking into account pricing etc.

The maturities of financial liabilities are specified by the time intervals applied in the group's cash management. The amounts specified in the table to the right are the amounts falling due for payment including interest, etc.

The table thus shows the amounts which the Danish Crown Group is contractually committed to pay within 1 year, between 1 and 5 years and after 5 years.

Non-performance of loan agreements.
The group has neither during the financial year nor during the year of comparison been in arrears with or defaulted on any of its loan agreements.

DKKm	30.09.2024	30.09.2023
Cash resources comprise:		
Cash	269	155
Unutilised credit facilities, comitted	3,853	4,289
Unutilised credit facilities, uncomitted	3,000	750
	7,122	**5,194**

DKKm	Within 1 year	Between 1 and 5 years	After 5 years	Total
Non-derivative financial liabilities				
Mortgage debt	153	612	3,902	4,667
Other debt, issued bonds	223	4,655	0	4,878
Other credit institutions	0	0	0	0
Bank debt	482	2,927	329	3,738
Lease debt	211	421	316	948
Trade payables	3,922	0	0	3,922
Other payables	2,729	0	0	2,729
	7,720	**8,615**	**4,547**	**20,882**
Derivative financial instruments				
Derivative financial instruments hedging the fair value of recognised assets and liabilities	16	0	0	16
Derivative financial instruments hedging future cash flows	-4	0	0	-4
30 September 2024	**7,732**	**8,615**	**4,547**	**20,894**
Non-derivative financial liabilities				
Mortgage debt	176	693	1,860	2,729
Other debt, issued bonds	496	5,614	0	6,110
Other credit institutions	2,187	314	0	2,501
Bank debt	1,543	1,579	0	3,122
Lease debt	198	378	338	914
Trade payables	4,040	0	0	4,040
Other payables	2,768	0	0	2,768
	11,408	**8,578**	**2,198**	**22,184**
Derivative financial instruments				
Derivative financial instruments hedging the fair value of recognised assets and liabilities	27	0	0	27
Derivative financial instruments hedging future cash flows	0	0	0	0
30 September 2023	**11,435**	**8,578**	**2,198**	**22,211**

Financing

Note 23.4 Credit risk

The primary credit risk of the group concerns trade receivables. See note 20 for additional information on credit risk relating to trade receivables.

Agreements on derivative financial instruments with a nominal value exceeding DKK 100 million are generally only concluded with reputable insurance or credit institutions with a credit rating of A or higher with Standard & Poor's.

Note 24 Categories of financial instruments

DKKm	30.09.2024	30.09.2023
Other securities and equity investments	12	44
Financial assets measured at fair value through profit and loss	**12**	**44**
Derivative financial instruments hedging the fair value of recognised assets and liabilities	21	3
Derivative financial instruments hedging future cash flows	0	0
Financial assets used as hedging instruments	**21**	**3**
Trade receivables	7,173	7,153
Receivables from and prepayments to cooperative owners	236	253
Receivables from associates	42	42
Other receivables	819	976
Cash	269	155
Loans and receivables	**8,539**	**8,579**
Other liabilities	-1	0
Financial liabilities measured at fair value through profit and loss	**-1**	**0**
Financial liabilities used as hedging instruments of net investments in foreign subsidiaries	4,558	4,057
Derivative financial instruments hedging the fair value of recognised assets and liabilities	5	27
Derivative financial instruments hedging future cash flows	4	0
Financial liabilities used as hedging instruments	**4,567**	**4,084**
Mortgage debt	2,820	2,315
Other debt, issued bonds	4,878	5,121
Other credit institutions	0	2,360
Bank debt	-837	-1,045
Lease debt	765	741
Trade payables	3,922	4,040
Payables to associates	14	36
Other payables	2,733	2,768
Financial liabilities measured at amortised cost	**14,295**	**16,336**

Financing

Note 25 Fair value of financial instruments

The fair value of financial liabilities and bank deposits, which are not measured at fair value, are disclosed in note 23.2.

The fair value of receivables, trade payables, payables to associates and other payables is assumed to equal the recognised values.

Fair value hierarchy for financial instruments measured at fair value in the balance sheet
The table to the right shows the classification of financial instruments measured at fair value, distributed according to the fair value hierarchy:
- Quoted prices in an active market for identical instruments (level 1).
- Quoted prices in an active market for similar assets or liabilities or other valuation methods according to which all significant inputs are based on observable market data (level 2).
- Valuation methods according to which any significant inputs are not based on observable market data (level 3).

Methodology and assumptions for the calculation of fair values
Listed bonds and shares
The portfolio of listed government bonds, mortgage bond and shares is measured at quoted prices and price quotes.

Unlisted shares
Unlisted shares are measured on the basis of market multiples for a group of comparable listed companies less an estimated factor for trading in an unlisted market. If this is not possible, unlisted shares are measured at cost.

Derivative financial instruments
Forward exchange contracts and interes rate swaps are measured on the basis of generally accepted valuation methods based on relevant observables swap curves and foreign exchange rates.

DKKm	30.09.2024	30.09.2023
The group has a few financial instruments measured at fair value in the balance sheet on the basis of valuation methods according to which any important inputs are not based on observable market data (level 3).		
Developments in these financial instruments may be illustrated as follows:		
Carrying amount at 1 October	5	5
Purchase	5	0
Sale	0	0
Carrying amount at 30 September	**10**	**5**
Gain/loss included in net profit for the year for assets held at 30 September	**0**	**0**

DKKm	Level 1	Level 2	Level 3	Total
30 September 2024				
Derivatives included in the trading	0	0	0	0
Listed bonds	0	0	0	0
Unlisted shares	0	0	10	10
Financial assets measured at fair value through profit and loss	**0**	**0**	**10**	**10**
Financial assets used as hedging instruments	**0**	**21**	**0**	**21**
Other liabilities	0	-1	0	-1
Financial liabilities measured at fair value through profit and loss	**0**	**-1**	**0**	**-1**
Financial liabilities used as hedging instruments	**0**	**9**	**0**	**9**

DKKm	Level 1	Level 2	Level 3	Total
30 September 2023				
Derivatives included in the trading portfolio	0	0	0	0
Listed bonds	0	0	0	0
Unlisted shares	0	0	5	5
Financial assets measured at fair value through profit and loss	**0**	**0**	**5**	**5**
Financial assets used as hedging instruments	**0**	**3**	**0**	**3**
Other liabilities	0	0	0	0
Financial liabilities measured at fair value through profit and loss	**0**	**0**	**0**	**0**
Financial liabitlies used as hedging instruments	**0**	**27**	**0**	**27**

No material transfers were made between level 1 and level 2 in the financial year.

Other notes

Note 26 Contingent liabilities

DKKm	30.09.2024	30.09.2023
Other guarantees	11	17

The group is involved in a few lawsuits and disputes. Management is of the opinion that the outcome of these will not have any significant impact on the group's financial position.

Note 27 Security

DKKm	30.09.2024	30.09.2023
The following assets have been provided as security for mortgage debt and other long-term debt:		
Nominal mortage secured on land, buildings and production facilities etc.	2,834	3,705
Carrying amount of the above-mentioned assets	2,809	3,201

Note 28 Related parties

Leverandørselskabet Danish Crown AmbA has no related parties exercising control.

The company's related parties exercising significant influence comprise members of the Board of Directors and the Executive Management as well as members of their families.

Related parties also include enterprises in which such persons have significant interests.

Furthermore, related parties include associates, see the group structure, in which the company exercises significant influence.

Related party transactions
During the financial year, the group has engaged in the following party transactions:

DKKm	Associates and joint ventures	Board of Directors of the parent	Executive Management of the parent	Total
2023/24				
Sale of goods	483	27	0	510
Purchase of goods	9	473	0	482
Sales of services	3	0	0	3
Purchase of services	264	0	0	264
Salaries and other remuneration	0	9	56	65
Trade receivables	42	10	0	52
Trade payables	0	5	0	5
Dividend received/supplementary payments	0	33	0	33
Cooperative owner's accounts and owner's accounts	0	42	0	42
2022/23				
Sales of goods	527	8	0	535
Purchase of goods	19	471	0	490
Sale of services	3	0	0	3
Purchase of services	300	0	0	300
Salaries and other remuneration	0	9	22	31
Trade receivables	41	7	0	48
Trade payables	27	11	0	38
Dividend received/supplementary payments	69	37	0	106
Cooperative owner's accounts and owner's accounts	0	37	0	37

No security or guarantees for balances had been provided at the balance sheet date. Both receivables and trade payables will be settled in cash. No bad debts in respect of related parties were realised, and no provision for bad debts was made.

Other notes

Note 29 Rights and liabilities of the cooperative owners

The rights of the cooperative owners of Leverandørselskabet Danish Crown AmbA are set out in the company's Articles of Association. The individual cooperative owners elect representatives to the company's supreme governing body, the Board of Representatives. Members are elected to the company's Board of Directors from among the members of the Board of Representatives.

With due consideration to the company's Articles of Association the Board of Representatives decides on the Board of Directors' recommendation for the annual supplementary payments out of the net profit for the year. Until 2017, in accordance with the Articles of Association, the individual cooperative owners accumulated balances in cooperative owner's accounts which are held as the company's contributed capital. The accumulation of cooperative owner's accounts was terminated with effect from 2018. Disbursement from cooperative owners' accounts commenced in 2021/22. In addition, any distribution of profit for the year to owner's accounts by the Board of Representatives is accumulated as equity.

Disbursements from cooperative owner's accounts and owner's accounts are made in accordance with the relevant provisions of the Articles of Association and are adopted annually by the Board of Representatives in connection with approval of the annual report and adoption of appropriation. According to the Articles of Association, disbursements from cooperative owner's accounts and owner's accounts can only be made if deemed proper with regard to the company's creditors.

The cooperative owners are personally, jointly and severally liable for the liabilities of the parent. The liability of each cooperative owner is calculated on the basis of deliveries made by such owner and cannot exceed DKK 25,000.

No. of cooperative owners	30.09.2024	30.09.2023
No. of cooperative owners at 1 October	5,737	5,404
Net movement	-465	333
Total of cooperative owners at 30 September	**5,272**	**5,737**

DKKm	30.09.2024	30.09.2023
Total liability	132	143
Proposed supplementary payments for the cooperative owners (including disbursements according to the Articles of Association)	1,156	1,213

Note 30 Specifications to the cash flow statement

DKKm	2023/24	2022/23
Change in net working capital:		
Inventories	751	-54
Biological assets	6	1
Trade recievable	-10	563
Receivables from associates	0	-21
Other recievables	218	85
Prepayments	5	-16
Trade payables	-246	-420
Payables to associates	-22	-49
Other payables	-131	419
Deferred income	3	-19
	574	**489**
Cash and cash equivalents		
Cash and bank deposits, see balance sheet	269	155
	269	**155**

DKKm	2023/24	2022/23
Liabilities in respect of financing activities		
Balance at 1 October	13,296	12,958
Loans raised	3,659	3,027
Repayment and servicing of loans	-5,058	-2,739
Lease debt raised	237	188
Repayment of lease debt	-215	-177
Debt assumed in connection with the acquisition of businesses	0	14
Foreign currency translation adjustments	29	25
Balance at 30 September	**11,948**	**13,296**

Other notes

Note 31 Accounting policies

The 2023/24 consolidated financial statements of Leverandørselskabet Danish Crown AmbA are presented in accordance with IFRS Accounting Standards as adopted by the EU and additional Danish disclosure requirements for financial statements of class C enterprises (large), see the Danish Executive Order on IFRS issued in accordance with the Danish Financial Statements Act. Leverandørselskabet Danish Crown AmbA is a cooperative domiciled in Denmark.

The consolidated financial statements are presented in Danish kroner (DKK) rounded to the nearest DKK million, which is the presentation currency for the group's activities.

The consolidated financial statements are prepared on a historical cost basis, except for derivative financial instruments and financial assets which are recognised at fair value through profit and loss, biological assets which are also measured at fair value as well as net assets concerning discontinued assets which are measured at expected sales prices (net).

The accounting policies are unchanged from last year.

Effects of new or amended IFRS Accounting Standards

The group has implemented all new standards and interpretations in force in the EU from 1 October 2023. IASB has regularly issued a number of amendments to existing standards and new interpretations. It is Management's assessment that these changes will not have any significant impact on the consolidated financial statements.

Consolidated financial statements

The consolidated financial statements comprise Leverandørselskabet Danish Crown AmbA (the parent) and the enterprises (subsidiaries) in which the parent is deemed to exercise control. The parent is considered to exercise control in an enterprise in which it has invested if the parent is exposed or entitled to variable returns and is able to affect such returns based on its investment in the enterprise.

Enterprises in which the group, directly or indirectly, holds between 20 per cent and 50 per cent of the voting rights and exercises a significant influence, but not control, are regarded as associates. Enterprises in which the group directly or indirectly has joint control are regarded as joint ventures.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Leverandorselskabet Danish Crown AmbA and its subsidiaries. The consolidated financial statements are prepared by combining items of a uniform nature. All financial statements used for consolidation purposes are presented in accordance with the accounting policies of the group.

On consolidation, intra-group income and expenses, accounts and dividends as well as gains and losses on transactions between the consolidated enterprises are eliminated.

The tax effect of these eliminations is taken into account.

The items in the financial statements of the subsidiaries are recognised in full in the consolidated financial statements.

Non-controlling interests

On initial recognition, non-controlling interests are either measured at fair value or at their proportionate share of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired business. The choice of method is made for each individual transaction. The non-controlling interests are subsequently adjusted for their proportionate share of changes in the subsidiary's equity. The comprehensive income is allocated to the non-controlling interests, even if this may cause the non-controlling interest to become negative.

Acquisition of non-controlling interests in a subsidiary and sale of non-controlling interests in a subsidiary which do not entail obtaining or losing control are treated in the consolidated financial statements as an equity transaction, and the difference between the consideration and the carrying amount is allocated to the parent's share of equity.

Any liabilities relating to put options allocated to non-controlling shareholders in subsidiaries are recognised as liabilities at the present value of the amount falling due upon exercise of the option if the group has an obligation to transfer cash and cash equivalents or other assets. The liability is deducted from equity owned by non-controlling interests, and shares of profit or loss are subsequently not transferred to non-controlling interests. On subsequent balance sheet dates, the financial liability is measured again, and any value adjustments are recognised in net financials in the income statement.

Business combinations

Newly acquired or newly established businesses are recognised in the consolidated financial statements from the date of acquisition or establishment of such businesses, respectively. The date of acquisition is the date when control of the business actually passes to the group. Businesses divested or wound up are recognised in the consolidated financial statements until the date of divestment or winding up of such business, respectively. The date of divestment is the date when control of the business actually passes to a third party.

On acquisition of new businesses where the group comes to exercise control over the acquired business, the acquisition method is used, according to which the identifiable assets, liabilities and contingent liabilities of the newly acquired businesses are measured at fair value on the date of acquisition. Non-current assets which are acquired with the intention to sell them are, however, measured at fair value less expected costs to sell. Restructuring costs are only recognised in the acquisition balance sheet if they constitute a liability for the acquired business. Allowance is made for the tax effect of revaluations. The purchase price of a business consists of the fair value of the consideration paid for the acquired business. If the final determination of the price is contingent on one or more future events, such events are recognised at their fair values at the date of acquisition. Costs which are directly attributable to the acquisition of the business are recognised directly in the income statement when incurred.

The excess of the consideration paid for the acquired business, the value of non-controlling interests in the acquired business and the fair value of previously acquired investments over the fair value of the acquired assets, liabilities and contingent liabilities (goodwill) is recognised as an asset under intangible assets and tested for impairment at least once a year. If the carrying amount of the asset exceeds its recoverable amount, the asset is written down to the lower recoverable amount.

If, on the date of acquisition, there is uncertainty as to the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the purchase consideration, initial recognition is based on provisionally determined amounts. The provisionally determined amounts can be adjusted or additional assets or liabilities can be recognised until 12 months after the acquisition to reflect new information obtained about facts and circumstances that existed at the date of acquisition and, if known, would have affected the calculation of the amounts at the date of acquisition. Changes in estimates of contingent consideration are, as a general rule, recognised directly in the income statement.

In connection with the transition to IFRS, business combinations completed before 30 September 2002 were not restated to the abovementioned accounting policy. The carrying amount at 30 September 2002 of goodwill relating to business combinations completed before 30 September 2002 is regarded as the cost of the goodwill.

Gains or losses on the divestment or winding up of subsidiaries and associates

Gains or losses on the divestment or winding up of subsidiaries and associates which entail a loss of control or significant influence, respectively, are calculated as the difference between the fair value of the sales proceeds or the winding-up amount and the fair value of any remaining equity investments on the one hand, and the carrying amount of the net assets at the date of divestment or winding up, including goodwill, less non-controlling interests (if any) on the other. The gain or loss thus calculated is recognised in the income statement together with the accumulated foreign currency translation adjustments that are recognised in other comprehensive income.

In connection with the divestment of ownership interests in associates and jointly controlled enterprises which are fully or partly paid for by ownership interests in the acquiring company, meaning that significant influence still exists after the transaction, a specific assessment is made of the transaction. If the transaction has commercial substance, i.e. if the divestment significantly affects the future cash flows from the ownership interests in terms of risks, timing and size, the gain or loss is recognised without proportionate elimination.

Foreign currency translation

On initial recognition, transactions in currencies other than the functional currency of the individual enterprise are translated at the exchange rates applicable at the transaction date. Receivables, payables and other monetary items in foreign currencies which have not been settled at the balance sheet date are translated at the exchange rates applicable at the balance sheet date.

Other notes

Note 31 Accounting policies – Continued

Exchange rate differences arising between the transaction date and the payment date and the balance sheet date, respectively, are recognised in the income statement as net financials.

Property, plant and equipment and intangible assets, inventories and other non-monetary assets acquired in foreign currencies and measured on the basis of historical cost are translated at the exchange rates applicable at the transaction date. Non-monetary items which are revalued to fair value are recognised at the exchange rates applicable at the date of revaluation.

On recognition in the consolidated financial statements of enterprises reporting in a functional currency other than Danish kroner (DKK), the income statements are translated at average exchange rates unless these deviate significantly from the actual exchange rates applicable at the transaction dates. In the latter case, the actual exchange rates are used. Balance sheet items are translated at the exchange rates applicable at the balance sheet date. Goodwill is regarded as belonging to the business acquired and is translated at the exchange rate applicable at the balance sheet date.

Exchange rate differences arising on translation of the balance sheet items of foreign enterprises at the beginning of the year at the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates using the exchange rates applicable at the balance sheet date are recognised in other comprehensive income. Similarly, exchange rate differences arising as a result of changes made directly in the equity of the foreign enterprise are also recognised in other comprehensive income.

Foreign currency translation adjustments of receivables from or payables to subsidiaries which are considered part of the parent's total investment in the subsidiary in question are recognised in other comprehensive income in the consolidated financial statements.

Derivative financial instruments

On initial recognition, derivative financial instruments are measured at fair value at the settlement date.

After initial recognition, the derivative financial instruments are measured at fair value at the balance sheet date. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments classified as and qualifying for recognition as hedges of the fair value of a recognised asset, a recognised liability or a firm commitment are recognised in the income statement together with changes in the value of the hedged item. Changes in the fair value of derivative financial instruments classified as and qualifying for recognition as effective hedges of future transactions are recognised in other comprehensive income. The ineffective part is recognised immediately in the income statement. When the hedged transactions are realised, the cumulative changes are recognised as part of the cost of the transactions in question. Derivative financial instruments which do not qualify for hedge accounting are regarded as trading portfolios and measured at fair value with ongoing recognition of fair value adjustments under net financials in the income statement.

Tax

Tax for the year, which comprises current tax for the year and changes in deferred tax, is recognised in the income statement with the portion attributable to the net profit for the year and directly in equity or other comprehensive income with the portion attributable to transactions directly in equity and other comprehensive income, respectively.

Current tax liabilities and current tax receivable are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax paid on account.

The tax rates and rules applicable at the balance sheet date are used to calculate the current tax for the year.

Deferred tax is recognised according to the balance sheet liability method on all temporary differences between the carrying amounts and tax bases of assets and liabilities, except for deferred tax on temporary differences arisen either on initial recognition of goodwill or on initial recognition of a transaction which is not a business combination, and where the temporary difference ascertained at the time of initial recognition neither affects the carrying amount nor the taxable income.

Deferred tax is recognised on temporary differences related to equity investments in subsidiaries and associates, unless the parent company is able to control when the deferred tax is realised, and it is likely that the deferred tax will not crystallise as current tax within a foreseeable future.

The deferred tax is calculated on the basis of the planned use of the individual asset and settlement of the individual liability, respectively.

Deferred tax assets, including the tax value of tax losses carried forward, are recognised in the balance sheet at the value at which the asset is expected to be realised, either as a set-off against deferred tax liabilities or as net tax assets for set-off against future positive taxable incomes. At each balance sheet date, it is estimated whether it is likely that sufficient future taxable income will be generated to utilise the deferred tax asset.

In connection with international trade between the group's subsidiaries, disputes may arise with local tax authorities with respect to compliance with transfer pricing rules. The group management assesses the possible outcome of such disputes, and the most likely outcome is used to calculate the resulting tax liability. Management believes that the provision for uncertain tax positions is sufficient to cover liabilities relating to non-settled disputes with local tax authorities.

The actual liabilities following the resolution of disputes may differ from the amounts provided for, however, depending on the outcome of legal disputes and settlements reached with the tax authorities in question.

Non-current assets held for sale

Non-current assets and groups of assets held for sale are presented separately as current assets in the balance sheet. Liabilities directly related to the assets in question are presented as current liabilities in the balance sheet. Non-current assets held for sale are not depreciated but written down to the lower of fair value less expected selling costs and carrying amount.

Income statement and statement of comprehensive income

Revenue

The group's revenue comprises the sale of meat and meat-related products, primarily within four business areas: Danish Crown, Sokołow, KLS and DAT-Schaub.

The revenue rests on a single performance obligation – delivery of the goods to the customer. Consequently, the entire transaction price rests on this one performance obligation.

Revenue from the sale of goods for resale and finished goods is thus recognised in the income statement when control of the product passes to the customer. The main part of revenue is recognised when the goods are handed over to the carrier. Due to the nature of the products, the volume of returned goods is insignificant. The revenue recognised is measured at the fair value of the agreed consideration plus export refunds and less VAT, duties and discounts.

Production costs

Production costs comprise costs incurred to generate revenue. Production costs comprise the cost of sales of enterprises engaged in trading, and manufacturing enterprises recognise costs of raw materials, including purchases from cooperative owners, consumables, production staff and maintenance as well as depreciation, amortisation and impairment of property plant and equipment, intangible assets and lease assets recognised under IFRS 16 which are used in the production process. Variable lease payments, low-value lease assets and short-term leases concerning lease assets used in production are also recognised in production costs at the time of payment or on a straight-line basis over the term of the contract. The purchase of slaughter animals from cooperative owners is recognised at the current pig and cattle prices for the year and, consequently, does not include any share of supplementary payments, which is treated as dividend.

Distribution costs

Distribution costs comprise costs incurred for the distribution of goods sold and for sales campaigns, including costs for sales and distribution staff, advertising costs as well as depreciation, amortisation of and impairment of property, plant and equipment, intangible assets and lease assets recognised under IFRS 16 which are used in the distribution process. Variable lease payments, low-value lease assets and short-term leases concerning lease assets used for distribution purposes are also recognised in distribution costs at the time of the payment or on a straight-line basis over the term of the contract.

Other notes

Note 31 Accounting policies – Continued

Administration costs
Administration costs comprise costs incurred for the management and administration of the group, including costs for administrative staff and management as well as office expenses and depreciation, amortisation and impairment of property, plant and equipment, intangible assets and lease assets recognised under IFRS 16 which are used in the administration of the group. Variable lease payments, low-value lease assets and short-term leases concerning lease assets used for administrative purposes are also recognised in administration costs at the time of payment or on a straight-line basis over the term of the contract.

Other operating income and costs
Other operating income and costs comprise income and costs of a secondary nature in relation to the group's primary activities.

Government grants
Government grants are recognised when there is reasonable certainty that the conditions for receiving a grant have been met, and the grant will be received. Government grants received to cover costs incurred are recognised proportionately in the income statement over the periods in which the related costs are recognised in the income statement. The grants are offset against the costs incurred.

Government grants related to an asset are deducted in calculating the carrying amount of the asset and are recognised in the income statement as a reduced depreciation expense over the economic life of the asset when the asset is brought into use. If government grants are received relating to an asset which has been written off, the amount will be recognised in the income statement at the time of receipt.

Special items
Special items include significant income and costs of a special nature in relation to the group's activities, such as basic structural adjustments as well as any related gains and losses on disposals. Special items also include other significant non-recurring amounts, for example accounting profit in connection with the assumption of control of a group company.

Net financials
Net financials comprise interest income and costs, the interest element of lease payments, realised and unrealised capital gains and losses on securities, liabilities and transactions in foreign currencies, amortisation premiums/deductions concerning mortgage debt etc. as well as surcharges and allowances under the Danish Tax Prepayment Scheme ("acontoskatteordningen").

Interest income and interest costs are accrued on the basis of the principal amount and the effective rate of interest. The effective rate of interest is the discount rate used to discount the expected future payments related to the financial asset or the financial liability in order for the present value of these to correspond to the carrying amount of the asset and the liability, respectively.

Dividend from equity investments is recognised when a definitive right to the dividend has been obtained. This typically takes place when the general meeting approves the distribution of dividend from the company concerned.

Balance sheet

Goodwill
On initial recognition, goodwill is recognised and measured as the excess of the cost of the business acquired, the value of non-controlling interests in the business acquired and the fair value of previously acquired equity investments over the fair value of the assets, liabilities and contingent liabilities acquired, as described in the consolidated financial statements section.

On recognition of goodwill, the goodwill amount is distributed among those of the group's activities that generate incoming cash flows (cash-generating units). The determination of cash-generating units follows the management structure and intra-group financial management and reporting in the group. Goodwill is not amortised but is tested for impairment at least once a year as described in the section about write-down.

Other intangible assets
Intellectual property rights acquired in the form of trademarks and licences are measured at cost less accumulated amortisation and impairment. Trademarks are amortised on a straight-line basis over the useful lives, and licences are amortised over the term of agreement. If the actual useful life is shorter than the term of agreement, the asset is amortised over the shorter useful life.

Amortisation is calculated on a straight-line basis based on the following assessment of the expected useful lives of the assets:

Software:	3-5 years
Acquired trademarks:	10-20 years

Intellectual property rights acquired are written down to the lower recoverable amount, if relevant, as described in the section on impairment below.

Property, plant and equipment
Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment. Land is not depreciated. Cost comprises the acquisition price, costs directly related to the acquisition and the costs of preparing the asset up until such time as the asset is ready for use. For assets constructed in-house, cost comprises costs directly attributable to the construction of the asset, including materials, components, sub-suppliers and wages and salaries.

Interest costs on loans for financing the construction of property, plant and equipment are included in cost if they relate to the construction period. Other borrowing costs are recognised in the income statement.

If the acquisition or use of the asset requires the group to incur costs for the demolition or reestablishment of the asset, the estimated costs of such measures are recognised as a provision and a part of the cost of the asset concerned, respectively.

The basis of depreciation is the cost of the asset less the residual value. The residual value is the amount expected to be obtained if the asset was sold today less selling costs if the asset already had the age and was in the condition that the asset is expected to be in at the end of its useful life. Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Depreciation is calculated on a straight-line basis based on the following assessment of the expected useful lives of the assets:

Land:	is not depreciated
Buildings:	20-40 years
Special installations:	10-20 years
Plant and machinery:	5-10 years
Other fixtures and fittings, tools and equipment:	3-5 years

Depreciation methods, useful lives and residual values are subject to an annual reassessment.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount as described in the section on impairment below.

Lease assets
The group leases various assets, including buildings and warehouses, retail premises, lorries, trucks and cars, etc. No leases have been made for investment purposes.

Lease assets are recognised at the commencement of the lease, which is the date on which the asset is brought into use.

The lease asset is recognised at cost corresponding to the present value of the calculated lease liability adjusted for direct costs at inception of the lease and expected reestablishment costs on expiry and lease payments made before the asset was brought into use. Lease assets are depreciated on a straight-line basis over the shorter of the term of the lease and the expected useful life of the asset and are subsequently measured at cost less accumulated depreciation and impairment. Leases have different terms to maturity, conditions, covenants and options. The maturity is determined with due consideration to all factors that would be either to the favour or disfavour of exercising an extension or termination option. Extension or termination options are only included in the term to maturity when it is deemed highly probable that these options are expected to be exercised.

The expected useful lives of lease assets are as follows:

Buildings:	20-40 years
Plant and machinery:	5-10 years
Other fixtures and fittings, tools and equipment:	3-5 years

Other notes

Note 31 Accounting policies – Continued

Impairment of property, plant and equipment and intangible assets
The carrying amounts of property, plant and equipment and intangible assets with definite useful lives are reviewed at the balance sheet date to determine if there are any indications of impairment. If this is the case, the recoverable amount of the asset is calculated to determine whether the asset should be written down and, if so, the amount of the impairment loss.

The recoverable amount of goodwill is calculated annually, whether there are any indications of impairment or not.

If the asset does not generate cash flows independently of other assets, the recoverable amount is calculated for the smallest cash-generating unit in which the asset is included.

The recoverable amount of the asset or cash-generating unit is calculated as the higher of its fair value less selling costs and its value in use. When determining value in use, estimated future cash flows are discounted to present value applying a discount rate which reflects the current market assessments of the time value of money and the risks specific to the asset or cash-generating unit for which the future cash flow estimates have not been adjusted.

If the recoverable amount of the asset or cash-generating unit is lower than the carrying amount, the carrying amount is written down to the recoverable amount. For cash-generating units, any goodwill amounts are written down first, and any remaining impairment loss is allocated to the other assets in the unit, provided that no individual asset is written down to a value lower than its fair value less expected selling costs.

Impairment losses are recognised in profit or loss. In any subsequent reversal of impairment losses resulting from changes in the assumptions used to determine the asset's recoverable amount, the carrying amount of the asset or cash-generating unit is increased to the revalued recoverable amount, but not exceeding the carrying amount which the asset or cash-generating unit would have had, had no impairment loss been recognised. Impairment of goodwill is not reversed.

Equity investments in associates and joint ventures
Equity investments in associates and joint ventures are recognised and measured according to the equity method. This means that equity investments are measured at the proportionate share of the enterprises' equity value, calculated according to the group's accounting policies less or plus proportionate intra-group gains and losses and plus the carrying amount of goodwill.

The proportionate share of the enterprises' net financial results and elimination of unrealised proportionate intra-group gains and losses and less any impairment of goodwill is recognised in the income statement. The proportionate share of all transactions and events recognised in other comprehensive income in the associate is recognised in the other comprehensive income of the group.

Equity investments in associates and joint ventures with negative carrying amounts are measured at DKK 0. Receivables and other non-current financial assets which are regarded as part of the overall investment in the associate are written down by any remaining negative equity value. Trade receivables and other receivables are written down only if they are deemed to be irrecoverable.

A provision is recognised to cover the remaining negative equity value only if the group has a legal or constructive obligation to cover the liabilities of the enterprise in question.

The purchase method is used for the acquisition of equity investments in associates and joint ventures, as described in the above section on mergers of companies.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus cost of transporting the goods to the place of business. The cost of manufactured goods and semi-manufactured goods comprises costs of raw materials, consumables and direct labour costs as well as fixed and variable production overheads.

Variable production overheads comprise indirect materials and labour and are distributed on the basis of estimates of the goods actually produced.

Fixed production overheads comprise costs relating to maintenance and depreciation of the machinery, factory buildings and equipment used in the production process as well as general costs for factory administration and management. Fixed production costs are distributed on the basis of the normal capacity of the technical plant.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute the sale.

Biological assets
Biological assets, which for Danish Crown means live animals, are measured at fair value if there is an active market, less expected selling costs or cost. Animals producing slaughter animals (sows, boars etc.) are measured at cost less costs relating to the impairment that arises due to the aging of the animals. As animals producing animals for slaughter are not traded, they have no market price.

Receivables
Receivables comprise trade receivables and other receivables.

On initial recognition, receivables are measured at fair value and subsequently at amortised cost, which usually corresponds to nominal value less write-downs for bad debts. Write-downs for bad debts are determined on the basis of the simplified expected credit loss model, according to which the expected credit loss over the lifetime of the asset is recognised immediately in the income statement based on a historical loss rate. To this is added any additional write-downs based on knowledge of the underlying customer relations and general market conditions.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other securities and equity investments
Other securities and equity investments recognised under current assets mainly comprise listed bonds and equity investments, which are measured at fair value (market price) at the balance sheet date. Changes in fair value are recognised in the income statement under net financials.

Equity
Equity accounts regulated by the Articles of Association can be divided into two main categories: cooperative owner's accounts and owner's accounts. The characteristics of each equity category are explained below. Other equity accounts include accounts prescribed by IFRS Accounting Standards.

Cooperative owners' accounts
Cooperative owner's accounts are accounts for each cooperative owner where a share of the supplementary payment was held back.

Owners' accounts
Owner's account has been set up for each member, to which such amounts as the Board of Representatives decides are transferred. Payouts from these accounts can only be made based on a recommendation from the Board of Directors to the Board of Representatives for approval.

Reserve for foreign currency translation adjustment
The reserve for foreign currency translation adjustment comprises of the translation differences arising during the recognition of the group's investments in foreign companies.

Reserve for value adjustment of hedging instruments
The reserve for value adjustment of hedging instruments comprises of the fair value adjustment of financial assets and liabilities where the hedged transaction has not yet been realised.

Retained earnings
Retained earnings consist of the annual profit appropriation. Furthermore, retained earnings consist of items such as remeasurement of defined benefit plans and disposals and acquisitions of non-controlling interests in subsidiaries.

Equity attributable to non-controlling interest
Non-controlling interest comprises of the share of the consolidated equity not owned by the group.

Supplementary payment
Supplementary payments disbursed comprises of the proposed pay out to the owners upon approval at the meeting of the Board of Representatives.

Supplementary payments are recognised as a liability at the time of adoption at the meeting of the Board of Representatives.

Other notes

Note 31 Accounting policies – Continued

Pension obligations etc.
Under the defined contribution plans, the company makes regular, defined contributions to independent pension companies and the like. The contributions are recognised in the income statement in the period in which the employees have performed the work entitling them to the pension contribution. Payments due are recognised in the balance sheet as a liability.

Under the defined benefit plans, the group is required to pay a defined benefit in connection with the comprised employees retiring, for example a fixed amount or a percentage of their final pay.

Under defined benefit plans, the net present value of vested future benefits to which the employees are entitled through past service to the group, and which will become payable under the plan, is determined annually using an actuarial valuation method. The projected unit credit method is used to determine the net present value. Net present value is calculated on the basis of market assumptions of the future development in pay levels, interest rates, inflation, mortality and disability, among other things.

The net present value of pension obligations less the fair value of any plan assets is recognised in the balance sheet under pension assets and pension obligations, respectively, depending on whether the net amount constitutes an asset or a liability, see below.

In the event of changes in the assumptions concerning the discount rate, inflation, mortality and disability or differences between the expected and realised return on plan assets, actuarial gains or losses will occur. Such gains and losses are recognised in other comprehensive income. If the pension plan constitutes a net asset, the asset is recognised only if it equals the present value of any repayments from the plan or reductions in future contributions to the plan.

In the event of changes in the benefits that concern the employees' services in prior periods, a change will occur in the actuarially calculated net present value, which is regarded as past service cost. If the comprised employees are already entitled to the changed benefit, the change is recognised immediately in the income statement. If not, the change is recognised in the income statement over the period in which the changed benefits vest.

Other provisions
Other provisions are recognised when the group has a legal or constructive obligation resulting from events in the financial year or previous years, and it is likely that settling the obligation will result in an outflow of the group's financial resources.

Provisions are measured as the best estimate of the costs required to settle the obligations at the balance sheet date. Provisions that are expected to be used more than a year after the balance sheet date are measured at present value.

For goods sold that are subject to a right of return, provisions are made to cover the profit on those goods which are expected to be returned and any costs relating to the returns. For planned restructurings of the group's activities, provisions are made only for liabilities concerning restructurings which had been decided at the balance sheet date.

Mortgage and bond debt
Mortgage and bond debt is measured at fair value at the time of borrowing less any transaction costs. Mortgage and bond debt is subsequently measured at amortised cost. This means that the difference between the proceeds from the borrowing and the amount which must be repaid is recognised in the income statement over the term of the loan as a financial expense using the effective interest method.

Lease debt
Lease debt are recognised at the commencement of the lease, which is the date on which the asset is brought into use.

On initial recognition of the lease debt, future cash flows are discounted using an interest rate reflecting the lease asset's category, currency in the contract and the risk assessment of the cash-generating unit which has leased the asset. Future cash flows include both fixed payments and indexed payments. If it is deemed highly probable that options on extension, termination or buyout will be exercised, such options are taken into account. Variable lease payments are recognised in profit or loss in the period to which they relate and are not included in the lease debt.

Leases have different terms to maturity, conditions, covenants and options. The maturity is determined with due consideration to all factors that would be either to the favour or disfavour of exercising an extension or termination option. Extension or termination options are only included in the term to maturity when it is deemed highly probable that these options are expected to be exercised. For all types of leases which are composite contracts with e.g., an associated service or maintenance contract, this contract will be accounted for separately and will not form a part of the lease debt.

On subsequent recognition, lease debt are measured at amortised cost. Residual value guarantees or reestablishment/dismantling obligations are recognised as provisions.

All lease debt are considered on an ongoing basis with a view to determining whether reassessments should be made due to changes in underlying assumptions.

Other financial liabilities
Other financial liabilities comprise subordinated loans, bank debt, trade payables and other payables to public authorities etc.

On initial recognition, other financial liabilities are measured at fair value less any transaction costs.

The liabilities are subsequently measured at amortised cost using the effective interest method so that the difference between the proceeds and the nominal value is recognised as a financial expense in the income statement over the loan period.

Deferred income
Deferred income is income received for subsequent financial years. Deferred income is measured at cost.

Cash flow statement
The cash flow statement shows cash flows concerning operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

The effect on cash flow of acquisition and divestment of businesses is recognised separately under cash flows from investing activities. In the cash flow statement, cash flows relating to acquired businesses are recognised as from the date of acquisition, and cash flows relating to divested businesses are recognised until the date of divestment.

Cash flows from operating activities are presented according to the indirect method and are calculated as the operating profit or loss adjusted for non-cash operating items, changes in working capital as well as financial income, financial costs and income taxes paid.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of businesses and financial assets as well as the purchase, development, improvement and sale etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes to the parent's capital and costs relating thereto as well as the raising and repayment of loans, repayment of interest-bearing debt and disbursement of supplementary payments. Cash flows from assets held under leases in the form of lease payments made are also recognised.

Cash and cash equivalents comprise cash and short term securities with an insignificant price risk less any overdrafts that form an integral part of the cash management.

Segment information
The group is not listed on the stock exchange, and no segment information is disclosed according to IFRS Accounting Standards.

In note 2, information is provided on revenue in Denmark and internationally and by business areas, markets and sales channels. However, this does not represent segment information in accordance with IFRS 8.

Other notes

Note 31 Accounting policies – Continued

Definition of ratios

Ratio		Definition
EBIT margin	=	Operating profit before special items (EBIT) * 100 / Revenue
ROAIC	=	Operating profit before special items (EBIT) * 100 / Average invested capital
Solvency ratio	=	Equity * 100 / Total assets
Financial gearing	=	Net interest-bearing debt / Profit/loss before depreciation, amortisation, impairment losses, interest, tax and special items (EBITDA)
Interest cover	=	EBITDA ÷ result related to non-controlling interests / Interest costs ÷ interest income
Net working capital days	=	Average of monthly net working capital days per month during the financial year calculated as: Net working capital at month-end / (Trailing 3 months' revenue/number of days in period)

Parent financial statements

Income statement

1 October – 30 September

		Parent	
DKKm	Note	2023/24	2022/23
Revenue	1	14,427	16,070
Production costs		-13,581	-15,188
Gross profit		**846**	**882**
Administration costs	2	-81	-63
Other operating income		0	0
Operating profit (EBIT)		**765**	**819**
Income from investments in subsidiaries	5	-101	237
Income from investments in participating interests	5	0	0
Financial income	3	314	322
Financial costs		-63	-40
Profit before tax		**915**	**1,338**
Tax on profit for the year	4	-15	-15
Profit for the year		**900**	**1,323**

Proposed distribution of profit

	2023/24
Profit for the year	900
Transfer from retained earnings	330
Total amount available for distribution	**1,230**
To be distributed as follows:	
Transferred to proposed supplementary payments for the year	
Pig and piglet suppliers 946,192,298 kg of DKK 0.70	663
Sow suppliers 41,753,929 kg of DKK 0.80	33
Cattle suppliers 68,893,905 kg of DKK 1.35	93
Supplementary payments from the year's operations	**789**
Disbursement according to article 22.2 d of the Articles of Association	
Pig and piglet suppliers	33
Sow suppliers	1
Cattle suppliers	3
Total disbursement according to article 22.2 d of the Articles of Association	**37**
Disbursement according to article 21.5 of the Articles of Association	
Pig and piglet suppliers	284
Sow suppliers	9
Cattle suppliers	37
Total disbursement according to article 21.5 of the Articles of Association	**330**
Total proposed disbursement	**1,156**
Transferred to equity	
Transferred to owner's accounts	23
Transferred to net revaluation reserve	0
Transferred to retained earnings	51
Transferred to equity total	**74**

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Balance sheet – assets

30 September

DKKm	Note	Parent 30.09.2024	Parent 30.09.2023
Fixed assets			
Intangible assets			
Software		9	10
Intangible assets	**6**	**9**	**10**
Investments			
Equity investments in subsidiaries		4,236	4,235
Receivables from group enterprises		2,500	2,500
Equity investments in participating interests		19	19
Investments	**5**	**6,755**	**6,754**
Fixed assets		**6,764**	**6,764**
Receivables from and prepayments to cooperative owners		236	253
Receivables from group enterprises		152	173
Receivables		**388**	**426**
Cash	8	0	541
Non-fixed assets		**388**	**967**
Total assets		**7,152**	**7,731**

Balance sheet – equity and liabilities

30 September

DKKm	Note	Parent 30.09.2024	Parent 30.09.2023
Cooperative owner's accounts		842	913
Owner's accounts		940	934
Reserve for net revaluation of equity		1,465	1,463
Retained earnings		1,352	1,529
Proposed supplementary payment for the year		1,156	1,213
Equity		**5,755**	**6,052**
Provisions			
Other provisions	7	24	24
Provisions		**24**	**24**
Bank debt	8	1,018	1,271
Non-current liabilities		**1,018**	**1,271**
Trade payables		1	311
Payables to group enterprises		337	54
Corporation tax payable		11	12
Other payables		6	7
Current liabilities		**355**	**384**
Total liabilities other than provisions		**1,373**	**1,655**
Total equity and liabilities		**7,152**	**7,731**

Statement of changes in equity

30 September

	Parent					
DKKm	Cooperative owner's accounts	Owner's accounts	Reserve for net revaluation of equity	Retained earnings	Proposed supplementary payments etc. for the year	Total
Equity at 30 September 2022	**1,108**	**895**	**1,229**	**1,716**	**1,665**	**6,613**
Payments and disbursements for the year	-195	-18	0	0	-1,665	-1,878
Foreign currency translation adjustment, foreign enterprises	0	0	-16	0	0	-16
Other adjustments	0	0	10	0	0	10
Profit for the year	0	57	0	53	1,213	1,323
Transfer	0	0	240	-240	0	0
Equity at 30 September 2023	**913**	**934**	**1,463**	**1,529**	**1,213**	**6,052**
Payments and disbursements for the year	-71	-17	0	0	-1,213	-1,301
Foreign currency translation adjustment, foreign enterprises	0	0	209	0	0	209
Other adjustments	0	0	-105	0	0	-105
Profit for the year	0	23	0	-279	1,156	900
Transfer	0	0	-102	102	0	0
Equity at 30 September 2024	**842**	**940**	**1,465**	**1,352**	**1,156**	**5,755**

Notes

Parent

Income statement

Invested capital

Other notes

Income statement

Note 1 Revenue

DKKm	2023/24	2022/23
Distribution by market:		
Denmark	14,427	16,070
	14,427	**16,070**
Distribution by sector:		
Pigs and sows	12,502	13,962
Cattle	1,925	2,108
	14,427	**16,070**

Note 2 Staff costs

DKKm	2023/24	2022/23
Salaries and wages	34	33
Pensions	2	2
Other social security costs	1	1
	37	**36**
Staff costs are distributed as follows:		
Administration costs	37	36
	37	**36**
Of which:		
Remuneration for the parent's Board of Representatives	3	2
Remuneration for the parent's Board of Directors	6	5
Remuneration for the parent's Executive Manangement	0	0
	9	**7**
Average no. of employees	44	47

Note 3 Financial income

DKKm	2023/24	2022/23
Group enterprises	303	308
Other interest	11	14
	314	**322**

Note 4 Tax on profit for the year

DKKm	2023/24	2022/23
Current tax	15	15
Adjustment concerning previous years	0	0
	15	**15**

Tax on profit for the year is calculated on the basis of cooperative taxation, which is based on the company's net assets and not its income.

Most of the company's profit is paid to the cooperative owners in the form of supplementary payments, which is subject to taxation for the individual cooperative owner.

Invested capital

Note 5 Investments

DKKm	Equity investments in group enterprises	Receivables from group enterprises	Equity investments in participating interests	Total
Cost at 01.10.2023	5,158	2,500	0	7,658
Additions	0	0	0	0
Cost at 30.09.2024	**5,158**	**2,500**	**0**	**7,658**
Value adjustment at 01.10.2023	-923	0	19	-904
Foreign currency translation adjustments	209	0	0	209
Share of net profit	-101	0	0	-101
Distribution during the year	0	0	0	0
Other adjustments	-107	0	0	-107
Value adjustment at 30.09.2024	**-922**	**0**	**19**	**-903**
Carrying amount at 30.09.2024	**4,236**	**2,500**	**19**	**6,755**
Cost at 01.10.2022	5,158	2,500	0	7,658
Additions	0	0	0	0
Cost at 30.09.2023	**5,158**	**2,500**	**0**	**7,658**
Value adjustment at 01.10.2022	-1,154	0	19	-1,135
Foreign currency translation adjustments	-16	0	0	-16
Share of net profit	237	0	0	237
Distribution during the year	0	0	0	0
Other adjustments	10	0	0	10
Value adjustment at 30.09.2023	**-923**	**0**	**19**	**-904**
Carrying amount at 30.09.2023	**4,235**	**2,500**	**19**	**6,754**

Note 6 Intangible assets

DKKm	Software
Cost at 01.10.2023	20
Additions	3
Cost at 30.09.2024	**23**
Amortisation and impairment at 01.10.2023	10
Amortisation for the year	4
Amortisation and impairment at 30.09.2024	**14**
Carrying amount at 30.09.2024	**9**
Cost at 01.10.2022	10
Additions	10
Cost at 30.09.2023	**20**
Amortisation and impairment at 01.10.2022	7
Amortisation for the year	3
Amortisation and impairment at 30.09.2023	**10**
Carrying amount at 30.09.2023	**10**

Note 7 Other provisions

DKKm	30.09.2024	30.09.2023
Other provisions at 1 October	24	24
Utilised during the year	0	0
Provision for the year	0	0
Other provisions at 30 September	**24**	**24**

Other provisions comprise a provision made in respect of a foreign lawsuit. The provision is deemed to cover the company's risk in this regard and is expected to be settled within 1-5 years.

Other notes

Note 8 Cash and bank debt

The company is included in a cash pool arrangement with other consolidated companies with the group's bank.

Note 9 Contingent liabilities etc.

DKKm	30.09.2024	30.09.2023
Guarantees to group enterprises, maximum	18,103	18,436
Guarantees to group enterprises, utilised	11,546	13,586

Note 10 Liabilities of cooperative owners

	30.09.2024	30.09.2023
The cooperative owners are personally, jointly and severally liable for the liabilities of the parent. The liability of each cooperative owner is calculated on the basis of the deliveries made by such owner and cannot exceed DKK 25,000.		
No. of cooperative owners	5,272	5,737
DKKm		
Total liability	132	143

Note 11 Related parties

Associates and members of the Board of Directors and the Executive Management of Leverandørselskabet Danish Crown AmbA are regarded as related parties.

Since the company is a cooperative, supplies have been received from cooperative owners, including from members of the Board of Directors. All transactions were performed on an arm's length basis.

Note 12 Accounting policies

The financial statements of the parent Leverandørselskabet Danish Crown AmbA are presented in accordance with the provisions of the Danish Financial Statements Act concerning reporting class C enterprises (large).

The parent financial statements are presented in Danish kroner (DKK), rounded to the nearest million kroner.

The accounting policies are unchanged from last year.

The parent generally applies the same accounting policies for recognition and measurement as the group. Where the parent's accounting policies deviate from those of the group, the policies are described below.

Intra-group business combinations

In connection with intra-group business combinations, the pooling-of-interest method is used, according to which assets and liabilities are transferred at the carrying amounts at the beginning of the financial year. The difference between the consideration paid and the carrying amount of the transferred assets and liabilities is recognised in the equity of the acquiring enterprise.

Comparative figures are restated to reflect the enterprises as if they had been combined for the entire period during which they have been under joint control.

Tax

Tax for the year is calculated on the basis of the cooperative taxation, which is based on the company's assets.

Current tax liabilities and current tax receivables are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax paid on account.

The tax rates and rules applicable at the balance sheet date are used to calculate the current tax for the year.

Intangible assets

Goodwill/goodwill on acquisition is generally amortised over a period of 5 to 10 years; however, the amortisation period may in certain cases be up to 20 years for strategically acquired businesses with a strong market position and a long-term earnings profile if the longer period of amortisation is considered to better reflect the benefit from the relevant resources. Goodwill is not amortised in the consolidated financial statements under IFRS.

Property, plant and equipment

For assets constructed in-house, cost comprises direct and indirect costs relating to materials, components, sub-suppliers and labour. Under IFRS, indirect costs may not be recognised for assets constructed in-house.

Property, plant and equipment is depreciated on a straight-line basis over the useful lives of the assets to the expected residual value. According to the provisions of IFRS, the residual value must be reassessed on an annual basis. In the financial statements of the parent, the residual value is determined on the date of entry into service and is generally not subsequently adjusted.

Equity investments in subsidiaries and participating interests

Equity investments in group enterprises and participating interests are measured according to the equity method.

On initial recognition, equity investments in group entities are measured at cost. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The parent's share of the profits or losses of the enterprises is recognised in the income statement after elimination of unrealised intra-group profits and losses minus amortisation of goodwill on acquisition. Dividend received is deduced from the carrying amount.

Net revaluation of equity investments in group enterprises and participating interests is taken to the reserve for net revaluation of equity investments if the carrying amount exceeds cost.

Equity investments in group enterprises with a negative net asset value are recognised to the extent that the parent company has a legal or actual obligation to cover the subsidiary's liabilities. Receivables and other long-term financial asset considered part of the overall investment in these companies are written down by any remaining negative net asset value. Receivables are only written down if they are deemed unrecoverable.

Cash flow statement

The consolidated financial statements contain a cash flow statement for the group as a whole, and a separate statement for the parent is therefore not included as per the exemption clause in Section 86 of the Danish Financial Statements Act.

Group structure

Company name		Direct ownership interest in %
Leverandørselskabet Danish Crown AmbA		
Danish Crown A/S	**DK**	**100**
ESS-FOOD A/S	**DK**	**100**
ESS-FOOD Brazil Servicos de Consultoria Ltda.	BR	100
Overberg Food Distributors Proprietary Limited	ZA	100
ESSFU Food (Shanghai) Company Limited	CN	80
Danish Crown Holding GmbH[2]	**DE**	**100**
Danish Crown GmbH[1,2]	DE	90
Danish Crown Fleisch GmbH[2]	DE	100
Danish Crown Schlachtzentrum Nordfriesland GmbH[1,2]	DE	90
Danish Crown Teterower Fleisch GmbH[2]	DE	100
SPF-Danmark GmbH[2]	DE	100
WestCrown GmbH	DE	50
Friland A/S	**DK**	**100**
Friland Udviklingscenter ApS	DK	100
Center for Frilandsdyr K/S[1]	DK	2
Center for Frilandsdyr K/S[1]	DK	48
Friland Deutschland GmbH[2]	DE	100
DAT-Schaub A/S	**DK**	**100**
DAT-Schaub Portugal, Indústria Alimentar, Lda.	PT	100
DAT-Schaub France S.A.S.	FR	100
DAT-Schaub Finland Oy	FI	100
Thomeko Eesti OÜ	EE	100
DAT-Schaub AB	SE	100
DAT-Schaub (Deutschland) GmbH	DE	100
Gerhard Küpers GmbH	DE	100
DIF Organveredlung Gerhard Küpers GmbH & Co. KG[3]	DE	100
CKW Pharma-Extrakt Beteiligungs- und Verwaltungsgesellschaft mbH	DE	50

Company name		Direct ownership interest in %
CKW Pharma-Extrakt GmbH & Co.KG[3]	DE	50
Ventrum Holding B.V.	NL	70
Selo Verpakking B.V.	NL	100
Selo Belgium BVBA	BE	100
DAT-Schaub Holdings USA Inc.	US	100
DCW Casing LLC	US	100
DAT-Schaub Polska Sp. Z o.o.	PL	100
DAT-Schaub (UK) Ltd.	UK	100
Oriental Sino Limited	HK	45
Yancheng Lianyi Casing Products Co. Ltd.	CN	73
Jiangsu Chongan Plastic Manufacturing Co. Ltd.	CN	59
Yancheng Xinyu Food Products Ltd.	CN	73
Yancheng Huawei Food Products Ltd.	CN	73
DAT-Schaub Spain Holding S.L.U.	ES	100
Procesadora Insuban SpA	CL	100
Elaboradora de Subprodutos de Origem Animal do Brasil Ltda.	BR	100
BRC Tripas – Comercio de Tripas Ltda.	BR	100
Tripas de Colombia S.A.S.	CO	100
DAT-Schaub Spain S.L.U.	ES	100
DAT-Schaub Norge AS	NO	100
Shanghai Natural Casing Co., Ltd.	CN	51
Sokołów S.A.	**PL**	**100**
Sokołów-Logistyka Sp. Z o.o.	PL	100
Agro Sokołów Sp. Z o.o.	PL	100
Sokołów-Services Sp. Z o.o.	PL	100
Agro Sokołów F1 Sp. Z o.o.	PL	100
Sokołów Net Sp. Z o.o.	PL	100
KLS Ugglarps AB	**SE**	**100**
Charkprodukter i Billesholm AB	SE	100
Ingemar Johansson i Sverige AB	SE	100
Charkuterifabriken Sverige AB	SE	100

Company name		Direct ownership interest in %
Other subsidiaries in Danish Crown A/S		
DC Pork Rønne ApS	DK	100
NordicSpoor A/S	DK	100
Scan-Hide A/S	DK	97
Slagter Munch ApS	DK	100
SPF-Danmark A/S	DK	100
Kolding Export Center A/S	DK	51
Danish Crown Norway AS	NO	100
Danish Crown Jönköping AB	SE	100
Danish Crown Sweden AB	SE	100
Pölsemannen AB	SE	100
Danish Crown Foods Germany GmbH[2]	DE	100
Danish Crown Foods Oldenburg GmbH[2]	DE	100
Danish Crown GmbH[1,2]	DE	10
Danish Crown Schlachtzentrum Nordfriesland GmbH[1,2]	DE	10
Danish Crown Netherlands B.V.	NL	100
Danish Crown Haarlem B.V.	NL	100
Danish Crown UK Limited	UK	100
Leivers Brothers Ltd.	UK	100
Danish Crown GBS Sp.Z.o.o.	PL	100
Danish Crown S.A.	CH	100
Danish Crown/Beef Division S.A.	CH	100
Danish Crown France S.A.S.	FR	100
Danish Crown Division Porc S.A.S.	FR	100
Danish Crown España S.A.	ES	100
Danish Crown Italy S.r.L.	IT	100
Danish Crown USA Inc.	US	100
Danish Crown Japan Co., Ltd.	JP	100
Danish Crown Korea LLC	KR	100
Danish Crown B2B Ltd.	HK	100
Danish Crown (Shanghai) Trading Co. Ltd	CN	100
Danish Crown (China) Co. Ltd.	CN	100

Company name		Direct ownership interest in %
Other associates		
Daka Denmark A/S	DK	43
Green Fertilizer Denmark ApS	DK	25
AgroGas ApS	DK	25
K/S af 5.1.2024 I	DK	33
Anpartsselskabet af 5.1.2024	DK	33
Danske Slagterier[4]	DK	92
Svineslagteriernes Varemærkeselskab ApS[4]	DK	92

1 Appears more than once in the group structure.

2 These enterprises have exercised their right of exemption under Section 264(3) of the German Handelsgesetzbuch (HGB). The consolidated financial statements are published in Deutsche Bundesanzeiger.

3 These enterprises have exercised their right of exemption under Section 264b of the German Handelsgesetzbuch (HGB). The consolidated financial statements are published in Deutsche Bundesanzeiger.

4 Due to provisions of the Articles of Association requiring important decisions to be unanimous, the group does not exercise control despite an ownership interest of more than 50 per cent.

Management's statement and auditor's report

Statement by the Board of Directors and the Executive Management on the annual report

The Board of Directors and the Executive Management have today considered and adopted the annual report of Leverandørselskabet Danish Crown AmbA for the financial year 1 October 2023 - 30 September 2024.

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and the disclosure requirements contained in the Danish Financial Statements Act. Management's review has been prepared in accordance with the Danish Financial Statements Act.

The parent's financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent's financial statements give a true and fair view of the group's and the company's assets, liabilities and financial position at 30 September 2024 and of the results of the group's and the company's activities and the group's cash flows for the financial year 1 October 2023 - 30 September 2024.

We believe that management's review contains a fair review of the development in the group's and the company's activities and financial affairs, net profit for the year, the company's financial position and the financial position as a whole of the enterprises included in the consolidated financial statements as well as a description of the most important risks and uncertainties facing the group and the company.

We recommend the annual report for adoption by the Board of Representatives.

Randers, 21 November 2024

Executive Management

Niels Duedahl
Group CEO

Britta Veis Jensen
Interim Group CFO

Board of Directors

Asger Krogsgaard
Chair

Jonas Würtz Midtgård
Member of the Board of Directors

Daniel O. Pedersen
Vice Chair

Kim Kjær Knudsen
Member of the Board of Directors

Søren Bonde
Member of the Board of Directors

Knud Jørgen Lei
Member of the Board of Directors

Karsten Willumsen
Member of the Board of Directors

Svend Amstrup Jensen
Member of the Board of Directors

Ulrik Bremholm
Member of the Board of Directors

Rasmus Gramkow Pedersen
Member of the Board of Directors

Independent Auditor's Report

To the cooperative owners of Leverandørselskabet Danish Crown AmbA

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 30 September 2024 and of the results of the Group's operations and cash flows for the financial year 1 October 2023 to 30 September 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 30 September 2024 and of the results of the Parent Company's operations for the financial year 1 October 2023 to 30 September 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Leverandørselskabet Danish Crown AmbA for the financial year 1 October 2023 - 30 September 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.
We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review, pages 4-72 and pages 122-142.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, 21 November 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Tue Stensgård Sørensen
State Authorised Public Accountant
mne32200

Rune Kjeldsen
State Authorised Public Accountant
mne34160

Sustainability statement, notes

Notes

Sustainability statement

General information

Environment

Social

Governance

General information

Method

Reporting frameworks and future reporting requirements

Our sustainability statement reflects our work to prepare for compliance with the EU Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS). The first financial year for which Danish Crown must report in accordance with the CSRD is 2025/26. In preparation for CSRD compliance, we are providing more detailed information on policies and targets, as well as on climate and governance in this year's sustainability statement. Additionally, we have enhanced our approach to double materiality assessment as part of our work towards implementing the full materiality assessment framework set out in ESRS.

Alongside these concrete changes in our sustainability statement for 2023/24, we have a dedicated group-wide project aimed at improving our overall set-up for ESG data collection, validation and disclosure. We are working intensively to close the gap between ESG data points currently collected and future requirements. Ensuring high data quality across our business units and countries of operation is of high importance for us. Each year, we add new data points and improve definitions and validation processes, not only to meet future legal requirements, but also to drive change and good decision-making, strengthen communication and add value for our customers and consumers.

Danish Crown is not required to report on the EU Taxonomy until 2025/26. Technical screening criteria for the eligibility and alignment of activities related to the food sector have also yet to be adopted.

The sustainability statement has also been inspired by Global Reporting Initiative (GRI) standards, without meeting the in-accordance criteria.

Reporting period

Our ESG data for 2023/24 cover the period from 1 October 2023 to 30 September 2024.

For a limited number of data points, actual data covering 1 October 2023 to 30 September 2024 were not available before the reporting deadline, and a 12-month period from 1 September 2023 to 31 August 2024 has then been applied. This primarily applies to data from third parties.

Boundaries

Consolidation and own operations

The sustainability statement has been prepared on a consolidated basis. The scope of consolidation is the same as for the financial statements. See our financial statements for a full description of inclusion principles and a complete list of companies.

If data points have specific boundaries, this is described in the individual accounting policies.

Value chain

The sustainability statement covers our upstream and downstream value chain. Our double materiality assessment covers the entire value chain. Material impacts, risks and opportunities in the value chain are addressed in relevant policies, targets, actions and data points. Most of the value chain information in the sustainability statement is qualitative.

Reporting principles

Accounting policies

Accounting policies for each data point are included in the notes to the individual sections. The accounting policies cover methodologies, significant assumptions, limitations and use of estimations, where relevant. Any material changes related to specific data points are also described there.

Estimations and environmental data in general

We do not include environmental data from our offices, as the environmental impact is immaterial. In addition, for a limited number of facilities environmental data are not available. For those we estimate the data based on data from comparable facilities, adjusting for production volume or number of employees depending on the type of facility.

Risk management and internal controls over sustainability reporting

In our sustainability statement, we apply the fundamental and enhancing qualitative characteristics of accounting information: relevance, faithful representation, comparability, verifiability and understandability. This is supported by our validation processes and internal control mechanisms.

General validation processes and work on data quality

All ESG data undergo a two-step validation process.

For data collected at production facilities, validation takes place at facility, business unit and group level. At each level, there is a designated person responsible for validation, who is offered training in data validation. This structure supports strong anchoring of ESG data collection and validation across our facilities and business units.

To improve data quality, we have also introduced an internal controlling visit framework for ESG data, which includes visits to our production facilities. We strive continuously to improve the framework and related processes. We also aim to automate our data collection as much as possible, which will both improve data quality and allow a higher data collection frequency, enabling earlier follow-up actions if we are not progressing as planned on our targets.

Ultimately, our ESG reporting process is monitored by our Audit and Risk Management Committee. Read more about the role of the committee on page 33.

Internal controls

Building on the existing internal control set-up for our financial data, we initiated the implementation of internal controls over ESG data in 2023/24.

As with financial data, the overall purpose is to provide reliable ESG data to our stakeholders.

During this first step, controls have been designed and performed for the following data points, selected based on materiality: electricity, natural gas and slaughtered animals.

The primary control objectives have been:

- Data completeness: Data for all entities in scope are included
- Data accuracy: Reported data are supported by formal documentation
- Correct reporting period: All/only data relating to the financial year are included

The controls have been performed according to a timeline allowing for adjustment of any data issues detected prior to the closure of the annual reporting.

General information

Policies and targets

Approach to ESG policies
Our policies are levers for implementation of our Code of Conduct. At Danish Crown, policies impacting farmers are approved by the Board of Directors of Leverandørselskabet Danish Crown AmbA. All other policies are approved by the Board of Directors of Danish Crown A/S. Our annual review process means that the most senior level responsible for implementation reviews whether updates to a policy are needed. Any changes are approved by the relevant Board of Directors.

Ultimately, the Executive Management is responsible for all policies, but the operational implementation responsibility is often delegated. In our policy overview, we identify the most senior level to which responsibility for implementation of a policy has been delegated.

All policies mentioned in this report are available to both internal and external stakeholders on www.danishcrown.com. Policies are also available to employees on our intranet. All stakeholders can report incidents of non-compliance with the policies through our whistleblower platform.

Approach to ESG targets
We aim to set ESG targets that are realistic, but without being unambitious, as we believe an important function of targets is to inspire our organisation to innovate. Targets are, by definition, forward-looking and not predictions of future events, and our ability to reach them may, for example, be impacted by changes in our business, industry or value chain, or external factors such as technological developments. We indicate this by using the term "aim" or similar.

Different ESG targets have different implementation and monitoring approaches. For example, some of our targets are delegated to each business unit, while others are implemented by group functions. We follow up on progress towards our targets at least annually, and for some targets there is quarterly or monthly reporting.

Policy and commitment overview
Our overall ESG Policy is integral to addressing the impacts, risks and opportunities identified in our double materiality assessment. Topic-specific policies are presented in the policy overviews in the ESG notes.

In addition to our ESG Policy, we have made several commitments related to ESG in general:

- 2030 Agenda for Sustainable Development and the UN Sustainable Development Goals
- EU Code of Conduct on Responsible Food Business and Marketing Practices
- UN Global Compact
- UN Guiding Principles on Business and Human Rights

	ESG Policy
Application date of present version	September 2024 (first approved in 2017)
Approved by	Board of Directors of Danish Crown A/S
Most senior level responsible for implementation	Vice President, Group Sustainability
Main policy objectives	The aim is to address our high-level approach and objectives in relation to climate, resource use, packaging, animal welfare, human and labour rights, food safety and anti-corruption. Relevant topic-specific objectives are described in our standalone policies.
Related material impacts, risks and opportunities	The high-level policy covers our material impacts, risk and opportunities related to ESG.
Scope	The policy applies to the entire Danish Crown Group.
Monitoring of progress	Implementation of the policy is monitored through our ESG targets. Progress on those is regularly reported to the Executive Management and on an annual basis publicly in our Annual Report. Implementation is monitored as part of our ongoing due diligence; see more on page 62. For topics that are also addressed by a specific policy, the process for monitoring is described within that policy.
Other	Through the implementation of the ESG Policy, we commit to respecting the following standards: – Science Based Targets initiative (SBTi) – UN Sustainable Development Goals (SDGs) – UN Guiding Principles on Human Rights – International Labour Organization (ILO) Conventions

Environment

Energy consumption: Detailed data overview

Energy consumption and mix	Unit	2023/24
Consumption of fossil and nuclear sources		
Coal and coal products	MWh	0
Crude oil and petroleum products	MWh	134,814
Natural gas	MWh	471,150
Other fossil sources	MWh	50,851
Purchased or acquired electricity, heat, steam or cooling from fossil sources	MWh	529,082
Total energy consumption from fossil sources	MWh	1,185,897
Share of fossil sources in total energy consumption	%	95
Total energy consumption from nuclear sources	MWh	0
Share of nuclear sources in total energy consumption	%	0
Consumption of renewable sources		
Renewable sources, including biomass, biofuels, biogas, hydrogen from renewable sources, etc.	MWh	13,364
Purchased or acquired electricity, heat, steam and cooling from renewable sources	MWh	49,170
Self-generated non-fuel renewable energy	MWh	1,177
Total renewable energy consumption	MWh	63,711
Share of renewable sources in total energy consumption	%	5
Total energy consumption and intensity		
Total energy consumption	MWh	1,249,608
Energy intensity (total energy consumption[1] per net revenue)	MWh/DKKm	18

1 From activities in high climate impact sectors. We operate in the high climate impact sector 'Manufacture of food products'.

This is a detailed overview of our energy mix in 2023/24. For information on progress towards our targets, please see the indicator overview on page 45.

Environment

Greenhouse gas emissions: Detailed data overview

This is a detailed overview of our emissions in 2023/24. For information on progress towards our targets, please see the indicator overview on page 45.

	Unit	Base year: 2019/20	2022/23	2023/24	% change from 2022/23 to 2023/24	Targets for 2029/30
Scope 1 GHG emissions						
Scope 1 GHG emissions	‘000 tCO_2e	172	157	152	-3	-
Scope 2 GHG emissions						
Gross location-based scope 2 GHG emissions	‘000 tCO_2e	169	161	132	-18	-
Gross market-based scope 2 GHG emissions	‘000 tCO_2e	246	184	176	-4	-
Total scope 1 and 2 GHG emissions (market-based)	‘000 tCO_2e	418	341	328	-4	242[1]
Significant scope 3 GHG emissions[1]						
Purchased goods and services (category 1)	‘000 tCO_2e	-	-	10,177	-	-
Other (category 2-7, 9, 10, 12 and 15)	‘000 tCO_2e	-	-	510	-	-
Total gross indirect (scope 3) GHG emissions	‘000 tCO_2e	12,098	10,965	10,687	-3	-
Scope 3 emissions per output	kg CO_2e/kg	4.72	4.47	4.49	0	3.78[1]
Total GHG emissions						
Total GHG emissions (location-based)	‘000 tCO_2e	12,437	11,283	10,971	-3	-
Total GHG emissions (market-based)	‘000 tCO_2e	12,514	11,306	11,015	-3	-
GHG intensity per net revenue[2]						
Total GHG emissions (location-based) per net revenue	tCO_2e/DKKm	-	-	162	-	-
Total GHG emissions (market-based) per net revenue	tCO_2e/DKKm	-	-	162	-	-

1 The target is a percentage reduction, not a specific value. The target value will therefore change if the baseline is adjusted.
2 This is a new indicator and so there are no data for previous years.

Climate: Other information

GHG removals and projects financed through carbon credits
We are currently not using GHG removals in our own operations, and we have also not contributed to these in our upstream and downstream value chain. Nor do we purchase carbon credits.

Net zero target
We currently do not have a net zero target but we will be looking into SBTi’s framework for long-term commitments.

Environment

Climate-related risks and opportunities

Task Force on Climate-related Financial Disclosures (TCFD) overview

Recommendation	Our disclosure in brief	Read more
Governance Governance of climate-related risks and opportunities	The Board of Representatives, the Board of Directors of Danish Crown AmbA, the Board of Directors of Danish Crown A/S and the Executive Management each play a crucial role in our ESG governance, including managing climate risks and opportunities. In 2023/24, we incorporated ESG metrics (including scope 1, 2 and 3 emission reductions) into the long-term incentive targets for the Executive Management. The specific processes and governance related to our double materiality assessment (DMA) and enterprise risk management (ERM) processes, including climate-related risks and opportunities, are detailed in the section on these processes.	– ESG and corporate governance on page 31. – Incentive targets for the Executive Management in the Remuneration Report. – Double materiality assessment (DMA) process on page 42. – Enterprise risk management (ERM) process on page 22.
Strategy Climate-related risks and opportunities identified over the short, medium, and long term	We evaluated climate-related risks and opportunities across several categories in our 2023/24 DMA process: policy and legal, technology, market and reputation. Only the category of policy and legal risks was found to be material, as climate regulation may affect the raw material base in the medium and long term. Climate risks were also part of two of the key risks identified in our 2023/24 ERM process: changing consumer and customer demand, and a decreasing raw material base.	– DMA results on page 41. – ERM results on page 22.

The table is based on the TCFD recommendations before being integrated into International Financial Reporting Standards (IFRS). We are taking a stepwise approach to incorporating climate-related disclosures into our Annual Report.

Using the TCFD framework, this overview provides an analysis of each of the TCFD pillars: governance, strategy, risk management, and metrics and targets. As we continue to accelerate the transformation of our value chain, these assessments will be integrated into our strategic planning and enterprise risk management frameworks to help strengthen our resilience and adaptation to climate change.

Environment

Climate-related risks and opportunities – continued

Task Force on Climate-related Financial Disclosures (TCFD) overview

Recommendation	Our disclosure in brief	Read more
Risk management Processes for identifying and assessing climate-related risks	Our process for identifying, assessing and managing climate-related risks and opportunities utilises both a DMA and an ERM approach, each serving distinct yet complementary purposes. The DMA focuses on evaluating risks and opportunities in the context of ESG factors in the short, medium and long term, while our ERM encompasses all types of business risk, including ESG and climate risks. By integrating ESG and climate risks into our broader risk management framework, our ERM ensures that these risks are not viewed in isolation but are considered as part of Danish Crown's overall risk landscape.	– DMA process on page 42. – ERM process on page 22.
Metrics and targets Metrics used to assess climate-related risks and opportunities	In this report, metrics are presented for scope 1, 2, and 3 greenhouse gas emissions and for water consumption, waste management and energy efficiency. We have also provided detailed information on our greenhouse gas emissions and climate change management approach to the global environmental disclosure system CDP annually since 2022, and we share information on our environmental performance with relevant stakeholders through EcoVadis.	– Metrics and targets related to climate and environment on page 45.

Environment

Policy and commitment overview

	Deforestation and Land Conversion Policy	Animal Welfare Policy	Carbon Insetting Policy
Application date of present version	September 2024 (first approved in 2022)	September2024 (first approved in 2022)	September 2024 (first approved in 2022)
Approved by	Board of Directors of Leverandørselskabet Danish Crown AmbA	Board of Directors of Leverandørselskabet Danish Crown AmbA	Board of Directors of Leverandørselskabet Danish Crown AmbA
Most senior level responsible for implementation	Vice President, Group Sustainability	Vice President, Group Sustainability	Vice President, Group Sustainability
Main policy objectives	The aim is to ensure that all deforestation and land conversion linked to feed for slaughter animals and ingredients used in Danish Crown's processing activities is gradually eliminated. This requires and therefore supports traceability of the relevant raw materials along our value chain. The objective is linked to our target for the use of deforestation- and conversion-free (DCF) soy.	The aim is to achieve and maintain the highest possible standards of animal welfare from breeding and rearing to transportation and slaughter.	Focus on carbon insetting, where we implement carbon projects upstream or downstream within our own value chain.
Related material impacts, risks and opportunities	Biodiversity (in particular land use change) and value chain.	Animal welfare in own operations and value chain.	Climate change mitigation and energy in own operations and value chain.
Scope	The policy applies to all Danish Crown markets with primary operations related to sourcing of soy and palm oil for animal feed and food production (Denmark, Sweden, Poland and Germany).	The policy applies to the entire Danish Crown Group.	All carbon insetting in Danish Crown's own value chain.

The policies outlined in the table are integral to addressing the environmental impacts, risks and opportunities identified in our double materiality assessment. Alongside these policies, we also have a Genetically Modified Organisms (GMO) Policy. All listed policies are available on www.danishcrown.com.

In addition to these policies, we have made the following commitments related to the environment:

- Danish Alliance for Responsible Palm Oil
- Danish Alliance for Responsible Soy
- Danish Code of Conduct on the Use of By-products
- Danmark mod Madspild (Denmark against Food Waste)
- The Move to Minus 15°C Coalition
- Roundtable on Sustainable Palm Oil
- Round Table on Responsible Soy
- Science Based Targets initiative (SBTi)
- Swedish Platform on Risk Commodities
- UK Soy Manifesto

Environment

Policy and commitment overview – continued

	Deforestation and Land Conversion Policy	Animal Welfare Policy	Carbon Insetting Policy
Monitoring of progress	Ongoing internal follow-up and management reporting, including on progress towards our target for DCF soy. Public reporting on our work and progress in this area is part of our Annual Report.	Consistent implementation of prescribed standards is ensured by animal health and welfare and food safety specialists working with suppliers, customers and industry organisations. Different types of audit both on farms and at abattoirs support monitoring of implementation and compliance with the policy, e.g. self-audits by trained staff, veterinary inspections and unannounced third-party audits by authorities and customers. A range of animal health and welfare indicators are measured at each stage of the supply chain and made public in our Welfare Outcome Measure Reporting.	Approval of all relevant projects by Group Sustainability. Only compliant insetting projects will be accounted for in our emission data. Currently, no carbon insetting projects are included in our emission data.
Other	Through the implementation of the policy, we commit to respecting: – UK Soy Manifesto – Local ethical trade organisations (such as Ethical Trade Denmark and Ethical Trading Initiative Sweden) and their initiatives for relevant commodities (such as the Danish Alliance for Responsible Soy and the Swedish Platform on Risk Commodities) The policy is supported by our Programme to Prevent Deforestation and Land Conversion.	Across all markets, Danish Crown actively participates in independently audited and recognised quality assurance programmes whose animal welfare standards are more demanding than EU or national legislation. Examples are the following schemes, which all include certain animal welfare requirements: the German QS quality scheme for food, the German Initiative Tierwohl (ITW), the DANISH Product Standard for production of pork and bacon products, and Sweden's KRAV certification for organic food. The policy is supported by our Codes of Practice for our farmer owners and other suppliers of livestock. We have Codes of Practice for sows and pigs as well as cattle in Denmark, Poland, Germany and Sweden. In addition, we have a Code of Practice for lambs in Sweden. The Codes of Practice for cattle in Germany and Sweden are not yet implemented, but will be in 2024/25. All suppliers who sign the Supplier Code of Conduct commit to complying with the policy.	Through the implementation of the policy, we commit to respecting standards recognised by the International Carbon Reduction and Offset Alliance (ICROA) or similar (Verified Carbon Standard (VCS) or Gold Standard), as it is part of the policy that carbon insetting projects must be verified by these.

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Environment

Target overview

For information on progress towards our target, please see the indicator overview on page 45 [1].

	Climate		Water	Biodiversity
	Reduce scope 1 and 2 CO_2e emissions	**Reduce scope 3 CO_2e emissions**	**Reduce water consumption [2]**	**Use of deforestation- and conversion-free (DCF) soy [3]**
Related policy objectives	The aim is to combat climate change by reducing GHG emissions from our own operations and our supply chain (ESG Policy).		The aim is to reduce our water consumption, specifically at our production facilities (ESG Policy).	The aim is to ensure that all deforestation and land conversion linked to feed for slaughter animals and ingredients used in Danish Crown's processing activities is gradually eliminated (Deforestation and Land Conversion Policy).
Target level	42% reduction in scope 1 and 2 GHG emissions (absolute target)	20% reduction in scope 3 GHG emissions per kg output (relative target)	10% reduction in water consumption per tonnes output	All our farmer owners and other suppliers of livestock are to use 100% DCF soy (absolute target).
Unit of measurement	Tonnes CO_2e	kg CO_2e per kg output	m^3 per tonnes output	Percentage of DCF soy used in feed for our slaughter animals.
Scope	The entire Danish Crown Group	The target addresses 93% of base-year scope 3 emissions, which meets the minimum ambition requirements at 67% (set by SBTi) for the physical intensity approach.	Production facilities and warehouses.	All our farmer owners and other suppliers of livestock to the entire Danish Crown Group are in scope. DAT-Schaub's casing business and externally purchased meat are not part of the target.
Base year	2019/20	2019/20	2023/24	-
Target year	2029/30	2029/30	2029/30	2027/28
Methodologies and significant assumptions	See accounting policies for emission data (our emission targets are aligned with GHG inventory boundaries for our emission data points).		See accounting policies for water.	See accounting policies for DCF soy.

1 We previously had two targets for waste, but in preparation for compliance with the CSRD, we have introduced new, more detailed data points that do not match the previous definitions. We have therefore chosen to discontinue these targets and work on developing a new waste target focusing on realistic and relevant improvements.
2 As part of our new water programme, we have replaced our existing water targets with a new target acknowledging the fact that our business will always require a certain level of water consumption to maintain stringent food safety standards.
3 This target replaces our previous deforestation target, as we have committed to a more ambitious target than before.

Environment

Target overview – continued

See the progress towards our targets in the indicator overview on page 45[1].

	Climate		Water	Biodiversity
	Reduce scope 1 and 2 CO_2e emissions	Reduce scope 3 CO_2e emissions	Reduce water consumption[2]	Use of deforestation- and conversion-free (DCF) soy[3]
Monitoring of progress	Progress towards our emission reduction targets is measured using our emission data points. We provide an update on progress towards our targets and on related initiatives in our Annual Report. In addition, we have quarterly internal management reporting on our progress.		Progress towards our target is measured using our water consumption data points. We provide an update on progress towards our targets and on related initiatives in our Annual Report. In addition, we will look into setting up regular reporting to relevant stakeholders as part of our water programme.	Progress towards our target is measured using our data point for DCF soy. We provide an update on progress towards our target and on related initiatives in our Annual Report. In addition, we have quarterly internal management reporting on our progress.
Other	Our GHG emission reduction targets are science-based and compatible with limiting global warming to 1.5°C. These targets have been established using the framework provided by the Science Based Targets initiative (SBTi) and have also been validated by the SBTi. We are working on revising our scope 3 targets in line with new guidance on target-setting for Forest, Land and Agriculture (FLAG). We expect to submit the revised targets to the SBTi by the end of 2024. Our scope 1 and 2 target is combined, but we ensure transparency by separately disclosing scope 1 and 2 emissions in our Annual Report.		The target relates to reduction of water consumption, including production facilities located in areas of water risk and areas of high water-stress.	The target is aligned with the EU Deforestation Regulation (EUDR) but goes beyond the requirement of deforestation-free soy, as it also covers conversion-free soy. By extension, the target is also aligned with the EU Biodiversity Strategy for 2030 and its commitment to introduce measures to avoid placing products associated with deforestation on the EU market. In relation to the mitigation hierarchy, the targets are aimed at avoidance.

1 We previously had two targets on waste, but in preparation for compliance with the Corporate Sustainability Reporting Directive, we have introduced new, more detailed data points that do not match our previous definitions. We have therefore chosen to discontinue these targets and will therefore work towards developing a new waste target focusing on realistic and relevant improvements.
2 As part of our new water programme, we have replaced our existing water targets with a new target acknowledging the fact that our business will always require a certain level of water consumption to maintain stringent food safety standards.
3 We have committed to a more ambitious target than our previous target, as this goes beyond the legislative requirements of the EU Deforestation Regulation.

Environment

Target overview – continued

	Packaging			
	Decrease packaging volume	Use only recyclable packaging	Increase use of recycled content[1]	Use only certified fibre packaging
Related policy objectives	We aim to reduce the amount of packaging used and increase the recyclability of the packaging materials we do use (ESG policy) The targets relate to resource inflows and outflows, in particular, an increase in circular product design (recyclability), increased use of circular materials, and minimisation of primary raw materials.			
Target level	30% reduction per tonnes output by 2029/30 (relative target)	100% of packaging materials to be recyclable by 2029/30 (absolute target)	60% of packaging materials to be made from post-consumer recycled content by 2029/30 (absolute target)	100% certified fibre packaging (absolute target)
Unit of measurement	kg per tonnes output	% of total volume of packaging	% of total volume of packaging	% of total volume of fibre packaging
Scope	All packaging materials (except pallets) from the following business units: Danish Crown, Danish Crown Beef and KLS.			
Base year	2020/21	-	-	-
Target year	2029/30. Internally we also work with a short term target for 2024/25.	2029/30. Internally we also work with a short term target for 2024/25.	2029/30	2024/25
Methodologies and significant assumptions	See accounting policies for packaging.			
Monitoring of progress	Progress towards our targets is measured using our packaging data points. We provide an update on progress towards our targets and on related initiatives in our Annual Report. In addition, we have quarterly reporting on our progress to relevant internal stakeholders.			
Other	These targets are not required by legislation, but they are aligned with national and EU policy goals to reduce overall packaging consumption and increase material circularity. The targets also support our emission reduction targets, which have been validated by the SBTi. When setting the targets, relevant stakeholders representing different parts of the value chain were involved. The targets are based on the current distribution between fresh meat and processed products, but as the latter require more packaging, a shift towards more processed products could affect our ability to reach our targets.			

1 In 2022/23, the target and data focused only on plastic materials. This year, we have changed the scope of the target to include all materials, which is in line both with our other packaging targets, which also include all relevant material, and with the original intention of the target. We previously had an interim 2024/25 target, but this has already been reached and we are now focused on at achieving our 2029/30 target.

Environment

Accounting policies

General
We do not include environmental data from our offices, as the environmental impact is immaterial.

Energy
Energy consumption
Energy consumption in MWh is the total consumption of fossil and renewable energy sources, including the following: coal and coal products, crude oil and petroleum products (gas and fuel oil), natural gas, other fossil fuels and purchased or acquired electricity, heat, steam and cooling.

We have made a review of our historical data and made corrections where needed.

Energy consumption from renewable sources
Consumption of externally purchased 100% renewable electricity and district heating as well as actual consumption of internally produced renewable electricity. Energy sources include biomass, biofuels, biogas, geothermal, wind, solar, hydro and biomass. Stated as a percentage of total energy consumption.

Certification coverage
Energy certification coverage is the percentage of production facilities covered by ISO 50001 by the end of the financial year. It is also measured as a percentage of output. Production facilities are abattoirs and processing and casing facilities.

Emissions
For calculating scope 1 emissions, we use emission factors obtained from the Department for Environment, Food & Rural Affairs (DEFRA). When using emission factors to calculate market-based scope 2 emissions, our preferred option is supplier-specific emission factors, and our second priority is generally recognised and approved emission factors for the relevant region. Finally, when calculating scope 2 location-based emissions, we use the International Energy Agency (IEA) for electricity, district heating and steam.

Scope 1 emissions
Scope 1 emissions are direct greenhouse gas emissions (GHG) from primary energy at our production facilities, including fuels used for stationary installations on site (natural gas) and vehicles (diesel and gasoline). Emissions related to dry ice and carbon dioxide used for anaesthesia, other fossil fuels and biofuels as well as the global warming potential of purchased refrigerants are also included in scope 1. All emissions are converted to carbon dioxide equivalents (CO_2e) and measured in thousands of tonnes of CO_2e.

We have made review of our historical emission data and made corrections where needed.

Scope 2 emissions (market-based)
Scope 2 emissions are indirect GHG emissions from secondary energy, mainly electricity. The market-based method quantifies scope 2 emissions based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with instruments* or unbundled instruments* on their own (GHG Protocol, "Scope 2 Guidance", Glossary, 2015). Measured in thousands of tonnes of CO_2e.

We have made review of our historical emission data and made corrections where needed.

* Renewable energy certificates.

Scope 2 emissions (location-based)
Scope 2 emissions are indirect GHG emissions from secondary energy, mainly electricity. The location-based method quantifies scope 2 emissions based on average energy generation emission factors for defined locations, including local, subnational or national boundaries (GHG Protocol, "Scope 2 Guidance", Glossary, 2015). Measured in thousands of tonnes of CO_2e.

We have made review of our historical emission data and made corrections where needed.

Scope 3 emissions
Scope 3 emissions are emissions that we are responsible for indirectly through our value chain.

The calculation of scope 3 emissions follows the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Our most significant scope 3 category is category 1 (Purchased goods and services). In addition, we have measurable impacts in the following categories: 2 (Capital goods), 3 (Fuel and energy related activities), 4 (Upstream transportation), 5 (Waste generated in operations), 6 (Business travel), 7 (Employee commuting), 9 (Downstream transportation), 10 (Processing of sold products), 12 (End-of-life treatment) and 15 (Investments).

All farm-level GHG emissions are included in category 1. This category accounts for the majority of our scope 3 emissions and includes the full value chain emissions from animal production. The calculation of farm-level GHG emissions is based on data from our life cycle assessment (LCA) model, and best available national baselines. The primary data from farmers in the Dansk Kalv concept and farmers, located in Sweden, Germany and Poland included in the model follow the calendar year. This means that scope 3 emissions for these primary data reported for 2023/24 cover the period 1 January to 31 December 2023. For primary data from pig farmers located in Denmark we use a cut-off date of 30 September. This means that scope 3 emissions for 2023/24 for these primary data cover the period 1 October 2023 to 30 September 2024.

The scope 3 emissions indicator addresses 93% of base-year scope 3 emissions, which meets the minimum ambition requirements at 67% for the physical intensity approach for scope 3 targets in accordance with the SBTi. Business activities that are not representative of Danish Crown's overall production and/or represent only a minor share of our climate impacts were not included in the final scope 3 target. This means that parts of scope 3 emissions for DAT-Schaub, Sokołów and ESS-FOOD are not included in the total scope 3. Measured in thousands of tonnes of CO_2e.

We have made review of our historical emission data and made corrections where needed.

Outside scope (1-3)
GHG emissions connected to burning of biomass should be reported "outside scope" (separately and not in scope 1, 2 or 3). Danish Crown does not disclose outside-scope emissions at this point as their contribution is negligible.

Climate Track
Read more about the Climate Track programme on page 52.

Livestock in Climate Track
Livestock in Climate Track is the number of slaughter pigs and cattle from our farmer owners and contract suppliers covered by the programme at the end of the financial year divided by the total number of animals slaughtered during the same financial year. Measured as percentage of livestock in Climate Track.

In previous years, we broke the indicator down by animal type and country, and only included data where enrolment had started. From 2023/24, we only have one indicator, which includes all relevant animals. This change allows us to provide a complete overview of our progress on enrolment.

Water
Water consumption
Water consumption is the withdrawal of water from all sources: groundwater, surface water (including collected rainwater), sea water, water from municipal facilities and other external vendors, and own wells or water collections. Bottled water purchased for drinking is not included. Measured in thousands of cubic metres (m3).

Water consumption in m3 per tonnes output is calculated by dividing total water consumption (water withdrawal) by total output in tonnes.

COD in wastewater
Chemical oxygen demand (COD) in wastewater is the total amount of COD in wastewater divided by total output in tonnes. It is only measured for production facilities i.e. not for stores and warehouses. Measured in kg per tonnes produced.

We have made a review of our historical data and made corrections where needed.

Biodiversity
Deforestation- and conversion-free soy
Deforestation- and conversion-free (DCF) soy includes certified soy as well as soy verified as originating from DCF areas. The percentage of DCF is calculated as the share of the total soy used for our slaughter animals and soy used as an ingredient in our food production that comes from DCF soy.

We procure livestock in Denmark, Sweden, Germany and Poland, and it is thus these countries for which we calculate the percentage of certified or verified DCF soy fed to the animals we slaughter. All organic animals in Denmark and Sweden are included as having been fed certified organic soy, which is DCF soy. The amount of conventional soy fed to Danish livestock is covered by Round Table

Environment

Accounting policies – continued

on Responsible Soy (RTRS) credits, but the credits are not included in the percentage of DCF soy. In Sweden, all soy used as animal feed or as an ingredient in food production is certified or verified DCF. In Germany and Poland, we currently cannot document the use of DCF soy in feed. Consequently, all livestock are assumed to be fed conventional soy. Traded meat, DAT-Schaub's casing business and externally purchased meat are not part of the indicator.

Waste

Total waste

Total waste is the weight in tonnes of all waste generated. This includes waste directed to recovery, waste directed to disposal (incineration or landfill) and hazardous waste. It does not include animal by-products, biomass used for biogas production or wastewater. Measured in tonnes.

We have made a review of our historical data and made corrections where needed.

Hazardous waste

Hazardous waste is defined as waste containing substances that are explosive, flammable, harmful to skin or eyes, carcinogenic, corrosive, infectious, mutagenic or otherwise toxic for humans or the environment. Measured in tonnes.

Waste directed to recovery

This is the total weight of waste that has been recovered, including preparation for reuse and recycling but not energy recovery. The rate is based on real recovery rates and destination as far as possible. The volume of recovered waste is measured both in tonnes and as a percentage of total waste.

Packaging

Our packaging data cover the following business units: Danish Crown, Danish Crown Beef and KLS. Approximately 10% of our packaging data are extrapolated, as actual data are not available.

We have made a review of our historical data and made corrections where needed.

Packaging volume

The total amount of packaging purchased during the financial year, excluding pallets. Measured in kg per tonnes output.

Recyclable packaging materials

Recyclable plastic packaging materials are defined based on the design guide "Reuse and recycling of plastic packaging for private consumers" from the Network for Circular Plastic Packaging. The guide defines recyclable plastic packaging materials as mono-materials, and non-recyclable plastic packaging materials as multilayered and/or black materials and/or materials including "hard to recycle" materials. Metal and fibre-based materials must consist of only one material structure to be considered recyclable. Measured as a percentage of total packaging.

Recycled packaging content (all materials)

Recycled packaging content is packaging made from materials recovered from post-consumer waste and recycled into a final product or product component. The indicator includes all materials. Measured as a percentage of the total volume of packaging. Previously, the indicator included only plastic materials. The data from previous years have been adjusted to include all materials.

Certified fibre packaging

Certified fibre packaging is the share of fibre packaging with FSC, FSC MIX or equivalent certification, such as under the Programme for the Endorsement of Forest Certification (PEFC). Measured as a percentage of total fibre packaging.

Environment

Certification coverage

Environmental certification coverage is the percentage of production facilities covered by ISO 14001 by the end of the financial year. It is also measured as a percentage of output. Production facilities are abattoirs, processing and casing facilities.

Animal welfare

Slaughtered animals

The total number of animals slaughtered at Danish Crown abattoirs.

Animals raised organically, as free-range and/or without antibiotics

The total number of animals slaughtered that were raised organically, as free-range and/or without antibiotics.

Organic animals are animals raised in accordance with national, European and international organic labels. This includes animals raised under concepts such as the Danish "Friland økologisk" and the German "Bioland". Free-range animals are animals that have been able to roam freely outdoors for at least part of the day, acknowledging that weather conditions can restrict access to outdoor facilities for part of the year in some geographies. This includes animals raised under concepts such as the Danish "Friland" and the Swedish "Naturbeteskött". Qualified estimations are permitted, for cattle and lambs, where it is known that some of the animals can roam freely.

Animals raised without antibiotics include those raised under the American National Organic Program (NOP) and our Polish programme for fattening without antibiotics.

Certification coverage

Animal welfare certification coverage is the percentage of abattoirs covered by the Global Red Meat Standard (GRMS) by the end of the financial year. It is also measured as a percentage of livestock slaughtered at these abattoirs.

Output

Output is the total amount of fresh meat and processed products produced in the period. Fresh meat is measured as output from the slaughtering process as well as deboning activities and mincing, while processed products have been through additional processing. Output is without intercompany eliminations. Output is not an independent indicator but used as a denominator in various environmental indicators, where it is measured in kg or tonnes.

Social

General information on processes related to own workforce and value chain workers

Engagement processes

We engage with our workforce through a variety of processes. Central to these is the ongoing dialogue between managers and employees. We also conduct engagement surveys, performance reviews and exit interviews. We have established European and local works councils, and we carry out site-level assessments of health and safety risks, where employee perspectives are included. Dialogue with trade unions is another important source of insight into our employees' interests and views. Employees are represented on our Board of Directors. The overall operational responsibility for ensuring engagement rests with our Group Chief HR Officer.

Engagement with value chain workers is currently not direct, but through dialogue with trade unions and NGOs.

Both our own workforce and value chain workers can raise concerns through our whistleblower platform.

Processes to address negative impacts

In case of identified actual or potential negative impacts on our workforce, we determine necessary actions in dialogue with relevant colleagues, such as employees, managers, worker representatives and works councils. We conduct an annual human and labour rights risk assessment on our own sites. The assessment is conducted using Sedex. This helps us identify gaps and areas for improvement, and we prioritise actions that close relevant gaps and lead to tangible improvements.

If an actual negative impact is identified through our whisteblower platform or by other means, we ensure appropriate remediation in line with the nature of the violations and applicable legislation. When determining the extent of remediation, we consider whether we caused or contributed to the negative impact, while ensuring that the remedy is fit for purpose. As part of our remediation process, we aim to minimise the negative impact if we are not able to fully eliminate it within a short time. We are working towards a more formalised remediaton process.

Social

Policy and commitment overview

	Diversity, Equity and Inclusion Policy	Human and Labour Rights Policy	Responsible Procurement Policy
Application date of present version	August 2024 (first approved in 2021)	December 2023 (first approved in 2023)	December 2023 (first approved in 2023)
Approved by	Board of Directors of Danish Crown A/S	Board of Directors of Danish Crown A/S	Board of Directors of Danish Crown A/S
Most senior level responsible for implementation[1]	Group Chief HR Officer	Vice President, Group Sustainability	Vice President, Group Sustainability
Main objectives	The policy is a general framework for diversity, equity and inclusion, and aims to promote equitable opportunities, advance diversity and eliminate discrimination. The main objective is to ensure Danish Crown is a great place to work where the well-being of employees is prioritised. An inclusive working environment is a positive enabler for employee well-being, which in turn supports better mental health, safety, engagement and performance. This objective is linked to our gender diversity target.	The aim is to avoid causing or contributing to adverse impacts on human and labour rights within our own business, and to seek to prevent or mitigate any adverse impacts that may be directly linked to our operations, products or services. It is part of the policy that we do not tolerate any form of forced labour, including human trafficking, and that we are committed to abolishing any form of child labour. We also state our commitment to work to maintain workplaces that are free from discrimination and harassment on the basis of race, national or social origin, religion, age, disability, sexual orientation, gender identity, marital status, political opinion or any other characteristics protected by applicable law.	The aim is to establish and implement a sustainable procurement approach that promotes social, environmental, ethical and economic responsibility, in our supply chain activities. With regard to environmental responsibility the objective is linked to our target for reducing scope 3 emissions as well as our packaging targets. The policy is supported by our Supplier Code of Conduct. The code requires suppliers and their sub-suppliers to respect human and labour rights and comply with legislation, including ILO Conventions. The code also requires suppliers to ensure that no child or forced labour is used, including as a result of human trafficking.
Related material impacts, risks and opportunities	Equal treatment and opportunities for own workforce.	Human and labour rights of own workforce, including health and safety as well as equal treatment and opportunities.	Human and labour rights of value chain workers and management of relationships with suppliers.
Scope	The policy applies to the entire Danish Crown Group.	The policy applies to the entire Danish Crown Group.	The policy applies to the entire Danish Crown Group and any goods or services that are purchased by the group.

The policies outlined in the table are integral to addressing the social impacts, risks and opportunities identified in our double materiality assessment. All listed policies are available on www.danishcrown.com.

In addition to these policies, we have made the following commitments related to social issues:

- Danish Gender Diversity Pledge
- Vision Zero Denmark

1 Ultimately our Executive Management is responsible for all policies, but operational implementation is often delegated.

Social

Policy and commitment overview – continued

	Diversity, Equity and Inclusion Policy	Human and Labour Rights Policy	Responsible Procurement Policy
Monitoring of progress	The Executive Management is provided annually with relevant reporting to track the progress made and see if any further actions are needed, e.g. in relation to achieving our gender diversity targets.	Implementation and compliance are monitored in our annual risk assessment conducted through Sedex. Additionally, we follow implementation through an annual EcoVadis assessment. Going forward, implementation will also be supported by creation of awareness through training of relevant employees.	Incidents of non-compliance can be reported through our whistleblower platform. Implementation is supported by creation of awareness through training of relevant employees.
Other	-	Through the implementation of the policy, we commit to respecting: – Science Based Targets initiative – UN Sustainable Development Goals – UN Guiding Principles on Business and Human Rights – International Labour Organization (ILO) Conventions	The policy is supported by the following standards: – Codes of Practice: for our farmer owners and other suppliers of live animals. The codes cover animal welfare as well as labour rights and food safety and quality. – Supplier Code of Conduct: for suppliers of all other goods and services covered by our supplier qualification process. The code covers human and labour rights, environment and anti-corruption.[1] – Business Partner Code of Conduct: for all Danish Crown business partners not covered by one of the other codes. By implementing this policy, we commit to respecting: – Science Based Targets initiative – UN Sustainable Development Goals – UN Guiding Principles on Business and Human Rights – International Labour Organization (ILO) Conventions

1 The Supplier Code of Conduct data do not cover Sokołów and DAT-Schaub.

Social

Target overview

For information on progress towards our targets, please see the indicator overview on page 60.

	Equal treatment	Health and safety
	Increase gender diversity in management	**Reduce frequency of lost-time accidents**
Related policy objectives	We aim to ensure that Danish Crown is a great place to work where the well-being of all employees is prioritised and where an inclusive working environment is a positive enabler (Diversity, Equality and Inclusion Policy).	We aim to provide healthy and safe workplaces for our employees (ESG Policy).
Target level	40% share of the underrepresented gender in upper management.	20 lost-time accidents per 1,000 FTEs.
Unit of measurement	Percentage of the underrepresented gender	Number of accidents per 1,000 FTEs
Scope	In alignment with the Danish Companeis Act, the target covers the Board of Directors (excluding members) and the Executive Management as well as those of their direct reports who have leadership responsibility.	All employees in the entire Danish Crown Group.
Base year	-	-
Target year	2030	2024/25
Methodologies and significant assumptions	See accounting policies for gender diversity.	See accounting policies for lost-time accidents and full-time employees (FTEs).
Monitoring of progress	Progress towards our targets is measured using our data on gender diversity. We provide an update on progress towards our targets and on related initiatives in our Annual Report.	Progress towards our target is measured using our lost-time accidents data point. We provide an update on progress towards our target and on related initiatives in our Annual Report. In addition, we have quarterly internal management reporting and monthly business unit reporting on our progress.
Other	-	-

Social

Accounting policies

General employee indicators

Full-time employees (FTEs)
The number of FTEs is calculated as the average number of FTEs in each of the 12 months of the financial year. The calculation of FTEs is based on normal full-time employment in each country. Employees are all those who receive any form of remuneration directly from Danish Crown for their services, including full-time, part-time and temporary staff.

Headcount
Headcount is defined as the total number of employees on the last day of the financial year with no adjustment for working hours.

Employee turnover
Employee turnover is the total number of employees who left Danish Crown in the reporting period for any reason, whether voluntarily or involuntarily due to dismissal, retirement or death. For entities integrated into our central employee system during the first quarter of the year, we project their turnover for the months prior to their integration. The estimate is based on the turnover data available following their inclusion in the system. Measured as a percentage of headcount at the end of the year.

Health and safety

Management system and certification coverage
Health and safety management and certification coverage refers to the percentage of production facilities covered by either a non-certified health and safety management system or a certified system (ISO 45001). It is also measured by the percentage of all employees working at facilities with either certified or non-certified management systems. Production facilities include abattoirs, processing, and casing facilities. In previous years, it was measured as the percentage of employees at our production facilities and warehouses only, making the data non-comparable with those for 2023/24.

Work-related lost-time accidents
Lost-time accidents are the number of work-related accidents per thousand FTEs. An accident is recorded when it occurs during working hours and causes at least one day of absence after the day of the accident. Accidents during travel to/from work are not included, unless this is required by national legislation.

Work-related absence due to lost-time accidents
This is the total number of working days lost due to accidents, excluding the day of the accident, divided by the number of lost-time accidents. If an accident causes several periods of absence, all days of absence are included.

Work-related fatalities
Fatalities are defined as work-related accidents resulting in the death of a worker. This includes both Danish Crown employees and workers not employed by Danish Crown but working at our facilities.

Equal treatment and opportunities

Share of underrepresented gender
This is the number of the underrepresented gender in each group as a perentage of the total number of people in that group. It is measured on the basis of headcount and reflects the composition of the group at the end of the financial year. In alignment with the Danish Companies Act, the calculation of gender diversity in the Board of Directors of Danish Crown A/S excludes members elected by the employees. In addition, upper management is the Executive Management as well as those of their direct reports who have leadership responsibility. People on garden leave are excluded from the data.

Responsible sourcing

Supplier Code of Conduct acceptance
The Supplier Code of Conduct acceptance rate shows the percentage of our spend where suppliers have accepted our current Supplier Code of Conduct or a previous version, or have committed to an equivalent code of conduct. The data exclude all meat-related procurement categories and the Sokołów and DAT-Schaub business units.

Other livestock suppliers
Other livestock suppliers refers to the total number of suppliers who provide livestock but are not our cooperative owners. This includes suppliers of all species and from any origin.

Other suppliers
Other suppliers encompasses suppliers not related to livestock. This includes both non-meat suppliers and fresh meat suppliers.

Our latest calculation of number of suppliers is from 2022/23.

Consumers

Food safety certification coverage
Food safety certification coverage is measured both as a percentage of our production facilities and as a percentage of output covered by one or more of the following certifications: British Retail Consortium (BRC), Global Red Meat Standard (GRMS), International Featured Standard (IFS) and FSCC 22000. Only facilities covered by the end of the financial year are included. Production facilities are abattoirs, processing and casing facilities.

Recalls
Products which have been delivered to our customers and sold to consumers, and subsequently recalled because they pose a potential food safety risk.

Number of meals
Production in tonnes divided by 50 grams per meal. The 50-gram measure is based on official Danish dietary guidelines, which recommend eating 350 grams of meat per week.

Governance

Policy and commitment overview

	Anti-Corruption Compliance Policy	Whistleblower Policy
Application date of present version	December 2023 (first approved in 2020)	February 2022 (first approved in 2020)
Approved by	Board of Directors of Danish Crown A/S	Board of Directors of Danish Crown A/S
Most senior level responsible for implementation	Vice President, Group Legal	Danish Crown Whistleblower Committee
Main policy objectives	The aim is to fight corruption in all its forms and ensure that the group complies with anti-corruption and bribery laws.	Tha aim is to explain the whistleblower system and describe the main elements of the process. The policy also aims to ensure appropriate protection of those who use the system, and that those accused of misconduct are afforded the right of due process.
Related material impacts, risks and opportunities	Anti-corruption.	Protection of whistleblowers.
Scope	The policy applies to the entire Danish Crown Group.	The policy applies to the entire Danish Crown Group. Both internal and external stakeholders can report concerns under the Whistleblower Policy.
Monitoring of progress	Implementation and compliance with the policy are monitored by reviewing reported cases of potential non-compliance by third parties (whistleblower platform) and/or employees (whistleblower platform and disclosure management system). We also conduct third-party screening of our customers and suppliers in high-risk areas. In addition, implementation is supported by creation of awareness through training of white-collar employees. All employees can direct questions or concerns to Group Legal through a designated mailbox.	Implementation and compliance with the policy are monitored through updates on received whistleblower reports provided regularly to the Audit and Risk Management Committee and to the Board of Directors. The updates include general case statistics and follow-up of compliance with EU requirements for feedback to the whistleblower[1].

The policies outlined in the table are integral to addressing the governance impacts, risks and opportunities identified in our double materiality assessment. Alongside these policies, we also have the following governance-related policies. All listed policies are available on www.danishcrown.com.

- Data Protection Compliance Policy
- Tax Policy
- Export Controls and Sanctions Policy
- Data Ethics Policy
- Political Engagement and Expenses Policy
- Competition Law Compliance Policy
- Responsible Marketing Policy

1 The updates do not include case details or any personal data.

Governance

Policy and commitment overview – continued

	Anti-Corruption Compliance Policy	Whistleblower Policy
Other	The policy is aligned with the UK Bribery Act and the US Foreign Corrupt Practices Act, both of which are based on the UN Convention against Corruption. We therefore consider our policy to be consistent with the convention. The policy is supported by the following standards: – Gifts, hospitality and travel expenses: This standard outlines the rules and when to disclose cases of offering or receiving gifts, hospitality or travel expenses. – Facilitation payments and small bribes: This standard guides employees on how to detect and disclose cases of facilitation payments and small bribes. – Conflicts of interest: This standard offers guidance on identifying, avoiding and disclosing a potential or actual conflict of interest.	The policy is aligned with the EU Whistleblower Protection Directive. The policy is supported by a standard operating procedure for whistleblower report handling. The purpose of this is to ensure compliant and uniform treatment of whistleblower reports.

Governance

Accounting policies

Composition of the Board of Directors of Danish Crown A/S
This is the number of independent board members and employee representatives on the Board of Directors of Danish Crown A/S. It is measured on the basis of headcount and reflects the composition of the Board of Directors at the end of the financial year.

Whistleblower cases
Cases received
Number of reports received during the financial year.

Substantiated cases
Number of reports received within the financial year and closed by the end of the financial year where the investigation confirmed the allegations and led to internal action.

Corruption and bribery cases
The number of substantiated cases involving a breach of our Anti-Corruption Compliance Policy.

Open cases
Number of reports received within the financial year and still open at year-end.

Cases received per employee
The ratio of cases to employees is calculated as the number of cases per 100 employees at year-end (measured in FTEs).

Anti-corruption training
White-collar employees, medium-risk (e-learning)
Measured as the percentage of white-collar employees (headcount) in medium-risk functions who have completed e-learning on anti-corruption within the past two years. The e-learning course is considered completed when the employee has taken a test. The completion rate is calculated at the end of the financial year. All white-collar employees are included other than those who are not eligible for our training platform or are on parental leave or on long-term sick leave.

Training coverage is calculated every second year, with the last calculation made in 2022/23.

White-collar employees, high-risk (targeted training)
Measured as the percentage of white-collar employees (headcount) in high-risk functions who have completed our targeted anti-corruption training within the past two years. All white-collar employees in high-risk functions are included other than those who are on parental leave or long-term sick leave. The percentage is calculated based on our employee composition at the end of April 2024. For information on how employees are categorised into risk categories, please see page 68.

Leverandørselskabet Danish Crown AmbA
Danish Crown Vej 1, DK-8940 Randers SV
+45 89 19 19 19

dc@danishcrown.com
danishcrown.com
CVR no. 21643939