CSR accounting principles

Data on the environment, health and safety in our CSR Report for 2014 have been included and calculated according to the accounting policies described below.

Cheminova A/S, February 17, 2015

Reporting period
January 1 up to and including December 31. The CSR report is published once a year.

Included activities
Data are calculated for Cheminova’s companies in Denmark, Germany, India, Italy, the United Kingdom and Australia. Cheminova’s residential property is not included in the accounts.
The following addresses are included in the accounts:

Cheminova A/S
Thyborønvej 78
DK-7673 Harboøre
Denmark

Cheminova India Ltd.
Formulation Division
242/P, G.I.D.C. Estate
Panoli - 394 116
Dist.: Bharuch
Gujarat, India

Cheminova Deutschland GmbH & Co. KG
Stader Elbstrasse 26-28
D-21683 Stade
Germany

Althaller Italia s.r.l.
Str. Com.le per Campagna, 5
I-20078 S.Colombano al Lambro (MI)
Italy

Cheminova MFG Pty. Ltd.
16 Lucca Road
Wyong, NSW 2259
Australia

Headland Agrochemicals Limited
Rectors Lane, Pentre
Deeside CH5 2DH
United Kingdom

Water and energy consumption has been included because they are important resources. Emissions to the air and waste water are stated using parameters which give an overall impression of the quality of the waste water and air emissions which are significant in relation to the surroundings, and where it is also possible to make comparisons with other companies. Likewise, it has been decided to provide information about the volume and handling of waste, which is an expression of both a resource and an impact on the surroundings. Operational disruptions are primarily calculated because they are an expression of how the group handles situations which can develop into serious environmental impacts. The safety and well-being of employees is important for the group. It has therefore been decided to provide information about the number of accidents at work, the accident frequency and absence from work due to accidents.
Environmental impacts resulting from transport have not been calculated.

**Water consumption**
Water consumption both for cooling and processes etc. has been calculated on the basis of water meters. However, the water consumption for cooling towers in India has been estimated.

**Energy consumption**
The consumption of natural gas, LPG, electricity, fuel oil and bio fuel is based on meter readings. Energy consumption when using natural gas (which is measured in Nm$^3$), LPG (measured in kilograms), fuel oil (measured in liters) and bio fuel (measured in kilograms) is then calculated using conversion factors. In Denmark, the latest conversion factors set by the Danish Energy Authority are used. In India, the conversion factors are set by Cheminova. Natural gas consumption includes the gas consumed to generate power for sale.

**Raw materials consumption**
*Chemical synthesis:* Raw materials are defined as basic substances that, through chemical reactions, contribute to the product molecule. They also comprise substances that are actively involved in the chemical reaction and consequently transformed, but which do not necessarily end up in the molecule.

*Formulation:* Active ingredients, solvents (excluding water), emulsifiers and other substances are included in the statement to the extent to which they form part of the product.

*Filling:* Formulations purchased from another Cheminova company or from third parties are considered raw materials. Packaging is not included in the calculations.

The amounts are measured.

**Discharge with waste water**
The concentrations of COD, nitrogen and phosphorus are determined through chemical analyses of water samples taken according to a fixed control program. The volumes of waste water are measured. Waste water includes sanitary waste water. However, the volume of sanitary waste water in Germany has been estimated.

**Air emissions**
*Particles*
The concentration in the discharges is measured. The air flow is measured, estimated or calculated on the basis of data for blowers and operating time.

*CO$_2$*
Contributions from consumed natural gas, LPG, fuel oil, and bio fuel are calculated by multiplying consumption by conversion factors.

In Denmark, there are additional process-related contributions from the air-incineration plant. The substances which are incinerated in the air-incineration plant give rise to lower CO$_2$ emissions, which are based on figures from 2005.

**Waste**
All waste types are weighed by the company. Waste is classified by Cheminova according to guidelines issued by the authorities.

**Spillage and waste**
Incidents which lead to significant pollution of the environment outside the production site, cause non-compliance with the environmental authorities' terms for emissions, or lead to pollution at nuisance level (including increased emissions of substances in relation to normal values, the generation of additional waste and detection of new substances in the inflow to the biological waste-water treatment plant in or outside the
production site) are included in the statement. Amounts above 100 kg spilled to consolidated areas are included.

**Health and safety**
The number of accidents at work is counted for all employees under the organizational structure. The number is counted on the basis of reports to the authorities. However, only the accidents at work which have resulted in absence for a minimum of two days are included.

The accident frequency is the number of accidents at work per one million man-hours worked.

Absence due to accidents is the number of lost man-hours per 1,000 man-hours worked.

The number of man-hours worked does not include breaks but does include time spent on courses.

The number of non-reportable accidents is incidents and accidents which have resulted in absence less than two days.

**Indices**
Products sold on behalf of other companies (third-party products) are not included in the indices. The exact composition of these products is not always known to us likewise information about energy consumption in the production is not available.

*Index 1, more plant protection*
The amount of active ingredients applied per hectare in any relevant crop and country are provided by market research specialists. Data from Cheminova’s total sale of each active ingredient are weighed on this background giving an assessment of the area protected by each active ingredient. The index sums up any sold product produced by Cheminova in the relevant period.

*Index 2, less chemistry*
The index indicates the amount of non-sustainable chemicals per hectare that are applied as plant protection products. Non-sustainable chemicals are active ingredients irrespective of origin plus solvents and other additives that are not renewed by natural processes or that are based on fossil fuels.

*Index 3, less resources*
The index indicates the amount of purchased energy in the form of electricity, gas, fuel oil, bio fuel or similar that is used in Cheminova’s own production of plant protection products on the synthesis plants in Denmark and India.