

ESG Progress Report 2022

Chr. Olesen Group Sustainability Report

Reporting on 99a & 99b of the Danish Financial Statements Act.



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From Mads C. Olesen

Chr. Olesen Group believes that taking social responsibility is a mandatory and natural part of being recognized as a reliable business partner in the international distribution market.

Over the past years Chr. Olesen Group has shown progress in the social responsibility area and with this report, we have set new ambitions – but also curious goals for our further ESG progress.

Further, in this year's report, we have moved our sustainability reporting towards the ESG framework to prepare for the future demands of governance.



Being a Reliable Business Partner

In Chr. Olesen Group we continue to align our business processes to the UN Global Compact 10 principles. We are ensuring our commitment to them both in our external strategic partnerships and our internal procedures.

During 2022, we have fulfilled our goals within the social and governance area, as we set them in 2020. Moving forward, our goal is to maintain our achievements in the social and governance areas, while we will increase our focus on taking care of the environment.

Thus, our ESG-Progress strategy for 2022-2025 is to:

- Define learning and goals based on the Corporate Carbon Footprint calculation for the year 2021/2022.
- Investigate the possibilities of calculating the product carbon footprint for our major products by 2025.
- Maintain our focus on diversity including the mandatory plan for female board members.
- Maintain our high standards of social and governance aspects.

This year we have extended our ESG-governance model for Chr. Olesen to include the IT and Shipping departments since they have an integral role in managing our ESG-related risks, showcasing the full scope integration of ESG-risk management in Chr. Olesen. We are also proud to present our first full Corporate Carbon Footprint calculation for Chr. Olesen A/S.

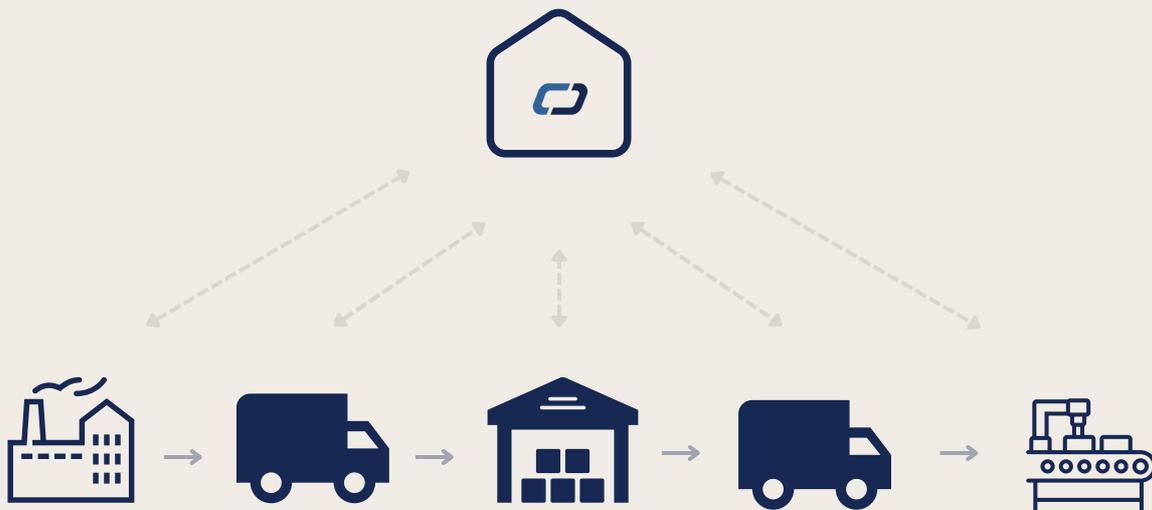
Mads C. Olesen
Owner, CEO



The Chr. Olesen Business Model

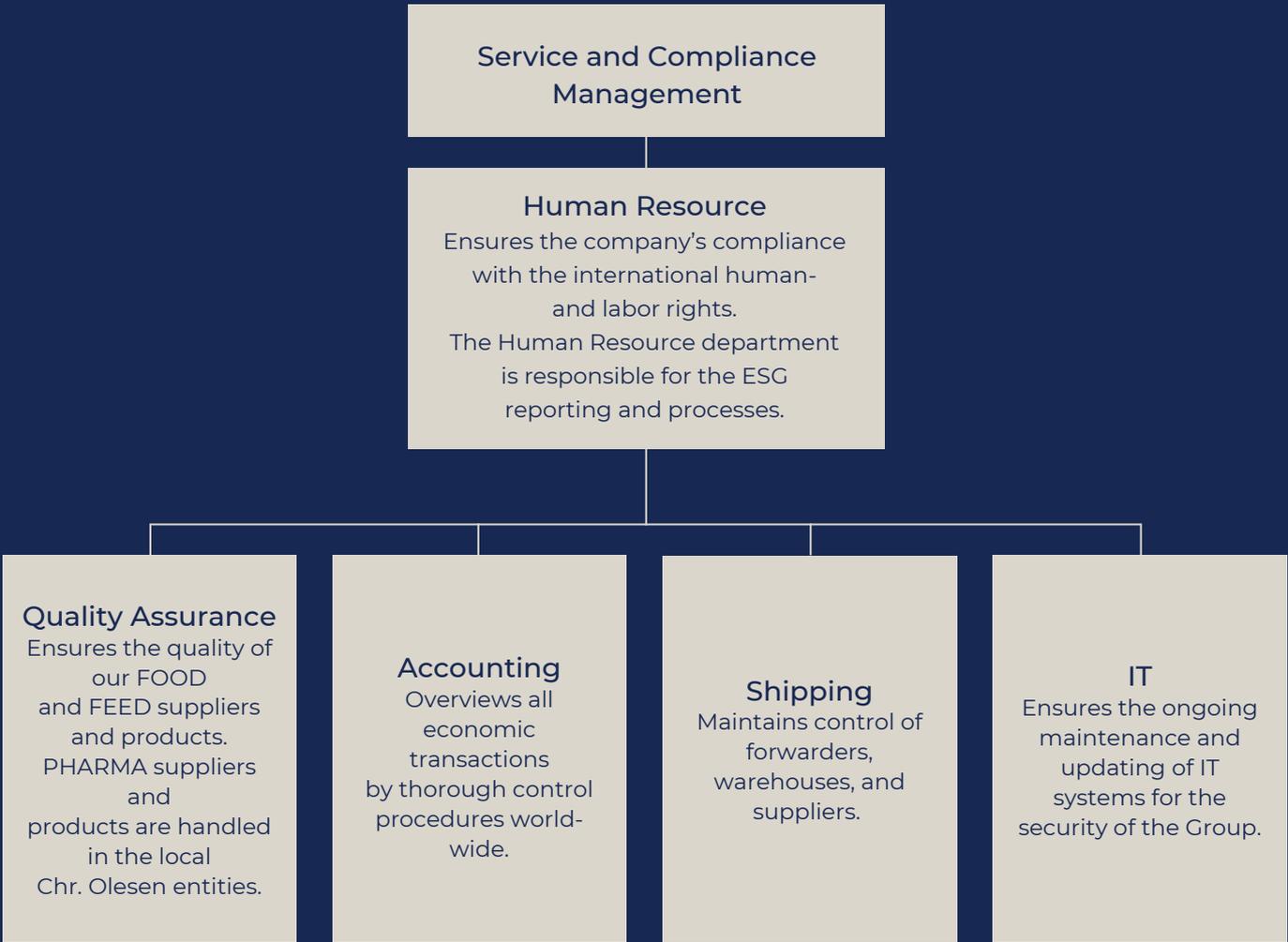
Chr. Olesen is an international distribution company based with headquarters in Denmark and organized as an international group of entities in Europe, Brazil, Mexico and the USA, with a yearly turnover of 499 million euros in 2022 and 105 colleagues in the entire group of companies worldwide. For over a century, we have been distributing products from selected

manufacturers to customers in the food, feed, and pharmaceutical industries through our partnerships in the global distribution business. Most of the products that we distribute are sourced from selected manufacturers in China. The products are then forwarded to warehouses and in the end to our customers in Europe, the USA and Latin America.



The Chr. Olesen ESG Governance Model

In Chr. Olesen ESG governance is overseen by our five different departments: Human Resources, QA, Accounting, Shipping, and IT, led by the Service and Compliance management board. Human Resources is responsible for the daily management of ESG. Processes and procedures within the departments are audited every year by auditors and external accountants.



Risk Management

The main risks for Chr. Olesen to negatively impacting people, the environment and society lie in our supply chain covering the whole world. Each department in the Chr. Olesen ESG Governance model assesses the risks related to ESG on an ongoing basis. Based on the departments' assessment the Service and Compliance Management board identify the most material risk aspects related to ESG for the Chr. Olesen Group.

Environmental Taking care of the environment	Social Taking care of people	Governance Being reliable
<ul style="list-style-type: none">• The Chr. Olesen business travels• Product transports• Warehousing of products	<ul style="list-style-type: none">• Diversity in the Chr. Olesen organisation• Product Sourcing	<ul style="list-style-type: none">• Financial crimes including bribery, hacking, and other crimes compromising our business.

Our ESG Goals

Goal	Progress	Status
First measurement of the Chr. Olesen Corporate Carbon Footprint (CO ₂) for Chr. Olesen A/S.	Partnering with Climate Partner.	Achieved
Define learning from the Corporate Carbon Footprint and set the next goals for the CO ₂ emissions.	Gathering insights from the data collection for the Corporate Carbon Footprint.	On track
We aim to calculate the Product Carbon Footprint of our major products, in 2025.	Researching possibilities of calculation.	On track
Maintaining awareness about diversity in the organisation.	Focusing on having a varied talent pool, age, gender and nationality wise.	On track
Ensuring to have a reliable working environment.	Working environment surveys every 3 years.	On track
97% of product suppliers have their own code of conduct or have signed the Chr. Olesen code of conduct.	Sending out the Chr. Olesen Code of Conduct for signature to product suppliers.	On track
95% of transport- and warehousing suppliers have their own Code of Conduct or have signed the Chr. Olesen code of conduct.	Sending out the Chr. Olesen Code of Conduct for signature to transport- and warehousing suppliers.	On track
Increase the percentage of the underrepresented gender on the board.	Actively seeking a female board member.	On track
Uphold the reliable management in Chr. Olesen including an active process around the whistleblower process.	Continuing the internal training on business ethics.	Maintain

Our ESG Policy

In Chr. Olesen, we are dedicated, and sincere people and high ethics are a part of our professional behaviour and practice. We have a non-tolerance for economic crimes, bribery and corruption, and do not facilitate any payments associated with these activities. We believe in the principles of free enterprise and fair competition. To us, business ethics is about managing compliance, risk, and governance and behaving in a responsible way.

In Chr. Olesen, we support a precautionary approach to environmental challenges, including undertaking priorities within our business to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies.



In Chr. Olesen our endeavour to respect human rights is embedded in our company's sincere and dedicated culture and adhered to by our entire team of colleagues in our daily activities. As a global business, we embrace diversity and promote inclusion internally as well as in the countries in which we operate.

In Chr. Olesen Group, the local country-specific labour legislation is the baseline of labour conditions for our employees. We include international principles on, working environment, working conditions and decent working hours and ensure the right to freedom of association. Furthermore, we are committed to ensuring non-discrimination and promoting gender equality in all parts of our organisation. We do not tolerate or use child labour and we are committed to protecting children- and young workers against exploitation.

Taking Care of The Environment



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Environmental Policy

In Chr. Olesen, we support a precautionary approach to environmental challenges, including undertaking priorities within our business to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies.

It is a part of our environmental policy to be a part of membership organisations that work with sustainable initiatives in the industry, such as DAKOFO and FEFANA ASSOCIATION, Europe as we believe that progress is created through collaboration. We are also members of the SEDEX and Ecovadis which are platforms that help us manage and evaluate our supply chain regarding social responsibility.



Environmental Risks

Business Travel

Business travel with cars and aeroplanes poses an environmental risk for Chr. Olesen to negatively impact the environment. With entities and colleagues in Denmark, Germany, Belgium, France, the USA, Mexico and Brazil, business travel is a necessary part of ensuring connectivity among our colleagues and with our customers and suppliers.

Post-covid we have cut down our travel to a minimum by holding online meetings whenever possible. Our strategy for further reducing the emissions from our business travel is looking into climate compensation for the business travel that we cannot eliminate.

This year we have started to calculate the emissions for all business travel within Chr. Olesen A/S, as per the Corporate Carbon Footprint on page 27.

Product Sourcing

Most of our products for the FEED, FOOD, and PHARMA Industries are sourced from suppliers in China. A great part of our scope 3 emissions lies in the production of the products that we distribute. To manage this risk, 95% of our product suppliers have signed our Code of Conduct that commits them to undertake initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies. Additionally, we have decided to further explore ways that we can collaborate with our product suppliers in the coming years, to calculate the carbon footprint of the products we distribute.

Forwarding and Warehousing

A key task of Chr. Olesen is coordinating forwarding and warehousing on the product's way to the customer. In Chr. Olesen, we are aware of the transporting and warehousing's contribution to Co2 emissions, and we are thus committed to collaborating with our suppliers of forwarding and warehousing to mitigate the environmental risks.

In September 2022 we initiated an assessment of our forwarders' and warehouses' ESG initiatives, to assess their initiatives for mitigating sustainability risks, through an extended ESG questionnaire. In 2023 we are implementing a tender process for our freight forwarding activities. As a part of the tendering process, we are including our sustainability survey as a supplementary criterion for the selection of potential new forwarders. Forwarding is already a highly regulated area of business and in that regard Chr. Olesen Group is highly dependent on the development of the transporting and warehousing industries' development in these areas.

As a learning, we have started calculating our yearly carbon footprint from transports organized by us, to track the development in our scope 3 emissions of inbound and outbound logistics. This has led to an increased emphasis on how we can bulk together transports to decrease our climate footprint while ensuring that our customers receive their products in the most efficient way. The ambition is for this to become a stepping-stone to setting a reduction target for our forwarding activities.

We are continuously working on a solution for a streamlined calculation of our scope 3 emissions from our warehousing activities. The space we lease from each warehouse is calculated differently at each of our warehousing suppliers, making it a more complex task to determine the Co2 print from these activities.

Chr. Olesen Corporate Carbon Footprint

This year we collaborated with Climate Partner to calculate our Corporate Carbon Footprint for Chr. Olesen A/S. For the fiscal year 2020/2021 our scope 1 and 2 emissions amounted to 12 t CO₂, measured on the use of water, heat and electricity.

The numbers for 2021/2022 78,98 t CO₂ emissions reflect an increase in our scope 1 and 2 emissions, compared to 2020/2021. The increase mainly stems from the increase in included categories, such as inbound and outbound transports, food, the vehicle fleet along with other categories that comply with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

Furthermore, Chr. Olesen group has grown in employees and thus also office space since 2020. In this regard, we believe the result of the scope 1 and 2 is satisfactory. Please refer to p. 27 to see the detailed results.

Calculating the Corporate Carbon Footprint of Chr. Olesen has given us an insight into from which activities we emit the most and thus what we should focus on in the coming years.

Results

Standard	Activity	2020/2021	2021/2022
GRI 303-1 & 305-2	Scope 1 + 2	12 [t CO ₂]	78,98 [t CO ₂]
GRI 303-3	Scope 3	-	8,485.02 [t CO ₂]

Taking Care of
People



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Humans Rights Policy

In Chr. Olesen our endeavour to respect human rights is embedded in our company's sincere and dedicated culture and adhered to by our entire team of colleagues in our daily activities.

As a global business, we embrace diversity and promote inclusion internally as well as in the countries in which we operate.

Labour Rights Policy

In Chr. Olesen Group, the local country-specific labour legislation is the baseline of labour conditions for our employees. We include international principles on, working environment, working conditions and decent working hours and ensure the right to freedom of association. Furthermore, we are committed to ensuring non-discrimination and promoting gender equality in all parts of our organisation. We do not tolerate or use child labour and we are committed to protecting children- and young workers against exploitation.

Non-tolerance of forced labor and child labor

Chr. Olesen is committed to a principle of non-tolerance of forced labour and child labour in our business operations. This principle applies not only to internal activities but also to our suppliers and business partners. Internally the non-tolerance of forced and compulsory labour is confirmed in the Chr. Olesen Employee Handbook (Employee Policy).

Freedom of Association

The freedom of association and the right of collective bargaining is respected and covered by European legislation. We have not experienced any challenges in upholding these rights.

Non-Discrimination and equal opportunities

With colleagues in Europe, Brazil, Mexico, and the USA it is an integrated part of Chr. Olesen to avoid discrimination in employment and occupation and to ensure providing equal opportunities for all. For us, this is a natural part of being a sincere company. Within all aspects of employment, including selection, job assignment, compensation, discipline, termination, access to training, and other benefits, Chr. Olesen does not discriminate in employment opportunities based on race, colour, religion, sex, sexual orientation, national origin, age, disability, genetic information or status. To provide equal employment and advancement opportunities for all individuals, employment decisions at Chr. Olesen is based on merit, qualifications, performance, and abilities. A non-tolerance principle for discrimination and harassment and a specific clause on equal employment opportunities is included in our international Employee Handbook.

Social Risks

Product Sourcing

Within Human rights and Labor rights, the risks lie with the way our suppliers conduct their business. Product suppliers to Chr. Olesen must sign the Chr. Olesen code of conduct to avoid the risk of negatively impacting human- and labour rights. This control is processed in the QA departments in Chr. Olesen. Most of our products are sourced in China, from suppliers with whom we have longstanding agreements. By sourcing our products from another continent we risk losing control in terms of e.g. human- and labour rights. We manage this risk through our product managers' close collaboration with our suppliers and by emphasizing the long-term relationships with suppliers that share our values at Chr. Olesen. These suppliers equal 88% of our spend on products.

Furthermore, we manage this risk by having our product suppliers sign our code of conduct. Currently, at least 95% of our product suppliers have signed our code of conduct.

Gender Equality

Considering gender diversity on our Board of Directors, it can be argued that Chr. Olesen is facing a risk since the board of directors does not have any female members yet and has not succeeded in finding any in the hiring processes. We are internally committed to enhancing the representation of women in management positions and on our Board and creating a pipeline of relevant women for the company's board is continuously on our agenda. Our focus is on finding a woman for the board no later than the fiscal year 2025/2026.



Our People

Our people are those who enable us to continuously deliver on our purpose of empowering reliable growth through long-term partnerships. With 52 colleagues in Denmark, 24 colleagues in Europe and 29 colleagues in Brazil, Mexico and the USA we are working under different employment legislations. As our headquarter is based in Denmark, Chr. Olesen Group complies with the Danish and European legislation on the working environment and applies this level of labour ethics as a framework for health and safety throughout the international organisation. This complies with the labour principles covered by the UN Global Compact 10 principles and is a decent level for national requirements of labour principles in the countries where we operate.

Diversity

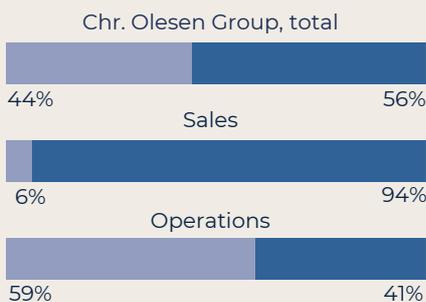
In Chr. Olesen, we emphasize that diversity is as much about age and nationality as it is about gender. We are satisfied with our diversity when it comes to the right competencies, age and nationality having 10 nationalities within the group of companies with a spread in age from below 25 to 65+.

To support age diversity in the organisation, we have an increased focus on acquiring and maintaining young talent.

The Chr. Olesen Group has a reasonable overall gender distribution with 44% women and 56% men, considering that the distribution business is, per tradition, primarily a male-dominated industry. Concerning the gender distribution in our different functions, there is a slightly higher percentage of women in the operations, while the sales positions are mainly occupied by men. The representation of men and women among our managers in Denmark is equal, while it is nearly equal worldwide. In Chr. Olesen Group we are committed to maintaining a balanced representation of women and men in management positions and avoiding any gender-based pay gaps in salaries. Since the overall representation of women is a little lower than that of men, it urges us to maintain to pay attention to gender balance in talent development. Furthermore, we are always emphasizing finding a varied talent pool in our recruiting processes.

2022

Gender Distribution



Headcount

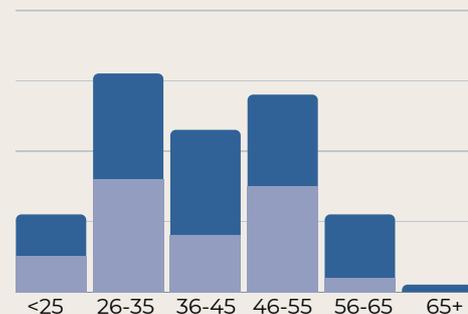
105

Nationalities

10

- Male
- Female

Age Distribution



Results

Standard	Activity	2020/2021	2021/2022
GRI 102-8	Gender distribution (%) (female/male)	43/57	44/56
GRI 405-1	Gender distribution managers global (%) (female/male)	-	45/55
GRI 405-1	Gender distribution managers HQ (%) (female/male)	50/50	50/50
GRI 405-1	Gender distribution board members (%) (female/male)	0/100	0/100
GRI 405-2	Pay ratio (female/male) HQ	49/51	48/52
GRI 405-1	Age distribution -30/30-50/50+ (%)	-	25/58/17
GRI 405-1	Nationalities	-	10
GRI 403	APV score HQ (working environment)	-	95.6%
GRI 403	APV score Global (working environment)	-	99%
GRI 102-16	Product suppliers having their own/has signed the Chr. Olesen Code of Conduct	95%	97%

The past year's work with human rights has increased the number of suppliers committing to our code of conduct. As manifested in our ESG Goals, we intend to increase the percentage of warehousing and forwarding suppliers who have signed our code of conduct or has their own, in the coming years. Furthermore, we will maintain the current level of commitment to our code of Conduct among our suppliers.

The past year's work with labour rights is exemplified in our APV assessment which confirms our high degree of employee satisfaction in the international working environment. We will continue to focus on maintaining our current level of APV scores at the headquarters in Denmark as well as internationally.

Being Reliable



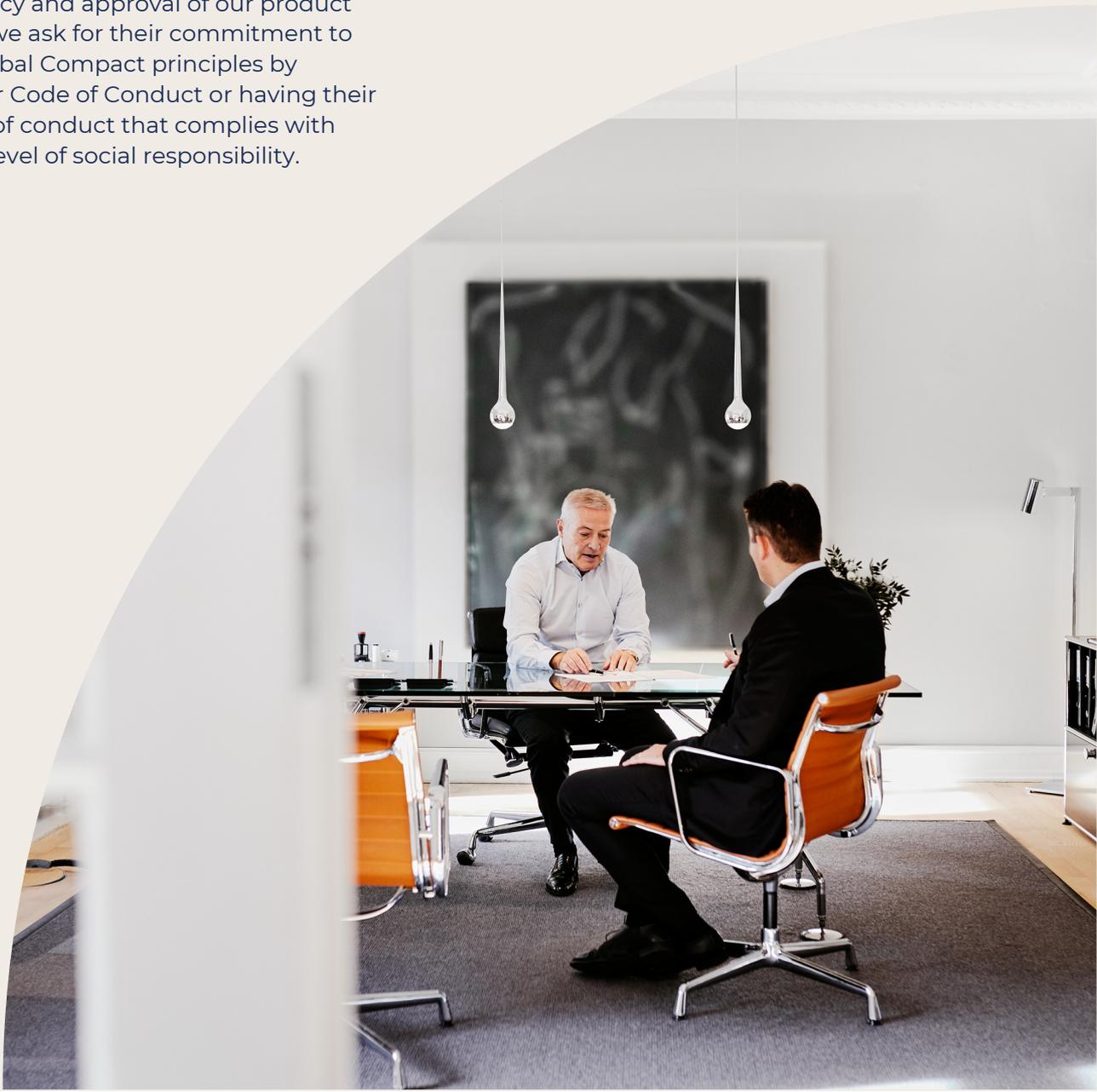
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Governance Policy

In Chr. Olesen, we are dedicated, and sincere people and high ethics are a part of our professional behaviour and practice. We have a non-tolerance for economic crimes, bribery and corruption, and do not facilitate any payments associated with these activities. We believe in the principles of free enterprise and fair competition. To us, business ethics is about managing compliance, risk and governance, and behaving in a responsible way.

Chr. Olesen favours business relationships with companies that practice social responsibility in compliance with Chr. Olesen's Code of Conduct. As a part of our quality policy and approval of our product suppliers, we ask for their commitment to the UN Global Compact principles by signing our Code of Conduct or having their own code of conduct that complies with the same level of social responsibility.



Governmental Risks

Global Supply Chains

Chr. Olesen is an international company with a global supply chain, which creates a number of risks when considering governance. Managing the business with international strategic partnerships in countries with risks in relation to human rights, labour rights, pollution, CO2 emissions, corruption, and fraud requires us to thoroughly follow the activities of our suppliers and business partners. For the coming years, we are focusing on maintaining zero occurrences of corruption cases, zero GDPR complaints, and zero complaints through our whistleblower mechanism. Furthermore, we are continuously ensuring that our employees are well-trained in anti-corruption and GDPR.

Increased Governance requirements

The updated legislation from the European Parliament that sets further requirements for sustainability reporting will impact many businesses in the EU as well as us as a global distributor. In Chr. Olesen Group we closely monitor the newest ESG demands and continuously work on incorporating them into our social responsibility.

Anticorruption

By having a global supply chain, there is a risk that financial transactions are being corrupted or in other ways criminalized. In Chr. Olesen Group we manage this risk by controlling all financial transactions through our accounting department in Denmark. Furthermore, the Chr. Olesen Partners have signed a Code of Conduct as a part of our risk management policy which states the company's non-tolerance of any kind of economic crimes including but not limited to corruption, extortion, and bribery.

Data protection and information security

Through the past years, Chr. Olesen has invested in digital development in order to meet the digital future needs. Our IT department is overseeing and handles all IT-related risks. Data protection and information security measures have been a key element in the implementation. Our data processing activities are guided by an internal Data Protection Policy that complies with the requirements of the EU General Data Protection Regulation (GDPR) and all employees are trained in data protection. In our IT risk handling related to international transactions, we work according to a strict IT policy and a robust it-security system to protect the company's transactions. Within this year we have further updated our IT security measures.

Results

Standard	Activity	2020/2021	2021/2022
GRI 205-3	No. of corruption cases	0	0
GRI 205-2	Training in anti-corruption	100%	100%
GRI 418-1	No. of GDPR Complaints	0	0
GDPR	Training in GDPR	100%	100%
GRI 102-17	No. of complaints through whistle-blower mechanism	0	0

Doing Good



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Charities in Brazil

We are continuing our collaboration with the Rede Cultural Beija-Flor, an NGO in Brazil. This organisation supports young people with limited resources to increase their joy of life by helping them into more education.

In 2022 Chr. Olesen supported 64 children in extra schooling in Portuguese and Math and will continue this project into 2023. The project is named Tio Chr. Olesen and can be followed at www.redeculturalbeijaflor.org.br.



Reporting Principles

Geographical Scope

This report concerns the company Chr. Olesen Group, and the results and targets are set for the international organisation. For the calculations of diversity in the Chr. Olesen Group and the Corporate Carbon Footprint for Chr. Olesen A/S the numbers are based on the fiscal year running from 1. October 2021 until 30. September. The headcount includes all who are employed in the Chr. Olesen Group. The Corporate Carbon Footprint concerns Chr. Olesen A/S, whereas the upstream and downstream activities, include all forwarding arranged from our entities in Europe.

Applied Indicators

Throughout the report, the international sustainability accounting standard, Global Reporting Initiative Standards (GRI Standards), are used to establish comparability and internationally recognized material benchmarks. The calculations of scope 1, 2 and 3 emissions are done according to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol).

Baseline 2022

This year's report is a further progress from 2020, and contains a new structure as well as goals. Find last year's report on our website: chr-olesen.dk.



Results - Calculation Method

Calculation Method	Activity	2021/2022
CHG Protocol Activities • Emissions factor	Scope 1 + 2 emissions	78,98 [t CO ₂]
CHG Protocol Activities • Emissions factor	Scope 3 emissions	8,485.02 [t CO ₂]
$\frac{\text{Count of gender}}{\text{Total Employees}} \cdot 100$	Gender distribution (%) (female/male)	44/56
$\frac{\text{Count of gender}}{\text{Total Managers Global}} \cdot 100$	Gender distribution managers global (%) (female/male)	45/55
$\frac{\text{Count of gender}}{\text{Total Managers HQ}} \cdot 100$	Gender distribution managers HQ (%) (female/male)	50/50
$\frac{\text{Count of gender}}{\text{Total Management Board}} \cdot 100$	Gender distribution board members (%) (female/male)	0/100
$\frac{\text{Average of gender}}{\text{Total salary}} \cdot 100$	Pay ratio (female/male) HQ	48/52
$\frac{\text{Count age group}}{\text{Total Employees}} \cdot 100$	Age distribution -30/30-50/50+ (%)	25/58/17
Count of nationalities	Nationalities	10
$\frac{\text{SUM APV HQ}}{\text{Count of APV scores HQ}} \cdot 100$	APV score HQ (working environment)	95.6%
$\frac{\text{SUM APV Global}}{\text{Count of APV scores Global}} \cdot 100$	APV score Global (working environment)	99%
$\frac{\text{Total Suppliers}}{\text{Count of product suppliers having their own / signing the Chr.Olesen Code of conduct}} \cdot 100$	Product suppliers having their own/has signed the Chr. Olesen Code of Conduct	97%
Count of corruption cases	No. of corruption cases	0
$\frac{\text{Count of training in anticorruption}}{\text{Count of employees}} \cdot 100$	Training in anti-corruption	100%
Count of GDPR Complaints	No. of GDPR Complaints	0
$\frac{\text{Count of training in GDPR}}{\text{Count of employees}} \cdot 100$	Training in GDPR	100%
Count of whistle-blower complaints	No. of complaints through whistle-blower mechanism	0

Corporate Carbon Footprint Results Table: Chr. Olesen A/S

Overall Results for the period 01.10.2021-31.09.2022

Emission Sources	t CO ₂	%
Scope 1	15.30	0.2
Direct emissions from company vehicles	13.40	0.2
Vehicle fleet	13.40	0.2
Direct emissions from company facilities	1.90	0.0
Refrigerant Leakage	1.90	0.0
Scope 2	63.68	0.7
Purchased heating, steam and cooling for own use	41.33	0.5
Heat (Purchased)	41.33	0.5
Purchased electricity for own use *	22.35	0.3
Electricity (stationary)	22.35	0.3
Electricity (vehicle fleet)	0.00	0.00
Scope 3	8,485.02	99.1
Downstream transportation and distribution	5,549.57	64.8
Outbound logistics	5,549.57	64.8
Upstream transportation and distribution	2,752.07	32.1
Inbound logistics	2,752.07	32.1
Employee commuting	68.06	0.8
Employee commuting	68.06	0.8
Purchased goods and services	57.74	0.7
Food and drink	43.54	0.5
Electronic devices	13.34	0.2
Office paper	0.74	0.0
Print products	0.12	0.0
Fuel- and energy-related activities	32.51	0.4
Upstream emissions heat	19.71	0.2
Upstream emissions vehicle fleet	8.57	0.1
Upstream emissions electricity	4.23	0.0
Business travel	25.08	0.3
Flights	24.39	0.3
Hotel nights	0.65	0.0
Rental and private vehicles	0.04	0.0
Overall results	8,564.00	100.0

*Calculated using the market-based method. Emissions calculated using the location-based method are 11.19 t CO₂.