

Enterprise Risk Management position

Introduction

Risk Management is an integrated part of doing business at Chr. Hansen. The objective with enterprise risk management is to support achievement of our business objectives, while risks are managed appropriately.

Enterprise risk management in Chr. Hansen is a structured, consistent and continuous approach to manage our risk exposure and covers all types of risks across the entire organization.

Statements

Our position on enterprise risk management includes:

Risk transparency and insight

- To manage risk effectively, we want to foster transparency in our enterprise risk considerations. This is achieved through a structured and proactive enterprise risk management program.
- Through insights and foresight, using our skills and capabilities as well as using our understanding of the business, our stakeholders and surrounding markets, we are able to focus on the right risks at the right time.

Risk appetite and strategy

- We believe that risk management is a mindset to approach problems, processes and decisions. Hence, enterprise risk management is embedded in all business decisions and processes.
- We can only execute proper risk management, if the organization is aligned with a common understanding of the organization's key risk and overall level of exposure. Therefore we have defined our risk appetite and risk tolerance.
- Our enterprise risk management program is closely aligned with the business strategy development process, to ensure that emergent, strategic and opportunity risks are also encompassed.

Risk governance, reporting and communication

- At Chr. Hansen, the enterprise risk management is anchored in the Senior Management, with reporting to the Audit Committee and the Board of Directors.
- Our communication of risks is transparent and timely, providing stakeholders with the relevant information that conveys the decisions and values of the organization.
- Our governance structure is documented in the "Enterprise Risk Management Governance Framework".

Risk in execution

- We work with risks at many different levels and aspects of our business. It is important for us to be aware and respond to all risks. The following types of risks are encompassed by the enterprise risk management program:
 - Risk that could prevent us in executing our Natures No. 1 strategy, including the introduction of new business and strategic initiatives
 - Risk that could cause significant losses
 - Risk that jeopardizes the ability of our business to function properly

Risk Culture

- We want to pursue a risk aware culture, where we openly talk about risk. This is supported by a distinct and consistent tone from the top – the Board of Directors and Corporate Leadership Team – in respect of risk taking, making clear which risks are acceptable and potentially beneficial and which are unacceptable and should be avoided or mitigated.
- We encourage reporting of risk events, actively seeking to learn from mistakes and near misses.

Governance

This enterprise risk management position is related to the *Corporate Governance Policy*.

Scope

The principles apply to Chr. Hansen Holding A/S and all its subsidiaries.
