

**CHR HANSEN**

*Improving food & health*

# Code of Conduct



# A Message from Cees de Jong

Since Chr. Hansen's founding in 1874, our success has been based on hard work and an unwavering commitment to business integrity and our values in everything we do. Today's business environment is complex and much has changed in recent years; but one thing that will never change is our belief that maintaining a good reputation depends on each of us being personally responsible for our conduct. This Code of Conduct provides information about our personal responsibilities, including complying with the law and applying our good judgment each and every day.

An important step in meeting our day-to-day ethics and compliance responsibilities is to be mindful of our commitments to each other, to our business partners, to our shareholders and to the communities where we work and live.

Of course this Code cannot answer all of your questions nor address every situation, which is why we have established resources to help answer questions and to follow up when problems occur. If you are unsure of what to do in particular circumstances or you are concerned that this Code or our policies are being broken, you have a responsibility to bring that to our attention. A problem cannot be resolved unless it has been identified. It is simple: if you observe something, speak up.

I believe the quality of our people and our commitment to ethics and compliance will not only enable us to succeed today but will also help us achieve long-term success. I am convinced that working together, with the help of this Code, we will not only meet our goals, but we will also continue to be proud of how we achieve success.



Thank you.

Sincerely,

**Cees de Jong**

President & CEO

# Chr. Hansen Code of Conduct

## Our Commitment to Ethics and Compliance

Chr. Hansen is a company that honors its commitments and strives to be a reliable business partner. We believe that doing what is “right” will help us succeed in today’s complex and competitive business environment.

Every employee is responsible for protecting Chr. Hansen’s reputation. This Code will help you decide what to do when faced with difficult ethical situations.

## Who is covered by the Code?

Every employee, manager, officer of Chr. Hansen. Agents, consultants and temporary employees are also covered by the Code when they are working on Chr. Hansen’s behalf.

## What should you do if you see someone violating the Code?

Start by telling your immediate manager. If this is not possible, address a higher-level manager in your area or an HR manager. You may also contact your local Health and Safety representative. Address the problem locally if you can.

If you cannot address violations of the Code locally or if you are not satisfied with the local response, contact Chr. Hansen’s Compliance Department for guidance.

You can also call our Whistleblower hotline any time of the day from anywhere in the world. Telephone numbers are available at [www.chr-hansen.com](http://www.chr-hansen.com). The hotline is open 24 hours a day. Translators are available, and you can remain anonymous unless local law prohibits anonymous reporting.

**Q.** I’m a manager. What are my obligations if someone comes to me with information about a violation of the Code?

**A.** You must take the report forward, even if it involves a senior leader. Failure to comply with this Code may put Chr. Hansen’s business at risk or damage the company’s reputation. This is unacceptable.

## Code Item: A workplace free of harassment and discrimination

We are proud that people of many different backgrounds, cultures and skills work together at Chr. Hansen. It is crucial that we do our best to make everyone feel comfortable at our workplaces.

Discrimination based on race, religion, gender, age, sexual orientation or any other reason prohibited by law is never acceptable at Chr. Hansen. We base our employment decisions on merit alone.

In addition, all employees at Chr. Hansen have the right to feel safe at work. No form of violence is acceptable in our workplace – ever. No employee should be bullied, intimidated or abused for any reason. Sexual harassment, which may involve unwanted sexual advances or insulting jokes, is never allowed.

**Q.** One of my colleagues sends out email jokes that make fun of certain nationalities. The mails make me uncomfortable, but no one else has complained. What should I do?

**A.** Tell your immediate manager, or your HR manager or associate. These types of ‘jokes’ not only make our workplace less harmonious, but they expose the company to lawsuits.

## Code item: Keeping information safe

Your job may give you access to some of Chr. Hansen’s confidential corporate information, as well as valuable business information about our customers and personal information about your colleagues.

Never share this information unless there is a direct business purpose for doing so. If you do share, you must be sure that the information will be fully protected by the other party. Otherwise, seek legal protection of confidential information prior to sharing.

**Q.** The local authorities in the country where I do business are asking for information about one of my colleagues. What should I do?

**A.** Contact your immediate manager or the Compliance Department to find out what type of information can be legally shared in your country.

Be particularly careful when dealing with information in public spaces – when making a phone call in a public place, for example, or when working on your laptop in an airport.

If you mistakenly disclose business information, or if you suspect that others have stolen information, contact the Compliance Department immediately.

### Code item: Conflicts of Interest and Insider Trading

As an employee at Chr. Hansen, your first business loyalty is to Chr. Hansen. This means you may not make significant business investments in our customers, suppliers or competitors, or accept a board position, a side job, or an advisory role with these companies without prior approval.

If a relative or close friend works for one of these companies, it is important to disclose this to your manager prior to any engagement on behalf of Chr. Hansen, as this may present a conflict of interest.

Never use information learned at Chr. Hansen to make your own share trades. This is insider trading, and prohibited by law. In addition, you may not disclose our business information to others who may try to profit by trading.

If you suspect that information has been disclosed that is affecting securities prices, tell your manager or the Compliance Department immediately.

**Q.** One of my relatives works at a supplier and has said she can get us some special deals if I bring more business her way. What should I do?

**A.** Let your manager know about the offer, and explain that the person who made it is your relative. Your manager will evaluate if the offer is in the best interests of Chr. Hansen.

### Code item: A safe and healthy working environment

Creating a safe and healthy work environment is a collective effort. We all have a responsibility to look after our own and our colleagues' safety and to help create a good physical and psychological work environment.

If you see any conditions at Chr. Hansen that present a safety hazard, you must report it immediately to your immediate manager or the person responsible for health and safety at your facility. All employees have the right and responsibility to stop any work they feel may be unsafe.

Chr. Hansen's safety rules also apply to subcontractors and vendors doing work on our premises.

**Q.** I've noticed some conditions at my facility that seem pretty dangerous to me. What can I do? I don't want to be seen as a troublemaker.

**A.** Discuss your concerns with your manager: the conditions may be safer than you think, or set up that way for a good reason. If you're still concerned, contact the Compliance Department or the Environment Health and Safety organization.

### Code item: Communicating with the public

Chr. Hansen needs to speak with one voice when communicating with the public, which is why we have specific employees assigned to the task.

Never speak to journalists about Chr. Hansen's business activities, sales, or financial results without getting prior authorization from our Corporate Communications department.

Get approval from your immediate manager before writing articles for professional journals.

If you are involved in community, charity or political work, make it clear that you do not represent Chr. Hansen in these roles. You can reference your job title on personal social media accounts, but make it clear that your opinions are your own, not the company's.

Be careful in all of your online activities, and avoid language that could reflect poorly on Chr. Hansen.

**Q.** I'm connected on a social media network with a colleague from another department. She frequently posts complaints about her job and her manager online where many people can read it. What should I do?

**A.** Take a screen capture of the postings and share them with your manager, who can then take up the issue with the Compliance Department, HR or the colleague's manager. Your colleague is putting the company's reputation at risk.

### Code item: Fair competition

Chr. Hansen competes vigorously in the markets where we operate, but we are committed to following the laws, rules and regulations that are applicable in those markets.

We never discuss pricing, terms of sale or other matters prohibited by law with our competitors. We do not collude or conspire with competitors to affect or fix bids.

We never abuse our market-leading position to force customers to take goods or services they do not want. And we never lower prices to unrealistic levels for the purpose of eliminating a competitor.

When we hire employees who have previously worked with a competitor, we specifically direct them not to share the competitor's confidential business information with us.

**Q.** I am a manager, and one of my employees who recently joined us from a competitor has brought along the competitor's customer list and price tables. Why shouldn't we use this to our advantage?

**A.** If an employee is in possession of competitor information that is confidential or proprietary, it could result in legal action by the competitor. You must report this to the Compliance Department for appropriate action.

#### **Code item: Bribery, gifts and entertainment**

Chr. Hansen does not pay bribes, kickbacks, or unlawful facilitation payments in order to get or retain customers, or to get any other kind of business advantage. Many of these payments are illegal under local law. If you are asked for this kind of payment, even in small amounts, contact the Compliance Department.

If you are offered a bribe, you must refuse it, and report the incident to your manager.

Modest gifts or entertainment offered by a customer, supplier or business partner are acceptable as long as they are not designed to influence a business decision. If you are offered a gift worth more than USD 300, you need approval from your manager to accept it.

**Q.** While travelling on business for Chr. Hansen, I received a gift that I believe may be worth more than USD 300. What should I do?

**A.** Let your manager know or report it to your local Finance Manager as soon as possible. It may be necessary to return the gift with a letter explaining our policies. If the gift is perishable or impractical to return, another option may be to distribute it to employees or donate it to charity, with a letter of explanation to the donor.

#### **Creating and Managing Business Records**

Chr. Hansen's business records must be accurate and reliable, so that business partners, government officials, investors and the public can put their faith in them.

Our accounts must always be clear, complete and in compliance with local rules and controls.

If you suspect any irregularities relating to the integrity of our records, report them immediately to your manager or to your Finance Manager.

**Q.** At the end of the last quarter reporting period, my manager asked me to record additional expenses even though I had not yet received the invoices from the supplier and the work has not yet started. She said this would make our results look better and the work would be completed in the next quarter. Now I wonder if I did the right thing.

**A.** If you are asked to do accounting transactions or other registrations that are incorrect you should contact your Finance Manager. If this person is involved in the irregularities, contact Group Accounting.

#### **Whistleblower Procedures**

Chr. Hansen's Whistleblower hotline can be used by anyone with a stake in our business. This includes permanent, temporary, and contract employees, suppliers, business partners and other stakeholders.

The hotline is meant only for serious and sensitive concerns that could have a major impact on our business, such as criminal activity, financial crimes, bribery and corruption, unfair competition, environmental pollution, and violence and sexual harassment.

To file a report, call the Whistleblower hotline at any time of day. Telephone numbers are available at [www.chr-hansen.com](http://www.chr-hansen.com) and translators are available to help you if needed. The report will be forwarded to Corporate Vice President of Compliance and will be handled in an Investigation Group consisting of members from the Compliance Department, HR and Group Finance.

All communication will be confidential unless you directly say otherwise. You can report anonymously, in which case Chr. Hansen will only receive your report ID number. You will, however, be encouraged to give enough detail for us to properly investigate the matter.

Chr. Hansen will not tolerate any form of retaliation against any employee or business partner who reports a concern to the Whistleblower Hotline in good faith. However, persons who knowingly make false reports may face disciplinary action.

**Q.** Our manager typically does nothing when concerns about potential misconduct are brought to her attention and I believe she has made things difficult for co-workers who have raised issues. Now I have a problem. A co-worker is doing something that I believe to be a serious violation of the Code. What should I do?

**A.** Take action and speak up. You are required to report misconduct. While starting with your manager is often the best way to efficiently address concerns, if you do not believe that it is appropriate or do not feel comfortable doing so, you should talk to another member of management or call the Whistleblower Hotline.

# Code of Conduct Acknowledgement

**Once a year you are obliged to sign this statement to acknowledge that you have read and understood it. You will receive the statement by separate mail.**

- > I understand that Chr. Hansen is a harassment-free and violence-free workplace.
- > I understand that Chr. Hansen supports diversity and does not permit discrimination on the basis of religion, race, gender, age, sexual orientation or any other basis prohibited by law.
- > I understand that I should report any unsafe conditions in our facilities to my immediate manager.
- > I understand that I must safeguard any business information I have access to about Chr. Hansen, its business partners and employees.
- > I understand that my first business loyalty lies with Chr. Hansen, and that I must avoid conflicts of interest with customers, suppliers and competitors.
- > I understand that Chr. Hansen competes vigorously but fairly, and never sets prices in co-ordination with competitors or misuses competitors' confidential information.
- > I understand that Chr. Hansen does not pay bribes, kickbacks or facilitation payments, and if I am asked for this type of payment, I should contact the Compliance Department.
- > I understand that Chr. Hansen accounts and records must be accurate and reliable to the greatest extent possible.
- > I understand that if I learn about violations of the Code, it is my responsibility to tell my immediate manager, another manager, HR, the Compliance Department or Legal Affairs, or in serious cases to use the Whistleblower Hotline.

**I acknowledge that I have read the Code of Conduct, and understand my obligation to comply with the Code and report violations.**

\_\_\_\_\_  
**Employee Signature**

\_\_\_\_\_  
**Employee Name**

Name of Subsidiary \_\_\_\_\_

Date \_\_\_\_\_

