

Our responsibility

CSR REPORT



2019

CO-RO

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.

The CSR report covers CO-RO A/S and CO-RO Holding A/S jointly.

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.

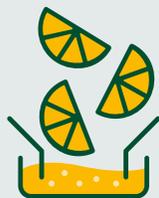
Local distributors then collect the products and secure distribution to end users through wholesale networks, traditional trade, modern trade or the HORECA channel. Marketing is handled as a co-

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

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

“Our company must be known as a company that builds its business on honesty and integrity, respecting different cultures and complying with laws and regulations in the countries where we operate.”

– Mr. Jep Petersen, CO-RO’s founder

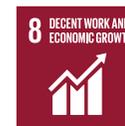
CSR Policy

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 2019 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 by the end of 2021.

The Board of Directors consists of the same members for both CO-RO A/S and CO-RO Holding A/S. As there are no employees in CO-RO Holding A/S, the information provided on gender equality only relates to CO-RO A/S.



Currently, the Board of Directors consist of 2 women and 4 men. Target figure has not been met as there has been no changes to the Board during 2019.

At the end of 2019, the proportion of women managers in the group was 34% - an increase of 5% vs. 2018. 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.

Global leadership training

In 2019 we launched our global 'Growth2025' program focusing on developing our future leaders within CO-RO. The program brings together a diverse group of employees with 14 different

nationalities on an 18-month facilitated learning journey providing them with support, development focus and excessive feedback. During the process, individuals complete three intense development camps as well as virtual networking and mentoring in between, with focus on personal insight (both as leaders or role models and as human beings), business acumen and cultural awareness.

34%

At the end of 2019, the proportion of women managers in the group was 34% - an increase of 5% vs. 2018.



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 supporting 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

Throughout 2019 there has been a strong focus on working environment and several initiatives have been implemented, starting with the hiring of a full-time HSE Manager in March.

The main focus has been on accident reduction and we developed a new system for reporting accidents, near miss and safety observations, including an app that makes it easy for employees to report and it ensures a systematic investigation and follow-up. Campaigns regarding top-three incidents and the systematic handling has resulted in a reduction in the number of Lost Time Incidents, but it will remain a focus area in 2020.

A healthy place to work

In 2019 we invested heavily in health initiatives for our employees in Frederikssund. We launched 'CO-RO Health' starting with a 3-months programme focusing on mental and physical well-

being. The programme was led by external consultants and activities included individual health checks, stress prevention and weekly training sessions. Due to the success of the programme, many of the activities continued throughout 2019 being driven voluntarily by employees. We also invested in new, modern fitness and spinning facilities.

Employee Engagement Survey

Our global Employee Engagement Survey was carried out every quarter in 2019 for all our entities with a reach of 1200 employees. We obtained a response rate of 89%, and our global employee engagement score increased from 7,4 in 2018 to 7,9 in 2019 (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.

Donations and social engagement

In selected areas, CO-RO has chosen to support local events all over the world and donated some of the group's prod-



ucts for charitable purposes, including the Danish Food Bank and again in 2019, 45,000 Sun Lolly juice drinks were donated to Cirkus Summarum - a summer event for families in Denmark arranged by The Muscular Dystrophy Foundation. As examples of our social engagement in the communities we operate in, we initiated a partnership with OrphanCare Foundation in Malaysia supporting underprivileged children and in Saudi Arabia we introduced a nationwide campaign to raise awareness of bullying among children.

As a result of our 3-months health programme, body age among our employees improved

– from 2 years older than actual age to 3 years younger than actual age.



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.

Actions and Results

In CO-RO we continue to focus on investing responsibly in more efficient technologies, as we have been doing in previous years, such as LED lighting and heat pump technologies.

In 2019 one of our biggest investments was a heat recovering ventilation system for part of our factory recovering app. 930MWh per year equal to app. 195 tons of CO₂, while securing a better climate for our workers in the Danish factory. This is a journey we are planning to continue in other parts of the factory.

We have had a prioritized focus in the same period on product waste streams and we lowered our effluent stream to the public municipal plant by 31% measured in COD and 9% measured by volume, while our production volume was reduced by 12%.



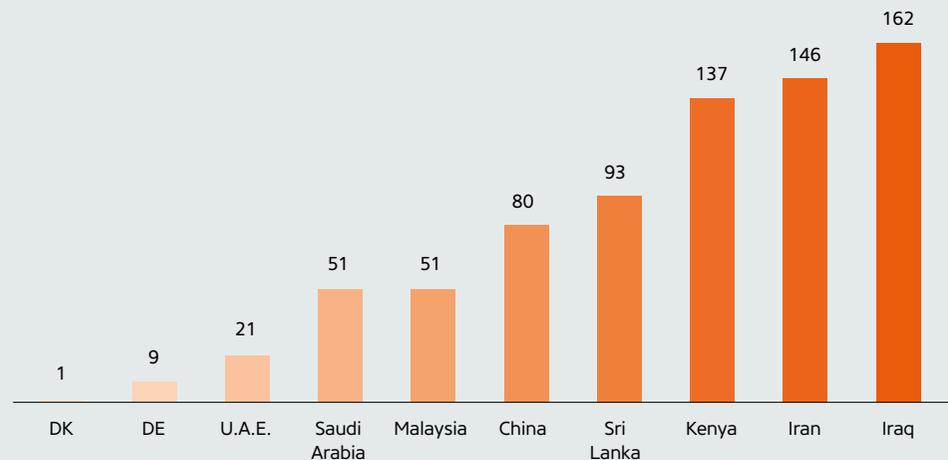
Anti-Corruption and Business Ethics

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 2019 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

As a global company, it is of vital importance to CO-RO that all employees conduct themselves according to the rules and guidelines of the Code of Conduct. In 2019 we initially rolled out an e-learning program, ensuring efficient training of our employees' ethical behavior. The implementation of the e-learning program will continue across all CO-RO entities in 2020.



CO-RO

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