

Our responsibility

CSR REPORT

The year '2018' is rendered in large, white, sans-serif font. The '0' is replaced by a stylized logo consisting of a white circle with a white outline, containing the text 'CO-RO' in white, bold, sans-serif font. Above the circle are two green leaves. The background is a close-up photograph of a fresh orange with water droplets on its skin and green leaves with water droplets on their surfaces.

2018

REFRESH AND DELIGHT



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ABOUT THIS REPORT

This is CO-RO's corporate social responsibility report. It is a report showing the management's account of CO-RO's actions and goals within sustainability and is compliant with the Danish Financial Statements Act §99a and §99b.

The purpose of the CSR report is to provide stakeholders with an impression of our business model and how it links to our perspective on Human Rights, Environmental and Climate Impact, Working Environment and Anti-corruption.

CO-RO's Business Model

At CO-RO we strive to ensure sustainability in the most significant steps in our business model, as we are aware that our value chain generates an environmental impact.

CO-RO purchases various components and raw material from local as well as global suppliers to produce a concentrated compound in Denmark.

The compound is then shipped to subsidiaries and partners around the world, where the compound is converted into finished goods by adding additional

components like water, sugar etc. After conversion, the product is being bottled or bricked and packed ready for sale.

Local distributors then collect the products and secure distribution to end users through wholesale networks, traditional trade, modern trade or the HORECA channel. Marketing is handled as a co-

ordinated effort between head office, or partners and distributors around the world.

The below figure illustrates the business model, as well as some of the areas where CO-RO's footprint may have an environmental impact.

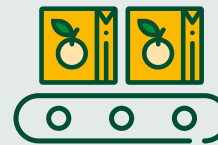
Sourcing

Sourcing the best quality fruit concentrate and materials



Shipping

Compound to partners and bottlers via ship and lorries



Distribution

Of finished products to the trade



Mixing

Ingredients to make highly concentrated compound

Producing

Our fruit-based beverages and ambient ice

Consumers

Being refreshed and delighted in more than 80 countries around the world



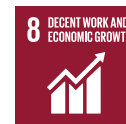
CSR Policy

CO-RO has formulated a CSR policy based on guidelines from UN Global Compact, as well as the UN 17 Sustainable Development Goals, on which the following three will be our focus areas, as they are the most relevant given our purpose, business model and global footprint:

The policy addresses the four pillars of the Danish Financial Statements Act §99a, namely Human Rights, Working Environment, Environmental and Climate impact and Anti-Corruption.

The principles outlined in the CSR policy are supported by our Code of Conduct, as well as Company Handbook, internal employee policies and so forth.

CO-RO commits to establish relevant indicators for the issues mentioned in the policy and to report annually on our progress. We also commit to educate all employees in this declaration and ensure its implementation throughout the organisation.



Human Rights and Labour Rights

Our risk

Being present in a combination of developed and more rising countries, CO-RO is partly exposed to issues related to Gender Equality and Labor Rights. However, we take pride in securing a fair and equal treatment of all employees in the CO-RO Group – a fundamental principle laid out by the founder and since then secured through HR policies and training.

Our policy

CO-RO respects internationally recognised human and labour rights and will always work to support and respect these within our sphere of influence and at all our regional offices and production sites.

We recruit, employ and promote individuals on the sole basis of their abilities and qualifications and not based on their race, religion, colour, age, disability, gender, sexual orientation or marital status.

CO-RO is committed to working with employees to develop and enhance each individual's skills and capabilities. CO-RO's values are based on diversity and empowerment, inspiring people and helping them to perform and develop.

We do not tolerate racial, sexual or any other kind of harassment, use of compulsory or forced labour and child labour in any of our locations.

Actions and Results

Human- and Labor Rights

In 2018 there has been no reporting of non-compliance with our policy in this matter.

Gender Equality

In CO-RO's upper and other layers of management, the group aims to achieve a target figure of 40% for the under-represented gender. In 2018, two members of the Board of Directors were replaced, and the proportion of female members raised to 33% (last year 17%). The full target figure was not achieved as the



leaving board members were of the same gender. The target figure remains unchanged, but the time frame for compliance has been extended to 2021.

At the end of 2018, the proportion of women managers in the group was 29% - the same level as in 2017. In connection with any recruitment and appointment, a thorough assessment is made of managerial talents of both genders, just as the necessary competence development is offered.

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Working Environment and Social Engagement

Our risk

With production sites across the globe, there is a potential risk for CO-RO in ensuring a constant focus on working environment, whether physical or psychological. Areas of H&S are on the agenda in Board Meetings within CO-RO, and through proper training and education, we strive to ensure good working conditions for all employees.

Our policy

CO-RO wants that all its employees be entitled to a safe and secure workplace where no one is exposed to unnecessary risks neither physical nor psychological.

CO-RO is working proactively to improve occupational health and safety continuously and to give employees the training and information they need to manage risks in their own work areas.

We also accept our responsibility for our global operations, which includes engaging in open and active discussions

with the public authorities dealing with health, safety and environmental issues. The number of near-misses must be monitored and reported, and counter-measures are taken where possible to prevent such.

CO-RO is committed to ensuring that no discrimination takes place in hiring or promotion situations, or any other case related to CO-RO or its operations.

In CO-RO we have a global perspective, but we also engage locally in the communities in which we operate. We do this by selectively support local sports-events or similar forums as well as occasional donations. The aim is to build long-term relationships with local stakeholders and increase awareness of CO-RO.

Actions and Results

Working environment

2018 saw an increase in work accidents. Unfortunately, two accidents in 2018 were fatal. Both accidents have been thoroughly investigated with relevant authorities and were a result of internal safety procedures being bypassed. As a result, the focus throughout the CO-RO group is and has been to raise general safety awareness and tighten existing procedures.

Several initiatives have been taken to promote a safe working environment. Amongst others re-organisation of the working environment committee and hire of a full-time Health and Safety Officer. At the same time, we have tightened the use of personal protective equipment and invested in personalised ear protection and eyewear to make it as comfortable and safe as possible.

Employee Engagement Survey

Our global Employee Engagement survey was carried out every quarter in 2018

for all our entities with a reach of 1200 employees. We obtained an impressive response rate above 95%, and our global employee engagement score was 7.4 (on a scale from 0 to 10), which is considered satisfactory. There were variations between the regions, and Group HR is working closely with the entities that were challenged by low scores to find the root cause and improve.

Social Engagement and Donations

In selected areas, CO-RO has chosen to support local events all over the world and donated some of the group's products for charitable purposes, including Mangrove Planting Program 2018 in Malaysia and the Danish Food Bank. CO-RO also donated products to several sports events, cultural and charitable events in several markets all over the world. As an example, CO-RO in 2018 donated 45,000 Sun Lolly juice drinks to Cirkus Summarum - a summer event for families in Denmark arranged by The Muscular Dystrophy Foundation.

5 top initiatives for a safer working environment

On a group level we have identified 5 top initiatives for a safer working environment, that we have been and will continue to drive in 2019:

1. Employee safety awareness and training with a particular focus on risk assessments
2. Implementation of near-miss reporting
3. Ensuring correct use of Personal Protective Equipment
4. Implementation and use of Logout-Tagout (LOTO)
5. Implementation and use of permit to work system (PTW)



Environmental and Climate Impact

Our risk

The major environmental impacts from our locations are shown below.

Procedures and instructions have been implemented in the various locations where needed to manage and ultimately reduce our impact.

Risk

	None	Low	Medium	High
Waste water	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Other water	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Emissions	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Visual, Noise, Vibration	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Our policy

CO-RO is committed to caring for the environment. We invest in new production technology on an ongoing basis. More modern and more environmentally friendly production technology reduces the emission of carbon dioxide, the use of electricity and fresh water and puts less strain on the environment in general.

CO-RO is certified according to the following standards: ISO 9001:2008, ISO 22000:2005 and IFS 2007. On this basis, CO-RO has established a series of procedures to minimise our impact on the environment and climate.

CO₂

In 2018 we optimised our compound and this alone reduced CO₂ emissions by more than 170 ton.

Actions and Results

In line with our policy, we continuously work on minimising our environmental impact by choosing better and more efficient solutions.

In 2018 one of our most significant environmental improvements was driven by concentrating one of our compounds. This alone has initially led to a reduction of more than 6000 tons of material shipped from Denmark to Saudi Arabia equal to a decrease in CO₂ emission of more than 170 ton. Similarly, we have optimised the compound shipments to China and plan to continue this journey into 2019. We have continued our phased investments into LED lighting in Denmark, Sri Lanka and Malaysia and generally focused on optimising existing equipment and solutions.

In Sri Lanka, we upgraded our sugar boiler from heat jackets to a more efficient internal boiler reducing our yearly usage of Energy.



In Denmark recovering heat from cooling compressors has generated a yearly reduction in energy usage of 1100MWh and first phase of improved insulation of steam pipes has reduced the annual energy consumption by 260MWh. We plan to continue this journey and spread best practices across our production sites going forward.

CO-RO works continuously to minimise the group's environmental impact, including the handling of wastewater from the group's production facilities. In Malaysia and China, proprietary biological wastewater treatment plants have been

installed that filter out more than 90% of COD (Chemical Oxygen Demand) from the wastewater before it is discharged into the local sewage treatment plant or drainage. In both Malaysia and China, our treatment has continued to work efficiently in 2018 reducing COD levels to be well within legislative requirements. In 2018, CO-RO achieved a purification of 96% in Malaysia (against 94% in 2017) and maintained the good performance in China with a COD reduction of 98% (against 98% in 2017) in the wastewater discharge. On other production sites, wastewater is discharged to local wastewater treatment plants.

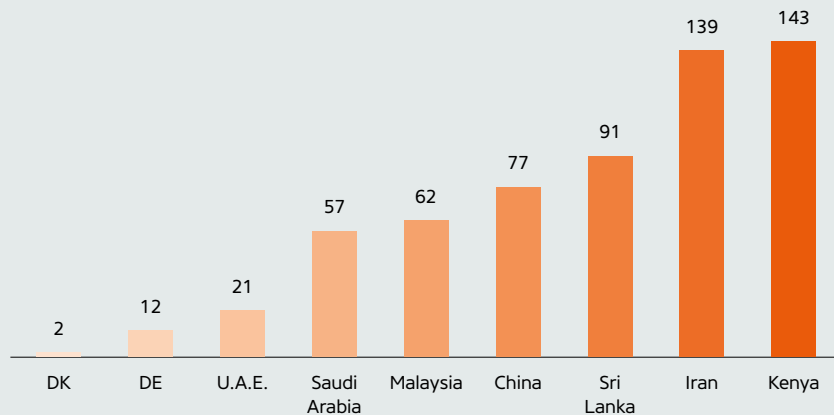
Anti-Corruption and Business Ethics

Our risk

CO-RO's geographical footprint poses an inherent risk, as we are dealing in countries around the world where extra caution must be taken. Transparency International (TI) is an acclaimed global institution that once a year releases a

corruption index - the lower the rank, the lower the risk of corruption in a given country. TI currently monitors 180 countries – markets where CO-RO has fully or part-owned business. Their ranks for 2017 are shown here:

CO-RO's geographical footprint



Our policy

CO-RO conducts its business in a fair and transparent manner and comply with all laws and regulations.

Bribery and corruption are fundamentally inconsistent with CO-RO's values and standards of honesty and integrity in business dealings and relationships and is not tolerated in any way or form. We do not accept facilitation payments and commit to train our employees in business ethics.

CO-RO accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions.

All of our products will comply with relevant legislation and regulatory requirements at all times. This is ensured through a continuous focus from dedicated personnel within CO-RO.

Actions and Results

Training in Code of Conduct is a part of our onboarding program. In 2018 we took the implementation of our code of conduct to the next level as we developed an E-Learning program, ensuring efficient training of our employees' ethical behaviour. The E-learning program will be implemented in the Group during 2019.

A large, semi-transparent watermark of the CO-RO logo is centered on the page. The logo consists of a stylized green leaf-like shape with a circular cutout in the center. Inside the circle, the text "CO-RO" is written in a bold, sans-serif font. The background of the entire page is a solid dark green color.

CO-RO

CO-RO A/S
Holmensvej 11
DK-3600 Frederikssund

www.co-ro.com
responsibility@co-ro.com

CVR no. 63 54 87 15