

Our responsibility

CSR REPORT



2021

CO-RO

REFRESH AND DELIGHT

CO-RO A/S
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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, Anti-Corruption and Responsible Consumption. The CSR report covers CO-RO A/S, CO-RO Holding A/S and CO-ROs Fond jointly.

Our approach to responsibility

“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

This quote from Jep Petersen still guides how we work together every day at CO-RO. His words serve as inspiration to how we conduct our business – sustainably and responsibly. That's how we safeguard and develop CO-RO, and care for our employees, partners, customers and the environment that sustains us all. This means we naturally adhere to international principles of responsible business behaviour like the UN Global Compact.

Whatever our position, every one of us plays a vital and appreciated role in ensuring CO-RO Groups' ongoing success.

We all contribute in our respective ways to shaping the company, its image and reputation.

Our Winning Behaviors

CO-RO has a diverse, healthy, high-performance culture and we all share exciting ambitions for our company. We are a growing company and we work in an environment that reflects this. It's dynamic, it's stimulating and – most of all – rewarding. We see each other as individuals and our respective competencies as CO-RO's most valuable assets.

Our goal is to be the very best company we can be. That is why we continuously focus on improving the workday and creating an ideal working environment for each other – both physically and socially. Key to this is appreciating the contribution of every individual and ensuring a beneficial work-life balance for all.

Everyday life at CO-RO is guided by three winning behaviours that reflect our culture and provide a strong foundation for success.

Take Action

We must never miss an opportunity to act. The world belongs to those who take initiative, act and continuously improve. We take pride in delivering results and in keeping momentum. That's how we build an extraordinary business.



Create

Good experiences don't come on their own. That is why we encourage innovative thinking and new ways of doing things. If we are curious about what our colleagues are doing, what consumers want, and where our business is heading, then new ideas will come naturally. When we share our ideas and involve others in making them a reality, the sky is the limit.



Be Responsible

With great power comes great responsibility and therefore we always behave with honesty and integrity. We are here to bring joy and happiness into people's lives – and we are accountable for how we do it.



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

coordinated 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 raw materials

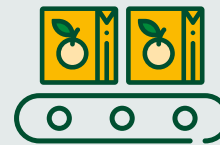


Producing

highly concentrated compound

Shipping

compound to partners and bottlers via ship and lorries



Bottling

via partners to produce finished goods

Distribution

of finished products to the trade



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 four will be our focus areas, as they are the most relevant given our purpose, business model and global footprint:



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

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

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.

In CO-RO we work actively with 3 areas when it comes to our responsibility towards our employees, customers, partners, and the local communities in which we operate:

Responsibility Areas



Corporate Social Responsibility



Sustainability



Responsible Consumption

Business Focus Areas



CO₂



Local communities



Critical resources



Packaging



Responsible consumption



People



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.

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 & results

Human- and labor rights

In 2021, we continued to ensure that our employees follow our policy on human and labour rights and there has been no reporting of non-compliance 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 underrepresented gender by the end of 2021.

Unfortunately, we did not achieve this target. At the end of 2021, the proportion of female managers in the Group was

30% - a decline of 8% vs. 2020. This development is solely driven by our entities in China and Kenya which affected our overall Group target negatively. As a response, CO-RO China introduced a "Female Career Guide" to effectively support female employees' career development within the company. The target in China is to achieve a minimum of 30% women in managerial roles and reaching 40% in 5 years through focused talent development and succession planning.

Gender diversity is an important focus area for CO-RO and our Group target figure of 40% remains unchanged. However, the time frame for compliance has been extended to 2025. 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.

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.

It is important for CO-RO to have a board representing different areas of expertise to best support the business. Currently, the Board of Directors consists of 1 female and 4 males – same as in 2020 where one female member withdrew from the board and in 2021 there was no new election for the board so our target figure has not been achieved.

For the CO-RO Foundation, the board consists of 3 members, out of which 1 is female and 2 are male. Due to the size of

the board in the CO-RO Foundation, this is considered in line with our target figure for the Foundation.

CO-RO Group Manager Diversity

2019		2020		2021	
Female	Male	Female	Male	Female	Male
34%	66%	38%	62%	30%	70%



Growing our people

In CO-RO we have apprentices in different functions, including our production. In 2021, CO-RO was named "Årets Læreplads" (company of the year for vocational training) by a technical college in Denmark. Emma Bjerregaard, Apprentice in our Maintenance team in Frederikssund, nominated CO-RO to receive the award:



"During my apprenticeship I have had lots of opportunities to develop both professionally and personally. I have been given great responsibility, exciting and challenging tasks and not least worked with great colleagues who have supported my development."



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 are 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 countermeasures 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 & results

Working environment

In 2021 we continued our focus on prevention and implementation of improvements within Health, Safety & Environment (HSE), including reporting safety observations using our dedicated HSE App. Since the app was introduced

in 2019, we have more than tripled the number of safety observations. In 2021, we also focused on training in terms of HSE introduction to new employees as well as other relevant courses for our employees, including first aid training for a group of employees in different departments.

Our intensified efforts on promoting a safe working environment for the past 3 years have resulted in the number of Lost Time Incidents (LTI) has been halved since 2018 and the severity (days away pr. LTI) has been reduced by 70% compared to 2019. Unfortunately, we did not manage to reduce the number of LTIs in 2021 compared to 2020, so this will remain a focus area.

Employee Engagement Survey

Our global Employee Engagement Survey was carried out during every quarter of 2021 across all entities, including a reach

of 1,200 employees. We obtained an average response rate of 90% and our global employee engagement score increased from 8,0 in Q1 to 8,2 in Q4, with an average of 8,1 (scale ranging from 0-10).

We are pleased with this result, since 2021 has been an unusual year characterized by challenges and uncertainties due to the continuing impact of the global pandemic. Additionally, the high level of engagement among our employees is an important retention parameter in a heated labor market.

There were variations between the engagement level across regions, and Group HR is working closely with the entities that have been challenged by lower scores to find the root cause and how to improve via action planning.



Sunquick Lanka achieving Great Place to Work Certification™

Based on survey feedback from employees at Sunquick Lanka on workplace experience and evaluation of the organisational culture, our Sri Lankan business entity was officially recognised as a Great Place to Work in 2021. The results from the employee survey generally showed high

scores on the 5 dimensions of a Great Place to Work: Credibility, Respect, Fairness, Pride, and Camaraderie.

"Creating an employee-centric culture is of utmost importance and we are very proud of that," says Mangala Perera, Managing Director in Sunquick Lanka.



Donations and social engagement

In selected areas, CO-RO supports local events all over the world and donates products for charitable purposes.

For the 5th year running, Sun Lolly was a proud main sponsor of Cirkus Summarum – a summer event for families in Denmark arranged by The Muscular Dystrophy Foundation. All +30.000 families attending the event went home with our new product Sun Lolly Fruity Water. Additionally, we continued our collaboration with the Danish Food Bank who distributes surplus food to socially disadvantaged people.

Many of CO-RO's markets continued to be affected by COVID-19 and millions of people working in the health care sectors around the world worked hard to support and treat people with COVID-19. As examples of our community engagement, our team in Sri Lanka handed over a donation of 100,000 Sunquick fruit drinks to refresh and show appreciation to the frontline health workers treating Sri Lankans with COVID-19 and CO-RO China donated thousands of products to health care workers in the local community.

100.000 Sunquick Fruit Drinks

donated to front line health
personnel in Sri Lanka



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.

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.

Risk

	None	Low	Medium	High
Waste water	○	○	●	○
Other water	○	●	○	○
Emissions	○	●	●	○
Visual, Noise, Vibration	○	○	●	○



We work to reduce and improve the environmental impact of our existing business while we aim to be on par or better relative to comparable alternatives when it comes to any new business we enter into. Furthermore, we actively pursue sustainability driven initiatives with breakthrough business potential.

Actions and Results

In 2021 we carried out a number of environmental improvements in our factory in Frederikssund. For example, we worked on reducing the discharge of dry material in our waste water in collaboration with the municipality. This resulted in a 16% reduction compared to the year before. We also replaced all light sources with LED lighting in all controlled areas in the factory and we upgraded insulation on all pipings.

Generally, we continue to focus on investing responsibly in more efficient technologies, as we have been doing in previous years.

In 2021, we accelerated our sustainability agenda on a Group level. Firstly, a cross-functional steering committee was established to further drive our sustainability efforts.

The purpose of the steering committee is to promote and ensure a sustainability mindset across key functions and to coordinate efforts with relevant internal stakeholders. The committee consists of 7 members working within Global Supply Chain, Product Development, Marketing, Innovation, Packaging and Communication who meet regularly to initiate new sustainability projects and to follow-up on ongoing activities.

Our efforts in 2021 focused primarily on mapping and understanding our environmental footprint. This included a comprehensive data collection and validation and provided valuable insights into the areas where we can improve our operations.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Understanding our environmental footprint

We conducted a detailed life cycle assessment (LCA) of the full environmental footprint of our ambient ice. The goal of the study was to identify the most relevant environmental

impacts and processes for an overall improvement of the environmental footprint of our ice lollies. Going forward, we will continue conducting life cycle assessments to explore the environmental footprint of other products in our portfolio.

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 2020 are shown below here:

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

Supplier Code of Conduct

To ensure responsible sourcing with respect to ethical, social, and environmental issues, our Supplier Code of Conduct summarizes the requirements that CO-RO is committed to while also covering the

expectations and requirements CO-RO has towards its suppliers.

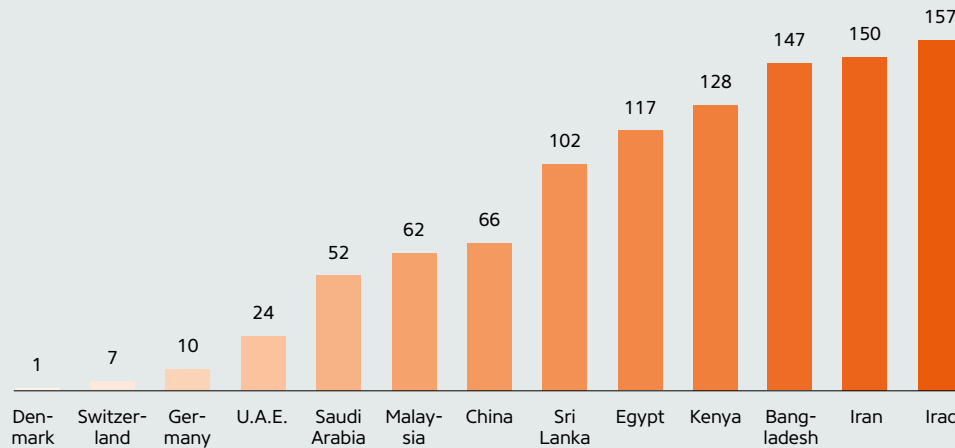
In 2021, we worked on updating our Supplier Code of Conduct to make it more streamlined and the new version will initially be rolled out in CO-RO A/S during 2022.

Whistleblower reporting system

We pursue an open culture in CO-RO where everyone is free to raise concerns, especially if they become aware of illegal or unethical business conduct or of serious violations of our internal rules and policies

In 2020 we rolled out a Whistleblower reporting system to enable internal as well as external parties with affiliations to CO-RO to confidentially report any suspected serious wrongdoings which may damage the reputation of CO-RO or affect the life or health of individuals. No reports have been submitted either in 2020 or 2021.

CO-RO's geographical footprint



Responsible Consumption

Our risk

As a global food and beverage company, we acknowledge that we have a responsibility towards promoting responsible consumption and to consider the social, economic, environmental and health impacts of our products.

Our policy

CO-RO wants to offer a variety of options for responsible consumption, and we do this by optimizing for example our packaging, liquid and communication.

It is embedded in CO-RO's long-term strategy that we actively want to pursue healthier choices. This means that we are working towards lowering sugar content in our products without comprising on taste and quality.

Our new product developments must adhere to our brand and product promises which are outlined in our brand guidelines. Across our brands and products, we always strive to have no artificial

flavours, preservatives or colours and our products must come in responsible portion sizes.

Actions & results

In our efforts to actively pursue healthier choices, we launched no less than 3 new "No Added Sugar" products to our portfolio in 2021. In Denmark, Sun Lolly Fruity Water - containing only natural occurring sugars from fruits - was introduced to offer a healthier drinking alternative to kids. Likewise, in Saudi Arabia, one of CO-RO's biggest markets, a new Suntop "No Added Sugar" range containing minimum 70% fruit juice was launched in a ready-to-drink format. Additionally, we launched "Sunquick Zero" concentrate in Portugal and this product is now being introduced in more markets globally.

In 2021, our Global Marketing and Global Packaging teams started working on internal responsibility manifestos to define our visions, challenges and targets in the coming years within marketing and

packaging respectively. This includes defining how we do responsible marketing in the future and how we optimize our packaging for the benefit of the environment.



Bringing new life to Sunquick bottles in Mauritius

Together with CO-RO's long-term partner in Mauritius, local distributor company Scott & Co., we introduced a Sunquick recycling program. The purpose of the program is to collect used Sunquick 2L bottles from the hotel industry and deliver them to a local company which uses recyclable plastic waste as their main source of raw material for the production of electrical pipes.





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