

California Transparency in Supply Chains Act 2017/2018

Introduction

This statement is published in accordance with the requirements of the California Transparency in Supply Chains Act of 2010. It sets out the steps taken by Chr. Hansen to prevent slavery and human trafficking in its' supply chains

Statement

Our business and supply chain

- Chr. Hansen is a global bioscience company that develops natural solutions for the food, nutritional, pharmaceutical and agricultural industries. Chr. Hansen employs more than 3,000 people across more than 30 countries and has production sites in Brazil, Czech Republic, China, Denmark, France, Germany, Italy, Peru and the United States of America.
- Chr. Hansen develops and produces cultures, enzymes, probiotics, plant protection and natural colors for a rich variety of foods, confectionary, beverages, dietary supplements and animal feed. Chr. Hansen's colors originate from natural sources such as berries, roots and seeds.

Assessment of risk in our supply chain

- The industry and business of Chr. Hansen is generally associated with a low risk of modern slavery and adverse human rights impacts. The majority of Chr. Hansen's suppliers provide highly technical products and are located in countries associated with a low risk of modern slavery. The suppliers to the Natural Colors business are often located in emerging markets, where the risk to human rights is higher.
- To ensure that any potential adverse impacts in the Natural Colors' supply chain are addressed, a roadmap has been developed to ensure that the necessary positions, procedures and level of documentation are in place. The roadmap focuses on assessing and reducing risks in the supply chain, while strengthening good agricultural practices.

Supplier audits

- Chr. Hansen actively collaborates with its direct suppliers to ensure they understand and are able to follow our requirements. This process involves regular supplier visits by sourcing managers. All high-risk direct suppliers, including the suppliers of color pigments originating from South or Central America and Asia Pacific, Middle East and Africa, are audited every three years.

Internal capacity and accountability

- In Chr. Hansen's [Sustainability Requirements for Suppliers](#) we outline the expectations to our direct material suppliers. The principles are included in Chr. Hansen's standard contracts for all suppliers, business partners and anyone doing business on behalf of Chr. Hansen. The principles clearly

state that “suppliers shall ensure that all employees work of their own free will. Any kind of forced or compulsory labor shall not be tolerated. Employees are free to leave employment after reasonable notice.”

- Chr. Hansen’s [Sustainability Position](#) outlines the social and environmental standards that Chr. Hansen expects all stakeholders to follow, including suppliers and business partners. The position includes Chr. Hansen’s support of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the Ethical Trade Initiative’s Base Code, which is an internationally recognized code of labor practice, based on the Conventions of the International Labor Organization.
- Chr. Hansen documents and shares its performance at SEDEX (the Supplier Ethical Data Exchange). SEDEX Members Ethical Trade Audits (SMETA) are conducted at Chr. Hansen’s sites at regular intervals by a third-party auditor.
- Chr. Hansen’s whistleblower hotline enables all stakeholders, including temporary, permanent and contract employees, suppliers and business partners, to report any illegal or unethical misconduct of serious or sensitive concern, including human rights violations. The whistleblower hotline is available at www.chr-hansen.com/en/whistleblower.

Training

- In 2016/17 a new process was established to help sourcing personnel assess and document social and environmental risks in the color pigment supply chain. The sourcing personnel of Natural Colors have been trained in the new process, which will be rolled out during 2017/2018. Our sourcing personnel are trained on a regular basis to assess and mitigate risks, and work closely with our suppliers to build local capacity.