

Our responsibility

CSR REPORT

CO-RO A/S
CVR no. 63 54 87 15
Holmensvej 11,
DK-3600 Frederikssund



2020

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 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

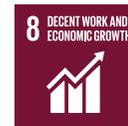
“Our company must be known as a company that builds its business on honesty and integrity, respecting different cultures and complying with laws and regulations in the countries where we operate.”

– 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 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.

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 and Results

Human- and labor rights

In 2020 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 consists of 1 woman and 4 men. Target figure has not been achieved as one female member withdrew from the board in 2020. It is important for CO-RO to have a board representing different areas of expertise to best support the business.

At the end of 2020, the proportion of women managers in the Group was 38% - an increase of 4% vs. 2019 and we are now only 2% from reaching our target. In connection with any recruitment and appointment, a thorough assessment is made of managerial talents of both gen-

ders, just as the necessary competence development is offered.

Global Leadership Program

In 2020 we completed the global initiative "Growth2025", an 18-month program focusing on developing future leaders within CO-RO which was started in 2019. The program brought together a diverse group of individuals representing 14 nationalities and 10 functional areas. During the process, participants experienced intense development camps as well as mentoring with a focus on personal insights, business acumen and cultural awareness. The initiative has contributed to having capable leaders as well as to building a stronger leadership pipeline.

38%

At the end of 2020, the proportion of women managers in the Group was 38% - an increase of 4% vs. 2019.

CO-RO Group Manager Diversity

2018		2019		2020	
Female	Male	Female	Male	Female	Male
29%	71%	34%	66%	38%	62%



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 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 and Results

Working environment

In 2020, we have promoted our Health, Safety & Environment culture encouraging employees to become more proactive and take responsibility of their own working areas. Additionally, focus has been on prevention, improvements and reporting safety observations through our dedicated app.

Our strong focus on continuously reducing the number of Lost Time Incidents resulted in a 15% reduction compared to 2019 and the severity (days away per LTI) has been reduced by 45%.

COVID-19

It has been a top priority to secure the safety and wellbeing of all employees globally while continuing our operations. We have taken a number of actions to adapt to the “new normal” the pandemic has caused. Precautionary measures have been implemented at our sites, including physical and social distancing, temperature screening, use of face

masks and other protective equipment. A large group of employees in administrative functions have been working from home to avoid spreading potential infections. Additionally, we introduced regular global business update videos from our CEO published on our intranet to keep all employees informed of the situation and how it affects our business.

Employee Engagement Survey

Our global Employee Engagement Survey was carried out every quarter in 2020 for all our entities with a reach of 1,200 employees. We obtained a response rate of 93% and our global employee engagement score increased from 7.9 in 2019 to a record high 8.2 in 2020 exceeding our target of 8 (on a scale from 0 to 10). We are very proud of this result since 2020 was an unusual year with many challenges, uncertainties and new ways of working due to COVID-19. There were, however, variations between the regions, and Group HR is working closely with the entities that were challenged by lower scores to find the root cause and improve.



Donations and social engagement

In selected areas, CO-RO supports local events all over the world and donates products for charitable purposes. In April, we donated 7,000 MashUp and Sun Lolly products to the hard-working healthcare personnel working in the intensive care units in Region Zealand who were treating Danes with COVID-19. Additionally, we continued to donate products to the Danish Food Bank who distributes surplus food to socially disadvantaged people.

In Malaysia, we have a partnership with OrphanCare Foundation – a local NGO

committed to creating safe environments for underprivileged and in-need children in Malaysia. We were proud to hand over a donation of roughly 200,000 DKK (128,000 MYR) to OrphanCare Foundation from our Sunquick “Share the Care” sales campaign during Ramadan.

As another example of our social engagement in the communities we operate in, we supported the Iraqi Children Foundation with approx. 30,000 DKK to their virtual mission “Road to Baghdad” to help Iraq’s most at-risk orphans and street children during COVID-19.



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



We proudly introduced Sun Lolly organic ice in the Nordics in 2020.

Environmental and Climate Impact

of electricity and fresh water and puts less strain on the environment in general.

CO-RO was in 2020 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.

In 2020, we initiated first phase of a utility pipe bridge combining our factories for more efficient use of boiler capacity which is expected to deliver yearly savings in excess of 500MWh.

Furthermore, we have worked on ensuring a deeper understanding and transparency regarding the total environmental footprint of our products - a journey we will continue in 2021.



Going green in China with solar energy

In CO-RO China a long-awaited sustainability project was implemented in August 2020 as 6,000 m2 solar panels were installed on top of our Sunquick plant and office building in Foshan. The solar panels will for the next 25 years help generate power to the plant and this is a large step in making our Chinese operations more sustainable.

Joining the fight against food waste

In 2020 we partnered with Too Good To Go – a Danish company fighting food waste globally. Our surplus stock of Sun-

top and Sun Lolly products are offered on Too Good To Go's popular app where Danes can buy the products at a favourable price directly from our warehouse. The initiative was very much welcomed by both consumers and our employees and we will continue this successful initiative in 2021.

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 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

Code of Conduct

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, and the implementation of the e-learning program continued across all CO-RO entities in 2020.

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 in 2020.



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