

GOVERNANCE



ACCOUNTABILITY

Accountability means that an individual or organization is responsible for the actions, decisions, products and policies it undertakes. Accountability is a foundational element that supports the overall integrity and success of the industry. As a customer expects a manufactured product to be designed, tested and produced in a safe manner, an investor also expects that the managers are working to maximize shareholder returns and not be wasteful of corporate resources.

Reporting is a way to document accountability for actions, especially where performance-based outcomes have been identified to promote continuous improvement. It can also help ensure avoidance of greenwashing – the act of providing stakeholders with misleading or false information about the environmental impact of a company’s products or operations.

Importance to the Animal Food Industry:

- Ensuring accountability at every stage of production helps maintain high standards of product safety and quality. This is essential for protecting animal health and ensuring that products are safe for the food chain.
- Accountability helps create a culture of responsibility and trust, which can lead to better performance and increased employee satisfaction.
- Strong accountability practices are a cornerstone of good corporate governance. They ensure that decision-making processes are transparent, ethical and align with the best interests of the company and its stakeholders.
- Accountability supports the long-term viability and resilience of the animal food industry. By fostering responsible practices, the industry can better navigate challenges, maintain its social license to operate and contribute to sustainable development.
- Accountability is vital for achieving sustainability goals and building credible brand reputation. It ensures that companies follow through on their commitments to reduce environmental impact, manage resources efficiently and adopt sustainable practices.

Example 1:

Chr. Hansen, a Novonesis company, is a leading global BioSolutions company. Novonesis recently formed following the 2024 merger of Chr. Hansen and Novozymes. The company specializes in utilizing microbiology and biotechnology to create sustainable solutions across various sectors including health, food and beverage, and agriculture.

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Chr. Hansen focuses on enhancing production processes, improving health outcomes and promoting sustainability through its innovative use of enzymes, proteins and microorganisms.

Value:

As a publicly traded company, Chr. Hansen believes it is important to hold themselves accountable for their commitment to sustainability. As a large company with the desire and ability to implement sustainable decisions, accountability ensures transparency and promotes trust among stakeholders, including consumers, investors and regulatory bodies.

Action:

Chr. Hansen ensures accountability within the company by establishing metrics for its efforts and impacts. The company has established key performance indicators (KPIs) that company executives are responsible for, which are linked to Chr. Hansen's sustainability objectives. As part of being held accountable, the company reports on progress annually and validates its climate-based targets against the Science Based Targets Initiative (SBTI).

Benefit:

Keeping the company accountable helps to set sustainability goals at the forefront of decisions and when carrying out operations. Chr. Hansen is on track to be a net-zero carbon emitter by 2030.



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