

**Chr. Hansen:  
“Bring your Full Self to Work”**

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**MANAGEMENT DECISION**

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The authors prepared this case solely as a basis for class discussion and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Although based on real events and despite occasional references to actual companies, this case is fictitious and any resemblance to actual persons or entities is coincidental.

## Introduction

The biotech company Chr. Hansen has become a significant sponsor of the Copenhagen Pride and LGBT+ Denmark, celebrating the values of diversity, equity, and inclusion. The company actively participated in Copenhagen Pride in 2022 for the first time in its history. In response to their marketing campaign of Pride 2023 and their rainbow-colored logo, their second biggest stakeholder from the United States demanded to take the Pride campaign down as it is not aligned with their interests, which led to a heated debate in the US.

In the following, the management decision of Chr. Hansen and their reasoning will be presented. A timeline is used to showcase the occurring events related to this case. Furthermore, the consequences of the management decision are shown, highlighting both the internal reactions of employees and the external reactions of the media. The contents mentioned above demonstrate the relevancy and complexity of this case.

## Management Decision

After being exposed to complaints from their US stakeholders, the Management Group of Chr. Hansen decided to withdraw their partnership with Copenhagen Pride donating their partnership fee to the organization. The company removed rainbow colors from its logo and any visible signs of LGBTQIA+ support from its website.

The following statement was given by Chr. Hansen CEO Mauricio Graber in an interview: *"I definitely stand by the difficult decision. Our employees and our business were under threat in the Americas."*

The management's reasoning was that Pride is a subject of political controversy. The CEO also mentioned how "polarizing and politicized" the Pride flag has become in the US, making it necessary to take this action to protect their business and employees worldwide.

## Timeline

# Timeline of the Chr. Hansen Case

### AUGUST 2022

Partnership with CPH Pride & Social Media Campaign



### JUNE 2023

Chr. Hansen withdraws Partnership after threats from the US



### JUNE 2023

400 employees signed a letter of protest to Management

### AUGUST 2023

Employees receive Salmon of the Year for their courage



### JANUARY 2024

Merger with Novozymes



# Consequences of the Management Decision

## Internal Backlash

After the management of Chr. Hansen decided to withdraw their support of Copenhagen Pride because of their US stakeholders, a group of employees openly reacted to this decision. Four hundred out of about 3.800 international employees signed a letter of protest criticizing the management decision and asking for an internal discussion. There is no information that an internal dialogue took place.

Employees said: *"It is a shameful decision"* and Tina Rød added to the discussion: *"It is as if we have sold our values instead of standing up to those who threaten our employees."*

In August 2023, the Chr. Hansen employees were awarded the Salmon of the Year award by LGBT+ Denmark, which is *"a tribute and recognition to individuals and organizations who fight the cause from an unexpected angle and dare to swim against the current"*. This tradition has existed since 2003, making it the 21<sup>st</sup> time the reward was handed out during Copenhagen Pride. Through this recognition, they showed appreciation for the employees' courage to stand up for their values and keep the company to its promises despite risking the security of their workplace. This showed how employees can also play an active role in the fight for diversity in the business world. The award was accepted by Tina Rød, an openly lesbian who took the initiative to protest against the company's leadership, as seen in **Exhibit 1**.

## External Backlash

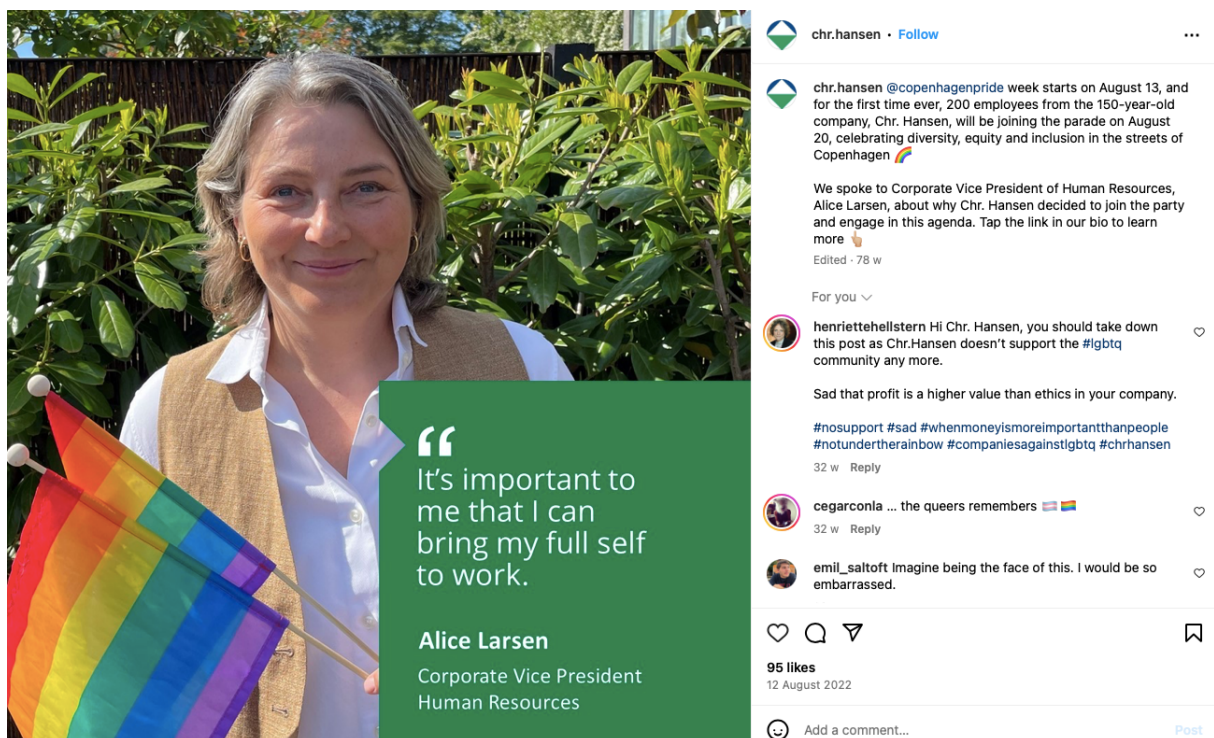
The case spread all over Danish as well as international media, leading to a debate about "rainbow washing" as the question arised as to why corporate support for LGBTQIA+ only applies when it is risk-free and popular. Rainbow washing is a term that describes a company that only shows superficial support of the LGBTQIA+ community for marketing and PR purposes only. Chr. Hansen also received comments that profit has a higher value than ethics in their company, demanding that they take their old posts promoting diversity down, as shown in **Exhibit 2**. Overall disappointment and outrage were seen towards the decision to withdraw from supporting diversity and inclusion by a company with a high status and reputation as one of Denmark's most diverse companies. Even executives who hold large shares of the company openly criticized that Chr. Hansen needs to learn the lesson to mean what they say - and stand by it.

Copenhagen Pride also published a statement expressing that Chr. Hansen has been the only company to withdraw their partnership, and should they consider partnering up again in the future, it will not be easy to rebuild their trust and reliability. They also insisted that Chr. Hansen employees are welcome to participate as public members in the Copenhagen Pride and should not be excluded due to the company's decision. Furthermore, the partnership fee donation will be used to organize the largest free Pride event in Scandinavia, ensuring that as many people as possible can participate.

## Exhibits



**Exhibit 1** Employees receiving Årets Laks (Salmon of the Year) award for their commitment to Pride and criticism of the Chr. Hansen management.



**Exhibit 2** Chr. Hansen participating in Pride Copenhagen in August 2022.

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