



SUSTAINABILITY POLICY

Governing Document
Coor Group

APRIL 20, 2021

This is a governing document:

POLICY

Sustainability Policy

PURPOSE AND APPROACH

Coor's ambition is to become a truly sustainable company. This will be achieved by continuously develop and improve the operations from a broad and long-term perspective to conduct a profitable and sound business today without compromising the opportunities to do so in the future. This means that Coor strives to serve as a good corporate citizen, which not only takes responsibility for its own development, but also its impact on all people, the environment and the society in general. Coor's strategy should be in line with the company's sustainable values, guided by Coor's Code of Conduct and our Guiding Stars, fulfilling legal and other relevant requirements both internal and external.

Risk management is part of Coor's sustainability work. This means that when sustainability is mentioned in this policy, risk management should be considered part of sustainability.

EXTENT

These guidelines are valid for all employees as well as for suppliers, customers and hired personnel within Coor Group, including all countries and operations.

Public information

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OUR AGENDA AND KEY PRINCIPLES

Coor has high sustainability ambitions and a strategy that is based on the principles of the UN Global Compact and the UN Sustainable Development Goals (SDGs). Coor's sustainability work is conducted from a triple bottom line dimension, which considers business, social and environmental aspects:

Business responsibility – Coor will achieve long-term business sustainability through stable, profitable financial development, while upholding quality in deliveries, strong business ethics and customer relations

Social responsibility – Coor contributes directly to a better society by acting as a safe, responsible and engaging employer, and indirectly by contributing to a positive social development in the areas in which Coor operates, and in the way we purchase goods and services.

Environmental responsibility – Coor contributes to a better environment by actively reducing the environmental impact and resource utilization that the company and its customers create, and in the way we purchase goods and services.

OUR MAIN OBJECTIVES

Our social and environmental goals are as essential to the management of our company as our business goals. For each dimension, we have defined our principal standpoints along with objectives for how we should conduct our business. Within each sustainability dimension, Coor's Executive Management Team ("EMT") decides on operational objectives. The objectives and KPI's are monitored continuously.

The long-term Coor objectives are:

- Stable financial development
- High customer satisfaction
- Engaged and motivated employees
- Zero work related injuries and zero long-term work related sick leave
- Equal opportunities
- Responsible consumption
- Reduce greenhouse gases

In addition to this, Coor will:

- Commit to the ten principles of the UN Global Compact
- Promote applicable goals as defined in the UN Sustainable Development Goals (SDG)
- Always strive to eliminate hazards and reduce OH&S risks
- Apply the TCFD (Task Force on Climate-related Financial Disclosure) reporting principles to disclose climate related financial risks in reporting
- Reach for fossil free operations
- Encourage circular business models and strive for an increased handprint, meaning helping our customers to reach their sustainability targets

APPENDIX A: RISK MANAGEMENT

Coor defines risk as “any future event that threatens Coor’s ability to achieve its business goals and objectives”. Risk management is defined as “coordinated activities to direct and control an organization with regard to risk”.

1. Coor recognizes that the aim of risk management is not to eliminate risk totally (other than within working environment where eliminate hazards and reduce risks is committed), but rather to provide the structural means to identify, prioritize and manage the risks involved in all our activities. It requires a balance between the cost of managing and treating risks and the anticipated benefits that will be derived.
2. The Sustainability Management Team (“SuMT”) performs yearly an overall risk analysis, which is reported to, and determined, in EMT. The risk analysis consists of an inventory to identify which risks are most important for the company, together with an assessment of the probability that they may occur and its impact on the company’s objectives. The risks are divided into the following categories: strategic, operational, legal and financial risks.
3. The risk analysis also assesses the effectiveness of existing controls and measures to reduce the risks. The risk assessment results in a risk register which also specifies the affected stakeholders, which risks Coor currently must have an extra focus on and to what risks contingency plans should be attached. The risk register is also used for monitoring risk management. The risk register is illustrated in a risk map, which comprehensively summarizes Coors risk exposure. Based on the risk register, SuMT proposes to EMT, that decides which risks the operations should have an extra focus on during the following year. The decision will result in concrete actions for the operations to include in their work with objectives and action plans.
4. Corresponding risk analysis should be done in the order: business unit and country and should thereafter be reported to SuMT. Risk analysis should also be performed at contractual level, where the business unit to which the contract belongs, or the contract itself, considers it relevant. The decision to perform risk analysis at contractual level should be based on the impact a risk in the contract could have for the Coor group as a whole, if the risk would be realized. If a realized risk would have financial or reputational negative effect on the Coor group as a whole, a risk analysis on contractual level should be performed.
5. The risk management process is based on the principles in the ISO standard 31000 and follows an annual cycle which is described in detail in Coor’s management system Our Way of Working, Risk Management.