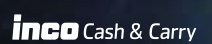




Euro Cater **CSR Report** 2018 // 2019



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Company profile

Respect for food and people

We focus on the production, trade and consumption of food products in our daily activities. And we are seeing an increasing focus on and demand that our food be healthy and sustainable. Euro Cater takes pride in being part of this development, and we are very humble about our role as the supplier of the raw ingredients and solutions our customers need.

Our mission is to make it easy for our customers to serve healthy, inspiring and responsibly produced food. This is a journey the entire industry is undertaking, and we see it as our role to constantly strive to become a little more sustainable in our operations and product range. While continually making it easy and attractive for customers to make slightly more sustainable choices. We will always offer a full range of products at attractive prices. So our contribution to more sustainable food consumption derives from a combination of becoming more sustainable in our own operations and helping our customers to do the same.

One of the areas we have focused on during the past year is reducing our climate impact. Svensk Cater now meets its entire electricity consumption using renewable energy sources.

Last year we developed a new egg policy. We are committed to phasing out cage eggs in our own production by 2020. And we are working to achieve this goal. We are also committed to phasing out cage eggs in our sales by 2025. This applies to liquid egg products as well as eggs in their shells.

Palm oil consumption has many negative impacts on the environment and climate. We phased out all use of non-certified palm oil in our own production during the year.

We have continued our focus on minimising food waste. We found recipients for 296 tonnes of sell-by date products during the year, which would otherwise have ended up as food waste. We also have a strong focus on sorting waste at all our sites. One of our goals is to reduce the volume of mixed waste, which is

”Palm oil consumption has many negative impacts on the environment and climate. We phased out all use of non-certified palm oil in our own production during the year.

simply incinerated and not recycled. During the year, we succeeded in reducing the fraction of mixed waste by 2.5 percentage points compared to the previous year.

In order to help move our entire sector in a more sustainable direction, Dansk Cater has become a partner in REGA (the Restaurateurs' Guarantee Association), which addresses anti-corruption, human rights and the environment. These areas are all deeply anchored in our CSR strategy.

Steen D. Pedersen
 CEO, Euro Cater/Dansk Cater

Henrik Ellegaard
 CFO, Euro Cater

Lars Carlsson
 CEO, Svensk Cater



About the company

FINANCES

Revenue:

9.500

mio. DKK.

EBITDA:

654

mio. DKK.

Equity:

1.989

mio. DKK (end of year)



EMPLOYEES

2.367

full-time positions

1.606

in Denmark

761

in Sweden



SITES

- 32 distribution sites
- 3 inco cash and carry sites

TRUCKS

Number of own trucks: Approx.

400

Denmark: Approx.

300

Sweden: Approx.

100

COMPANIES

- AB Catering
- BC Catering
- inco
- Cater Grønt
- Cater Food
- Svensk Cater
- Nordsjöfisk



About the company

Euro Cater is one of the largest players in the food-service market in Denmark and Sweden. From our 35 sites, we sell food, beverages and non-food articles for all types of professional kitchens, restaurants, cafés, canteens, nursing home kitchens, inns, hospitals, bakeries, butchers and cafeterias in both the private and public sectors. From the smallest hot-dog stand to the largest kitchens.

CORPORATE SOCIAL RESPONSIBILITY

Every day, several hundred trucks deliver many tonnes of food from our refrigeration and cold storage facilities to Danish and Swedish kitchens. We are well aware that this is not possible without impacts on the world around us. By identifying these and engaging our stakeholders, and targeting efforts for individual groups of stakeholders, we seek to minimise any negative consequences of our activities.

Our mission:

We make it easy for our customers to serve healthy, inspiring and responsibly produced food.



Respect for food and people

To ensure the greatest possible focus on our social responsibility, we base all our work on our CSR strategy. We call it Respect for food and people. Because we want to conduct our business with respect and care for food as a resource – and for the people involved in the entire farmland-to-fork value chain.



The UN's Sustainable Development Goal 12:

Responsible consumption and production



Sustainable trading

Food safety

Supply chain management

Sustainable product range



Sustainable operations

Energy

Transport

Waste and food waste



Good workplace

Sense of community

Skills

Health and safety

CSR foundation
Economic sustainability

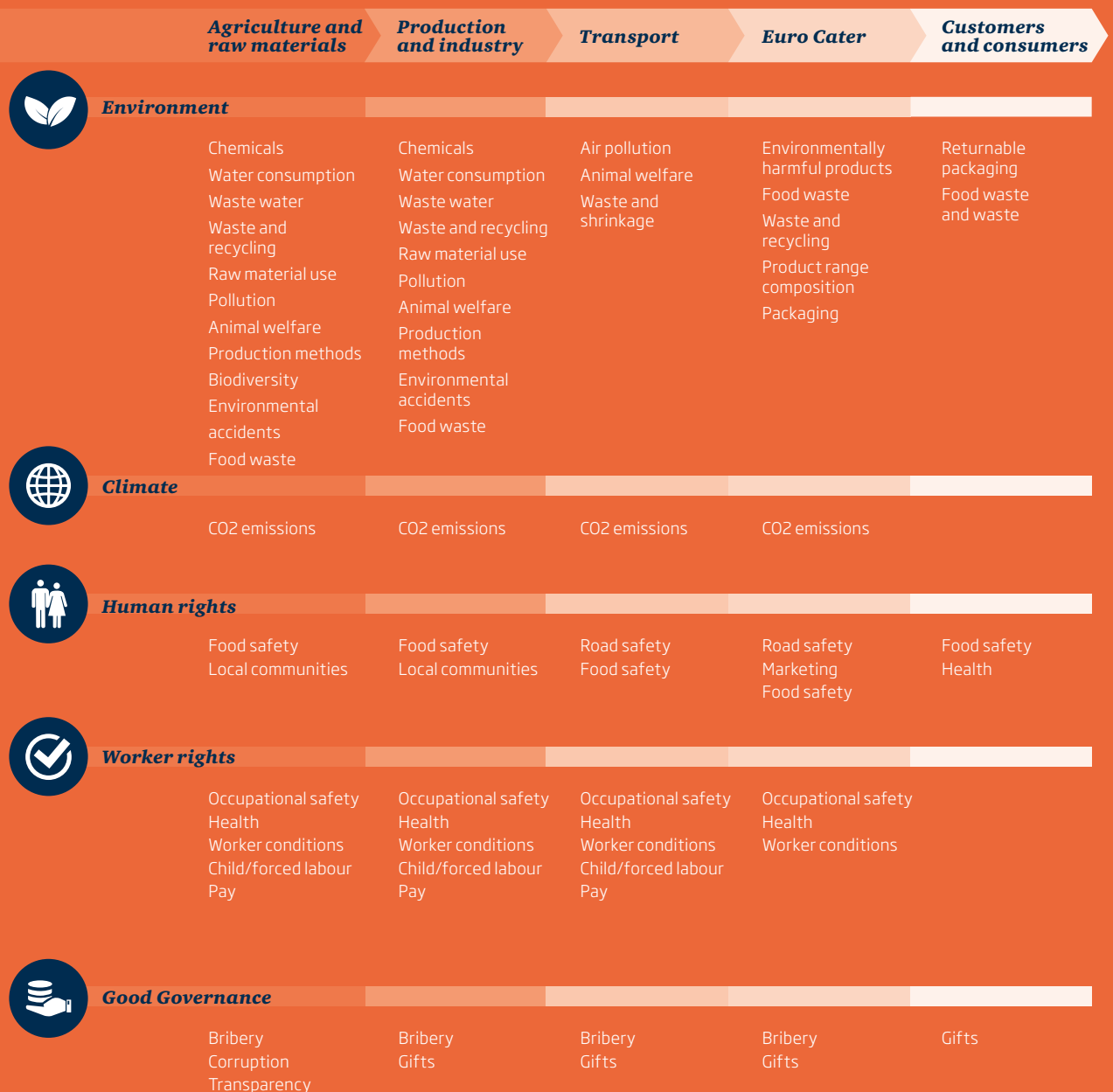
Mission

We make it easy for our customers to serve healthy, inspiring and responsibly produced food.

Our CSR strategy is the result of a dynamic process of desk research, discussions and prioritisations by the managements and the boards of directors of Dansk Cater and Svensk Cater, followed by its consideration and approval by Euro Cater's steering committee for CSR. The CSR strategy will be reviewed and updated each year.

Value chain and risks

As part of the strategy process, we have carried out a number of analyses, including a risk analysis of the areas in our value chain in which we have - or risk having - a negative impact on the world. We see it as our responsibility to continually strive to minimise these negative impacts. Through follow-up, we ensure that we exercise due diligence, and thereby minimise or completely eliminate these risks and any consequences associated with them.



CSR strategy and focus areas

MATERIALITY

In addition to thoroughly analysing the risks to which we and our value chain subject the external environment, we continually review sector trends, market needs and technological developments. Based on all the analyses, we have summarised the results in a materiality assessment, which identifies the CSR issues that are of the greatest importance to both Euro Cater and our external environment. In other words, the areas which we should prioritise in our CSR strategy.



We have carefully studied the 17 Sustainable Development Goals and associated sub-goals defined by the UN. Given our role in the value chain, we believe that we have the chance to proactively inspire responsible consumption among our customers and to promote sustainable principles in the supply chain. Moreover, we can contribute actively to reducing waste and food waste throughout the value

chain. All this is encapsulated in goal number 12 (Responsible consumption and production), which is therefore the primary sustainable development goal in our CSR work. We are also working on several secondary sustainable development goals, where our impact is important but not quite as significant. These are marked in this report with their respective logos.

Sustainable trading

Given our place in the value chain, our trading activities are central to our value creation. A high level of food safety, responsible supplier management and a sustainable product range are the key elements in ensuring the structured development of sustainable trade.

FOOD SAFETY



An uncompromising approach to food safety

lies at the heart of everything we do in relation to our customers.

Our partners must be able to do business with all our local sites with confidence and safety.

One more site was certified during

the past year, and as a result the whole company is now certified under the ISO 22000 food safety standard. As part of our ISO 22000 certification we conducted internal audits at all 35 sites during the past year, and we have also had external, independent third-party audits at all sites.



THE GLOBAL GOALS



Elite smileys

15 of our 16 sites in Denmark have been awarded an elite smiley (as of September 2019).

There is no equivalent system in Sweden.



THE GLOBAL GOALS



Restaurateurs'
Guarantee
Association

Dansk Cater has become a partner in REGA (the Restaurateurs' Guarantee Association)

– an ambitious sector initiative that focuses on sustainability. REGA focuses on three areas: anti-corruption, human rights and the environment. REGA bases its work on the UN sustainable development goals, Global Compact, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

In 2020, the REGA companies will complete a two-year process aimed at creating a solid foundation for improving the sector's work with corporate social responsibility, which will be translated into an even more focused and systematic approach in the sector. REGA allows players in the sector to hold each other accountable for meeting ambitious sustainability standards, and Dansk Cater is proud to be a part of this process.

SUPPLY CHAIN MANAGEMENT

Around 80 per cent of the group's purchases are concentrated at large suppliers with well-known brands, with whom we have been dealing for many years. The last roughly 20 per cent of purchases are placed with a very broad range of trading partners. We focus on ensuring that our suppliers have a high standard in their approach to corporate social responsibility. We do this through our responsible supplier management.

Supplier Code of Conduct

In our trading, especially with our foreign suppliers, there is an indirect risk that human rights are not respected throughout the value chain. We have therefore created a human rights policy based on principles from the UN. Moreover, we have drawn up an anti-corruption policy, which applies to both ourselves and our suppliers. These policies are implemented in dialogue with suppliers, and are subject to regular follow-up procedures. The main tool is our Supplier Code of Conduct, which we intend to gradually ask all our suppliers to accept. In Denmark, suppliers representing 38% of our procurement have so far signed our Supplier Code of Conduct, and in Sweden the share is 63%. Overall, 47% of our procurement volume is now covered by our Supplier Code of Conduct.

Supplier risk assessment

We make formal requirements for responsible conduct on the part of our suppliers and work systematically with registration, control, follow-up and the continued development of our individual partnerships. We have therefore developed a system for risk assessment of individual suppliers. In Denmark, we have assessed suppliers representing 99% of our total procurement volume, and in Sweden we have assessed 91%. Overall, we have assessed suppliers representing 96% of our procurement volumes. Our

”In Denmark, we have assessed suppliers representing 99% of our total procurement volume

aim is to eventually have all suppliers assessed. We have developed a self-evaluation form which we will ask suppliers to complete at some point. All the requirements in our Supplier Code of Conduct are described in this in detail, so it gives us a very clear snapshot of the status and possible issues among our suppliers.

Training procurement staff

We are focusing in both Denmark and Sweden on continually training our purchasers in responsible procurement. In Svensk Cater, all purchasers have completed training in our product policies and had to pass a test on these.



Dansk Cater is a member of the Danish Ethical Trading Initiative (DIEH)

DIEH is a Danish organisation, the purpose of which is to promote ethical international trading. This entails a sharp focus on respect for human and labour rights, the environment and the climate, as well as ethical corporate governance, including anti-corruption, discrimination and governance.
www.dieh.dk



KRAV certification

External audits have been carried out at all our Swedish sites in accordance with the Swedish KRAV labelling scheme, which ensures high standards for animal welfare, health, social responsibility and climate impact.

SUSTAINABLE PRODUCT RANGE

We want to spearhead the development of products and solutions that make it easy for customers to make sustainable choices. For our customers, it must still be possible to get exactly the products they want. But we will do what we can to make it easy and attractive for our customers to make sustainable choices. We believe that this is the right approach to changing consumer habits in the food industry in both the short and the long term.

Product policy

Our product policy covers areas such as organic produce, animal welfare, fish and shellfish, local produce, palm oil and eggs. It helps us to address and handle ethical and environmental issues in our everyday working lives and serves as a guideline for our procurement staff. We will add more elements to our product policy as the need arises.

Palm oil

One of our focus areas is palm oil, which has a major impact on the environment, the climate and biodiversity. We have completely phased out the use of palm oil in the fats and oils we use in our own production throughout the group. We monitor the sale of fats and oils. For the 2018 calendar year, the proportion of certified palm oil in these fats and oils was 45%. We report this figure to the Roundtable on Sustainable Palm Oil (RSPO) once a year.

„All our sites in Denmark and Sweden that sell fish are certified according to both the MSC and the ASC standards.“

Sustainable fishing

Ensuring sustainable fish stocks is also a focus area. For this reason, all our sites in Denmark and Sweden that sell fish are certified according to both the MSC (sustainable wild-caught fish) and the ASC (sustainable aquaculture fish) standards. Consequently, we can offer guaranteed sustainable fish caught using gentle fishing methods throughout the company. As part of our MSC/ASC certifications, in the past year, we have



THE GLOBAL GOALS

carried out internal audits on all our certified sites, as well as independent external third-party audits.

Eggs and animal welfare

We have introduced a policy for cage eggs. We are committed to phasing out cage eggs in our own production by 2020. We are also committed to phasing out cage eggs in our sales by 2025. This applies to liquid egg products as well as eggs in their shells.



LOCAL FOOD

Local cuisine is becoming more popular, and this trend has helped put Denmark and the Nordic region on the culinary world map. As restaurants have increasingly focused on local produce, the trend has begun to spread to ordinary consumers. AB Catering in Aalborg works with more than 20 local producers.

This reduces the number of transport kilometres and hence greenhouse gas emissions, while giving customers the chance to experience local flavours with a good background story.



OUR OWN LOCAL HONEY PRODUCTION

They like honey at Färskvarucentralen, Svensk Cater's site in Karlstad. They have therefore made an active effort to help the bees, and hopefully counter the decline in bee numbers that we are unfortunately witnessing. This year, 130 kilos of local honey was produced, from a range of different flowers. The honey enthusiasts in Karlstad produce several kinds of honey, that take their flavour from the bees' surroundings. The honey is part of the site's product range, but can also be tasted at various trade fairs.

The honey is helping to draw attention to an important issue, regarding the incredibly important work of bees in pollination. The honey tastes delicious, and is helping Svensk Cater draw awareness to this important debate.



ORGANIC PERCENTAGES SENT TO CUSTOMERS

Svensk Cater in Örnköldsvik has continued to work with the Swedish KRAV labelling scheme. This work has previously focused on the admission procedure, involving an independent audit of the sites. The site in Örnköldsvik has now taken the lead in using the KRAV membership more actively. As a result, we now send procurement statistics to each customer showing the percentage of KRAV products. This data-driven approach offers better insight into the proportion of our products carrying the KRAV label, and also paves the way for adding more KRAV products to our range in the future.

ANNUAL RESULTS 2018 / 2019

RISKS	FOCUS AREA	GOALS	ACTION	RESULT
Food safety	Food safety Policy Food safety	<ul style="list-style-type: none"> ▶ One new site has been ISO 22000-certified ▶ Internal audits of all sites carried out ▶ External audits of all sites carried out ▶ Elite smiley for all Danish sites 	<ul style="list-style-type: none"> ▶ Carry out external ISO 22000 audits of all locations ▶ Carry out internal ISO 22000 audits of all locations 	<ul style="list-style-type: none"> ▶ One new site has been ISO 22000-certified (all sites are now certified) ▶ Internal audits of all 35 sites carried out ▶ External audits of all 35 sites carried out ▶ Elite smiley for 15 of 16 Danish sites
All risks	Supply chain management Policy Human rights Worker rights Anti-corruption Environmental policy Climate policy	<ul style="list-style-type: none"> ▶ 50% of suppliers (by volume) have accepted Code of Conduct ▶ 90% of suppliers (by volume) have been risk-assessed ▶ Ongoing training of procurement staff in supply chain management ▶ Self-assessment carried out in Denmark/Sweden 	<ul style="list-style-type: none"> ▶ Code of Conduct has been sent out to selected suppliers ▶ Risk assessment of existing and new suppliers ▶ Training of more procurement staff in supply chain management ▶ Complete self-assessment 	<ul style="list-style-type: none"> ▶ 47% of suppliers (by volume) have accepted Code of Conduct ▶ 96% of suppliers (by volume) risk-assessed ▶ Procurement staff trained in supply chain management ▶ Light self-assessment carried out in Denmark/Sweden
Transparency Human rights CO2 emissions Chemicals Environmental pollution Animal welfare Palm oil Organics Resource consumption Sustainable fishing Local produce	Sustainable product range Policy Product policy Environmental policy	<ul style="list-style-type: none"> ▶ Only fats and oils containing RSPO-certified palm oil are used in our own production ▶ 65% of the palm oil in fats and oils (off-the-shelf products) is RSPO-certified ▶ 100% of sites MSC/ASC-certified ▶ Internal and external MSC/ASC audits conducted in selected sites ▶ External KRAV audits conducted for all Swedish sites ▶ Organic products promoted in our webshop ▶ Procurement staff trained in the development of a sustainable product range ▶ Sales staff trained in sustainable selling 	<ul style="list-style-type: none"> ▶ Continue conversion to MSC/ASC in our own production ▶ Promote cage-free eggs ▶ Promote RSPO palm oil ▶ Internal and external MSC/ASC audits conducted in all sites ▶ External KRAV audits conducted for all Swedish sites ▶ Promotion of organic products, etc. in webshop ▶ Training of procurement staff in the development of sustainable product range ▶ Training of sales staff in sustainable selling 	<ul style="list-style-type: none"> ▶ Only certified palm oil is used in fats and oils in our own production ▶ 45% of the palm oil used in fats and oils (off-the-shelf products) is RSPO-certified ▶ All 33 relevant sites MSC/ASC-certified ▶ Internal audit of MSC/ASC implemented in all 33 relevant sites ▶ 8 external MSC/ASC audits completed ▶ External KRAV audits carried out in Swedish sites ▶ Danish and Swedish purchasers trained in supplier management and developing sustainable product range ▶ 116 Danish and 25 Swedish salespeople trained in sustainable sales


RSPO (Roundtable on Sustainable Palm Oil)

▶ RSPO is a global organisation that works with all parts of the value chain to advance the use of sustainable palm oil. The RSPO has developed a set of guidelines to ensure that the certified palm oil has been produced sustainably. The RSPO has more than 3,000 members worldwide - including Euro Cater.

ADVISORY SERVICES, SELLING AND MARKETING SUSTAINABILITY

We are aware that as a wholesaler we have a joint responsibility for inspiring our customers to make sustainable choices. One initiative we are therefore pursuing is a feature in our Danish webshop that draws attention to campaigns for products that are typically sought by customers with a focus on sustainability. It is easy for our customers to select this type of product in the webshop. With a single keystroke, customers can select non-GMO (not genetically modified) products, FairTrade products, organic products or MSC/ASC-certified fish and seafood. We expect this to boost the sales of sustainable variants. Our

webshop has also been upgraded to help minimise food waste by pushing products that are approaching their expiry date out to customers at favourable prices. We believe this will make a major difference to food waste in our part of the value chain. To support these initiatives, we have increased our focus on ensuring that our product database contains all relevant information on sustainability.

Training and education

In order to push more sustainable products into the market, we are continually training our sales consultants how to advise customers, to make it

easier for them to choose the right solution among the growing number of sustainable products in our range. In Svensk Cater, our salespeople are currently receiving training in sustainability within the sales and procurement disciplines.

”Our webshop has also been upgraded to help minimise food waste

OBJECTIVES 2019/2020

RISKS	FOCUS AREA	GOALS	PLANNED ACTIONS
Food safety	Food safety Policy Food safety	<ul style="list-style-type: none"> ▶ All sites have been ISO 22000-certified ▶ Internal audits of all sites carried out ▶ External audits of all sites carried out ▶ Elite smiley for all Danish sites 	<ul style="list-style-type: none"> ▶ Carry out external ISO 22000 audits of all locations ▶ Carry out internal ISO 22000 audits of all locations
All risks	Supply chain management Policy Human rights Worker rights Anti-corruption Environmental policy Climate policy	<ul style="list-style-type: none"> ▶ 50% of suppliers (by volume) have accepted Code of Conduct ▶ 96% of suppliers (by volume) have been risk-assessed ▶ Ongoing training of procurement staff in supply chain management 	<ul style="list-style-type: none"> ▶ Code of Conduct has been sent out to selected suppliers ▶ Risk assessment of existing and new suppliers ▶ Training of more procurement staff in supply chain management
Transparency Human rights CO2 emissions Chemicals Environmental pollution Animal welfare Palm oil Organics Resource-consumption Sustainable fishing Local produce	Sustainable product range Policy Product policy Environmental policy Climate policy	<ul style="list-style-type: none"> ▶ All cage eggs phased out from own production ▶ Fats and oils used in our own production may only contain RSPO-certified palm oil ▶ 100% of sites MSC/ASC-certified ▶ Internal MSC/ASC audits conducted in all sites ▶ External MSC/ASC audits conducted in selected sites ▶ External KRAV audits conducted for all Swedish sites ▶ Organic products etc. promoted in our webshop ▶ Procurement staff trained in the development of a sustainable product range ▶ Sales staff trained in sustainable selling 	<ul style="list-style-type: none"> ▶ Phase out all cage eggs from own production ▶ Promote cage-free eggs ▶ Promote RSPO palm oil ▶ Internal MSC/ASC audits conducted in all sites ▶ External MSC/ASC audits conducted in selected sites ▶ External KRAV audits conducted for Swedish sites ▶ Promotion of organic products, etc. in webshop ▶ Training of procurement staff in the development of sustainable product range ▶ Training of sales staff in sustainable selling

Sustainable operations

Euro Cater serves customers from the northernmost tip of Sweden to the southern parts of Denmark. We operate locally from our 35 sites and deliver extensive and flexible service to our customers. This means that we have a negative impact on the environment and the climate around us. We therefore focus on continually making improvements in relation to energy, transport, and waste and food waste.

ISO 14001 Environment



All of our 35 sites have been ISO 14001-certified. We have carried out internal audits of all our sites in the course of the year. We have also been visited by external auditors at selected sites.

Environment and climate policy

We implement our efforts for a better environment through our environment policy. The main focus is on

reducing our environmental impact through less food waste, the reuse of resources wherever possible, less emissions of diesel particles from our trucks, and many other initiatives that all aim to minimise the impact on our environment.

In our climate policy, we pay particular attention to minimising waste, optimising our energy consumption and a wide range of other initiatives in our daily operations.

ENERGY



Euro Cater was first certified according to the ISO 14001 standard in 2003, and the standard has since been implemented

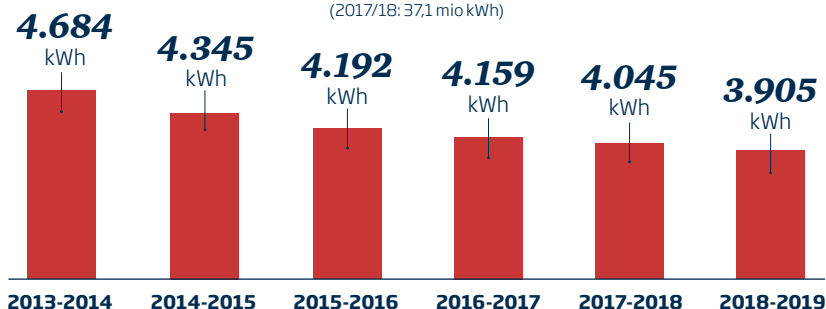
throughout the entire group. Through this, we work with areas like lasting energy improvements, aimed at reducing our energy consumption.

The food-service sector is characterised by relatively high levels of electricity consumption, as a lot of products must be stored either refrigerated or frozen. Since 2003, we have set emis-

sion reduction targets for the various sites and reduced consumption. This year, two more Danish sites made the transition to 100% CO₂ refrigeration, which typically halves the energy consumption and thus the climate impact compared to earlier refrigeration systems. We have built a new warehouse in Sweden for the Malmö site, with a cooling system based on CO₂. In the years ahead we expect to make more investments in modern refrigeration solutions. As a result, we have seen a 17% fall in electricity consumption per unit of revenue over the past six years.

ELECTRICITY CONSUMPTION

Total consumption: 36,5 million kWh
(2017/18: 37,1 mio kWh)



Consumption in kWh per DKKm of revenue.

CLIMATE INITIATIVES

One of the greatest global challenges the world is facing today is the rapidly changing climate.

We work every day to reduce the impact from our business activities. Some of our focus areas in relation to the climate are:



Minimising energy consumption



Conversion to renewable energy



Reducing greenhouse gas emissions



Reducing consumption of fossil fuels



Reducing resource consumption



Less waste and more recycling



During the year, Svensk Cater has moved all of its electricity consumption into renewable energy. Electricity consumption in both offices and warehouses is now covered by green sources. This has been done in cooperation with Energi Sverige, with whom we have entered into a three-year contract for the purchase of green wind power.

TRANSPORT

Euro Cater's own vehicles travelled 14.9 million kilometres last year, in addition to transportation handled by external hauliers. In Svensk Cater, approx. 50% of the flow of goods is distributed to customers via external hauliers. Transport is therefore an important CSR issue for us – both in our own core business and from a value chain perspective. We work with responsible transport based on three aspects: road safety, the environment and climate.

Road safety

Sending many trucks onto the roads and streets every day, we are very much aware of our responsibility for minimising the risk of road traffic accidents. Our drivers receive road safety training, and as part of our transport policy, we work with rules and good practice as well as examples of excellence among our drivers.

We continually invest in new technical solutions that can prevent accidents. In Dansk Cater, we are in the process of developing workwear for drivers that increases visibility as they move around in traffic at all times of the day.

Particles that harm the environment

Diesel trucks emit a number of unhealthy particles, and we are constantly seeking to minimise particle emissions. We have prepared a guide for the purchase of new vehicles, which includes requirements in relation to environmental impact and European emission standards. We train our drivers in environmentally



THE GLOBAL GOALS

friendly driving, and at several of our sites we have invested in monitoring systems in the trucks to help and guide the drivers and ensure that their driving is as environmentally friendly as possible in the circumstances.

Climate impact from CO2 emissions

We are continually working to minimise our fossil fuel consumption. We drive several million kilometres each year, and we are well aware that this has a major climate impact. As mentioned above, we set technical requirements for new vehicles, such that we make use of the latest technology that minimises CO2 emissions. We are also experimenting with new types of fuel. For example, we have invested in a truck that runs on natural gas, which can typically reduce CO2 emissions by up to 25%. We have improved our mileage efficiency – i.e. the number of kilometres we get from a litre of diesel – by 7% during the year.



GAS TRUCK IN NORTH JUTLAND

AB Catering in Aalborg has invested in a new Scania model P-B6x2*4NB as a trial. The interesting thing about this truck is that it runs on gas. The truck is a good example of a long-term investment, which also marks the beginning of an exciting new trend that will benefit both the environment and the climate.



VISION ZERO FOR BETTER ROAD SAFETY

With so many trucks on the road every day, it is natural for Svensk Cater to take responsibility for road safety. Vision Zero is a Swedish traffic safety initiative that is working towards zero fatal accidents and serious injuries on roads. Svensk Cater participates in this partnership, through which we seek to increase risk awareness among employees who spend much of their working day in traffic.

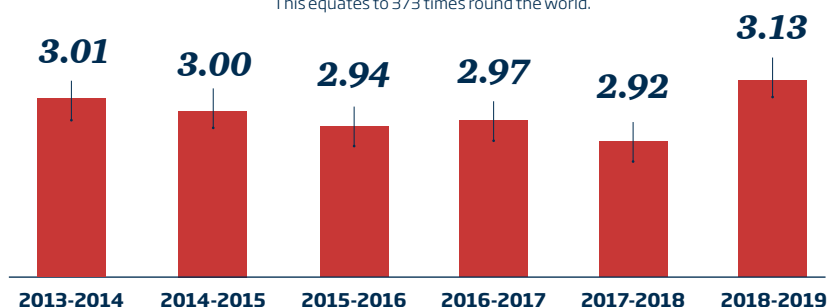
Through the network – where organisations, companies and government authorities exchange road safety ideas and experiences – we seek to find solutions together as we work towards reaching the government's Vision Zero goal.

As a first initiative, we have developed a road safety brochure highlighting the dangers and risks that cause the most traffic accidents.

All drivers and all employees with a company car must read the training material and pass a test on it.

DRIVING AND FUEL

In 2018/2019, Euro Cater covered 14.9 million kilometres in our own vehicles. This equates to 373 times round the world.



Driving efficiency (km per litre of diesel).

Sustainable operations

WASTE AND FOOD WASTE

Receiving, transporting and distributing tonnes of food products on a daily basis involves quite a lot of packaging. Also, a strong focus on food safety invariably leads to some food waste. Such waste of resources is high on our agenda. Minimising waste and food waste calls for targeted strategies and solutions throughout the value chain.

Waste

As the picking of products to order is an important core activity for us, our operations give rise to relatively large volumes of especially cardboard and plastic waste.

Where possible, we want to increase the use of circular waste methods, allowing us to reuse as many types of waste as possible in the long term. We have initiated an analysis of the types of waste fractions we handle, and how they are defined and treated by the waste collection companies.

One of our goals is to minimise the quantity of mixed waste which is simply incinerated. The more we can transfer into the various waste fractions the better, as these are recycled in new products. During the year, we successfully reduced the share of mixed waste by 2.5 percentage points.

Food waste

Food waste is a global challenge which must largely be addressed locally. We take responsibility for



helping to reduce food waste within our realm of influence. We have focused on food waste internally in our own operations and by helping our customers to reduce food waste in their part of the value chain.

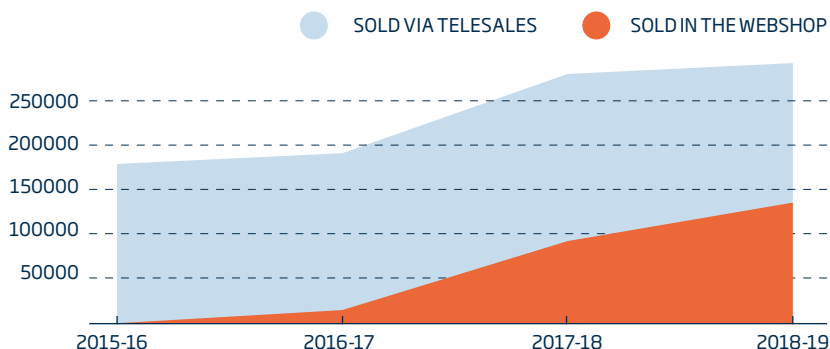
In Denmark, we have new functionality in our webshop whereby we promote products that are approaching their expiry date. Under this initiative we managed to sell 138 tonnes of goods during the past year which were at risk of becoming food waste, but were instead sold to and used by our customers. We sold a further 158 tonnes of potential food waste via telesales, where we actively spoke to customers to find buyers for these sell-by date products. We can see that the webshop is gradually taking over sales of sell-by date products from our telesales, as planned.

We have a goal of sorting waste into fractions. This will mean a higher proportion of food waste (i.e. organic waste) for a certain period. We will implement measures to minimise food waste in our part of the value chain in parallel, and hope that this proportion will fall again over time. During the past year, our proportion of organic waste has therefore risen by 0.5 percentage points.

Our organic waste is collected by a waste collection company and used to produce biogas, which generates climate-neutral electricity and heat. The residual product (biomass) is then used as an effective fertiliser in Danish agriculture.

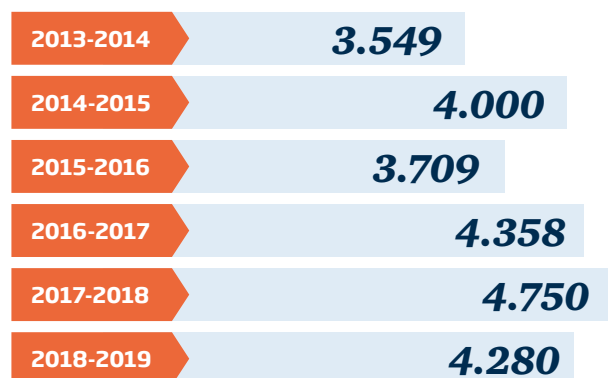
We also have agreements with various wildlife parks and restaurants to receive sell-by date products, so as little as possible is wasted.

FOOD WASTE PREVENTED (IN KG)

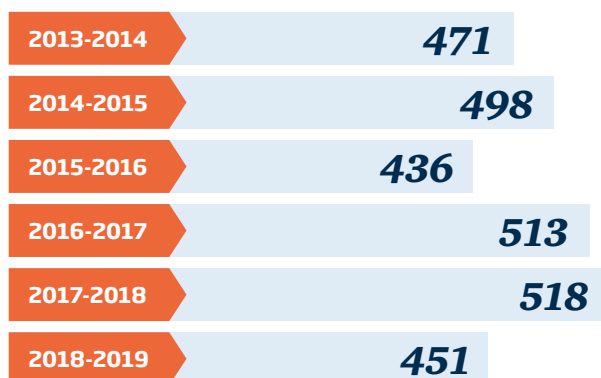


WASTE

Waste (tonnes)



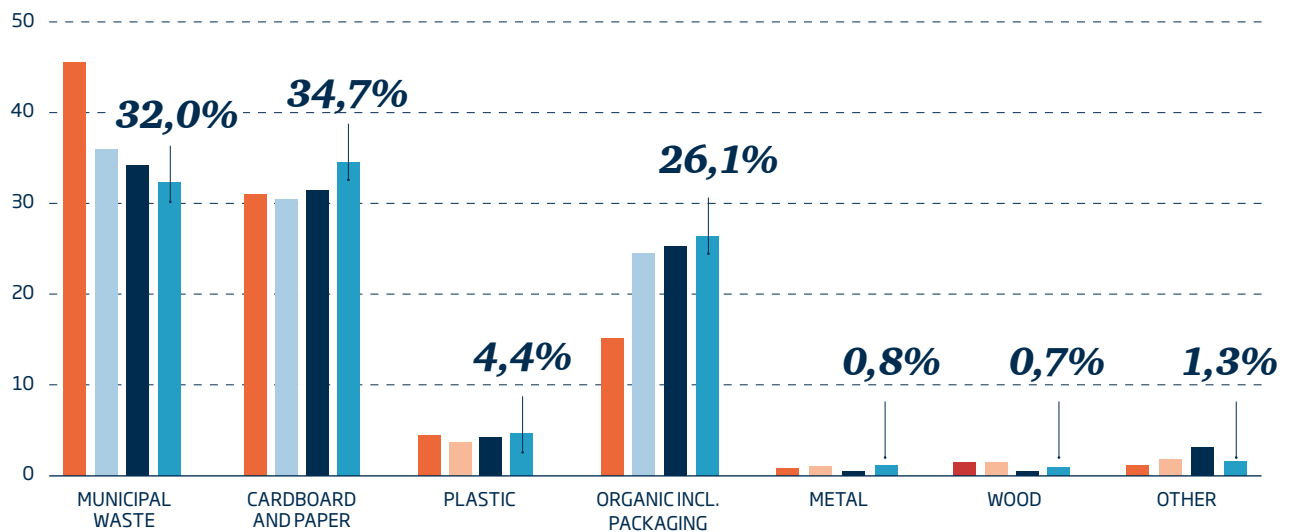
Waste in kg (per DKKm of revenue)



The registered quantity of waste during the period may reflect the fact that the level of detail and procedures for registering waste have been continually refined.

WASTE DIVIDED INTO FRACTIONS

2015/16 2016/17 2017/18 2018/19



We expect the proportion of compostable waste to rise for some time, as we become better at sorting waste. We then expect that our food waste initiatives will cause this proportion to decline again.



MOOSE FARM IN BJURHOLM

One almost cannot think of Sweden without thinking of the king of the forest - the majestic moose. The site in Örnsköldsvik also has an affection for moose. This Svensk Cater location has decided to donate over ripe fruit and vegetables to Ålgens Hus in Bjurholm. However, the initiative benefits more than just the moose. The local community runs a farm enjoyed by tourists visiting the area. Over the years this has evolved to include a restaurant and a museum. The farm thereby offers both jobs and good experiences within the area. Euro Cater likes to support this type of local initiative.



ANNUAL RESULTS 2018 / 2019

RISKS	FOCUS AREA	GOALS	ACTION	RESULT
CO ₂ emissions Renewable energy Electricity-consumption Heat consumption Water consumption	Energy Policy Climate policy	<ul style="list-style-type: none"> Internal ISO 14001 audits conducted in all locations External ISO 14001 audits conducted for selected locations 	<ul style="list-style-type: none"> Local improvements in energy consumption Carry out internal and external ISO 14001 audits Invest in CO₂ systems Invest in LED lighting 	<ul style="list-style-type: none"> 3.5% annual decrease in electricity consumption per unit of revenue All 35 sites are ISO 14001-certified Internal ISO 14001 audits conducted in all 35 locations External ISO 14001 audits conducted in 5 locations
CO ₂ emissions Particle emissions Traffic safety Local communities Environmental pollution Renewable energy	Transport Policy Environment policy Climate policy Transport policy	<ul style="list-style-type: none"> Environmental impact from transport further analysed CSR driver training completed A safer fleet of trucks 	<ul style="list-style-type: none"> Review of environmental impact from transport Procurement of safer trucks 	<ul style="list-style-type: none"> Environmental impact from transport is being analysed Continual upgrading to a safer fleet of trucks
CO ₂ emissions Chemicals Environmental-pollution Food waste Resource-consumption Reuse	Waste And food waste Policy Environment policy Climate policy	<ul style="list-style-type: none"> Greater awareness of the webshop for sell-by date products Waste sorting into fractions optimised Current and potential fractions for individual sites and waste collection companies identified 	<ul style="list-style-type: none"> Continue promotion of sell-by date products Further waste sorting into fractions locally, where possible Overview of current and potential fractions for individual sites and waste collection companies. 	<ul style="list-style-type: none"> 296 tonnes prevented from becoming food waste Proportion of mixed waste has been reduced by 2.5 percentage points Greater awareness of the webshop for sell-by date products Waste sorting into fractions optimised Current and potential fractions for individual sites and waste collection companies partially identified

OBJECTIVES 2019/2020

RISKS	FOCUS AREA	GOALS	PLANNED ACTIONS
CO ₂ emissions Renewable energy Electricity - consumption Heat consumption Water consumption	Energy Policy Climate policy	<ul style="list-style-type: none"> Decrease in electricity consumption per unit of revenue All sites are ISO 14001-certified Internal ISO 14001 audits conducted for all locations External ISO 14001 audits conducted for selected locations 	<ul style="list-style-type: none"> Local improvements in energy consumption Carry out internal and external ISO 14001 audits Continue investment in CO₂ refrigeration systems Identify renewable energy opportunities
CO ₂ emissions Particle emissions Traffic safety Local communities Environmental pollution Renewable energy	Transport Policy Environment policy Climate policy Transport policy	<ul style="list-style-type: none"> Increase in the number of kilometres per litre of diesel Environmental impact from transport further analysed A safer fleet of trucks 	<ul style="list-style-type: none"> Review of environmental impact from transport Training of drivers Continual upgrading to a safer fleet of trucks with less environmental impact
CO ₂ emissions Chemicals Environmental pollution Food waste Resource-consumption Reuse	Waste And food waste Policy Environment policy Climate policy	<ul style="list-style-type: none"> 300 tonnes prevented from becoming food waste via webshop and telesales Proportion of mixed waste reduced Greater awareness in the webshop of sell-by date products Waste sorting into fractions optimised Current and potential fractions for individual sites and waste collection companies fully identified 	<ul style="list-style-type: none"> Continue promotion of sell-by date products Further initiatives to minimise food waste Further waste sorting into fractions locally, where possible Overview of current and potential fractions for individual sites and waste collection companies.

Good workplace

We strive to continually develop Euro Cater as a good, healthy and stimulating workplace which offers a highly satisfying working life for our many employees. We do this by nurturing a strong sense of community, developing employee competencies, and ensuring a safe and healthy workplace.

Sense of community



Euro Cater is a decentralised organisation with a high degree of autonomy for the individual subsidiaries and sites. This ensures

a strong sense of commitment among local managers and employees, which is reflected, among other things, in a large number of initiatives at the various workplaces. Many of the sites are involved in activities like sport, weight loss programmes and stop-smoking courses.

All sites are also involved in supporting various local initiatives. We strive to be a responsible neighbour, and help as best we can. We do this by donating time, money and food and drink. We have many initiatives that help disadvantaged children and their families. There are also initiatives that help overweight children. We also sponsor a wide range of local sports associations.

Skills



In a sector where personal relationships are vitally important, we have a focus on continually developing employees' competencies.

We train our employees in a general understanding of social responsibility, our policies and what they actually mean for each person's daily work activities. This applies particularly to sellers, purchasers, managers, drivers and dispatchers.

During the past year we have held various CSR courses for purchasers, sellers and managers.

Health and safety



Our approx. 2,400 employees invest a great deal of time and energy in their work. We therefore want to give them a safe

and healthy workplace where they do not risk becoming injured, worn out or stressed. It is natural for all the group's sites to safeguard the working environment, to prevent accidents at work and to prevent employees from becoming worn out. Some work functions involve heavy lifting and pushing-around of products which need distributing around the storage facilities or to customers, and some of our employees also work at refrigeration and cold storage facilities. We are therefore continuously investing in modern aids which can relieve the physical work as much as possible.

When purchasing new trucks, we are currently testing electronic air locks that will protect the driver from opening the rear doors.

STOCKHOLMS STAD

Svensk Cater in Stockholm actively supports the municipality's recruitment initiative. Stockholm Stad is working to integrate newly arrived residents into the Swedish labour market. One of the popular initiatives is recruitment meetings that focus on the personal meeting between the company and the new residents.

These offer the opportunity to recruit new employees, and Svensk Cater in Stockholm is keen to offer the newcomers a job if our needs match. Svensk Cater is proud to be able to help the newcomers into work and support the municipality's recruitment initiative, while also finding skilled labour.

CATER GRØNT WINS 2019 EGU PRIZE

Cater Grønt in Slagelse is working to make a difference for young people. It was a request from a casual job consultant within the 'En Fælles Indsats' (a joint effort) social housing master plan that kick-started the process of young workers joining Cater Grønt.

The initiative simply involves finding jobs for young people from disadvantaged residential areas where unemployment is markedly higher than in the rest of the municipality. The 'joint effort' project aims to funnel young people from disadvantaged residential areas into employment and retain them, and keep them away from crime and bad company. Cater Grønt has since had a number of young people working in casual jobs at its site in Slagelse. Director Kristian Palmberg reports:

"We thus had the opportunity to employ a handful of young people, for about 6-8 hours a week, and we are very pleased about that. They are doing important work here for us."

There is some extra work involved in employing young people, as they need to learn how to fit into a workplace. However, the young people get to develop a number of competencies, and the site benefits from having a number of energetic young employees.

And in recognition of its contribution, Cater Grønt has now been awarded the 2019 EGU Prize in Slagelse.

AFRICAN CHILDREN GOING TO SCHOOL

Svensk Cater sponsors the 'En betydelsefull resa' (a meaningful journey) relief organisation from Löddeköpinge. The organisation helps hundreds of children, women and severely disadvantaged people in Cameroon each day by running the Lucia Bitame Primary School in Nkolofoulou - a small village outside Yaoundé, the capital of Cameroon. The school serves as a focal point for a wide range of social services for disadvantaged residents in the local area. The children are taught a range of subjects, with a particular focus on sustainability, human rights and advancing democracy. Euro Cater highly values the work 'En betydelsefull resa' performs each day, and is proud to assist.

Good workplace

Anti-corruption

Corruption is a criminal offence and damaging for society. Euro Cater fights corruption where we can, and has prepared an anti-corruption policy. In addition, we plan to incorporate anti-corruption in a future Employee Code of Conduct, and to train our employees, primarily in procurement and sales. Anti-corruption is also integrated into our Supplier Code of Conduct and has therefore been incorporated as a focus area in our supplier relations.

Working environment assessment

(Denmark)



13 SITES

The assessment is based on the screening by the Danish Working Environment Authority of 16 sites in the Danish organisation. Three sites have received a yellow smiley (as of September 2019). All orders from the Danish Working Environment Authority have been complied with.

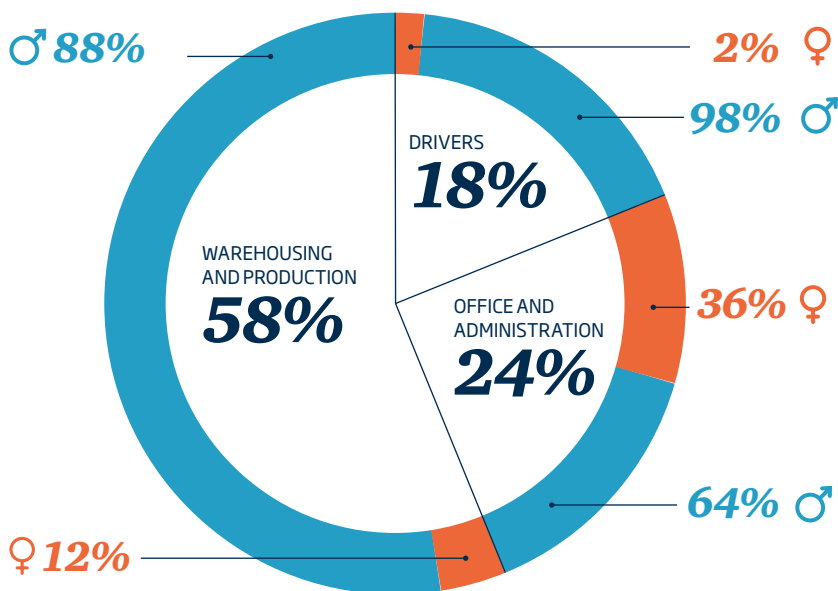
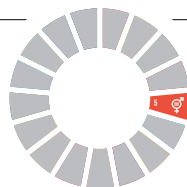
Staff survey of the working environment

Svensk Cater conducted a survey of the psychological working environment as a follow-up to a similar study last year. The survey covers offices, warehouses and drivers. Based on analyses, action plans have been formulated for all sites, and we are now in the process of implementing the selected improvements.

GENDER DISTRIBUTION FOR JOB FUNCTIONS

Euro Cater has a long tradition for primarily internal recruitment for management positions. It is therefore natural that the number of women in management positions roughly reflects the overall gender distribution in the group.

As a wholesaler, most of our job functions relate to warehousing and distribution, which traditionally attract more male applicants. This is also reflected in the gender distribution among the company's employees.



NUMBER OF EMPLOYEES



2.367

GENDER DISTRIBUTION

Men

84% ♂

Women

16% ♀

Targets and policy for the underrepresented gender

We are continuing to pursue our goal that one of the four members of the Board of Directors selected by the general meeting should be a woman in 2021/22. Currently, all four of the board members elected by the general meeting are men, so we have not come closer to this goal during the year. The reason is that the existing

Board of Directors is deemed to have the right skills and composition in view of our strategic challenges and plans. In the group's senior management teams, 13 of the 129 managers are women, corresponding to 10%. It is company policy that both genders must be represented in the company management. All management positions are filled on the basis of the group's general principle of employ-

ing the best-qualified person for the position, irrespective of gender.

We seek to ensure that both genders are represented in the last round of the recruitment process, where this is possible given the field of applicants. The group generally stresses the importance of equal opportunities for all, regardless of gender, ethnicity, religion or disability.

ANNUAL RESULTS 2018/2019

RISKS	FOCUS AREA	GOALS	ACTION	RESULT
Transparency Human rights Discrimination Local communities Job creation Marketing Diversity	Sense of community Policies Working conditions Gender policy in management	▶ Local initiatives completed	▶ Local initiatives	▶ Local initiatives completed
Anti-corruption Training	Skills Policies Working conditions	▶ Employee Code of Conduct refined ▶ Training in anti-corruption commenced ▶ Sales staff trained in sustainable product range ▶ Procurement staff trained in the development of a sustainable product range ▶ Managers trained in CSR ▶ Drivers and dispatchers trained in sustainable driving	▶ Started development of Employee Code of Conduct ▶ Training of sales staff ▶ Training of procurement staff ▶ Training of managers	▶ Employee Code of Conduct being developed ▶ Swedish sales staff trained in sustainable product range ▶ Swedish and Danish procurement staff trained in the development of a sustainable product range ▶ Swedish leaders trained in occupational safety
Human rights Occupational safety Occupational health	Health and safety Policies Working conditions	▶ Green working environment smiley for all sites in Denmark ▶ Inspirational catalogue on occupational safety implemented ▶ Inspirational catalogue on absence due to illness implemented	▶ Focus on occupational safety ▶ Focus on absence due to illness at relevant sites	• Green working environment smiley for 13 of 16 sites in Denmark • Inspirational catalogue on occupational safety being developed • Inspirational catalogue on absence due to illness being developed

OBJECTIVES 2019/2020

RISKS	FOCUS AREA	GOALS	PLANNED ACTIONS
Transparency Human rights Discrimination Local communities Job creation Marketing Diversity	Sense of community Policies Working conditions Gender policy in management	▶ Local initiatives completed	▶ Local initiatives
Anti-corruption Training	Skills Policies Working conditions	▶ Employee Code of conduct implemented ▶ Training in anti-corruption ▶ Sales staff trained in sustainable product range ▶ Procurement staff trained in the development of a sustainable product range ▶ Managers trained in CSR	▶ Implementation of Employee Code of Conduct ▶ Training of employees in anti-corruption ▶ Training of sales staff ▶ Training of procurement staff ▶ Training of managers
Human rights Occupational safety Occupational health	Health and safety Policies Working conditions	▶ Green working environment smiley for all sites in Denmark ▶ Inspirational catalogue on occupational safety implemented ▶ Inspirational catalogue on absence due to illness implemented	▶ Focus on occupational safety ▶ Focus on absence due to illness at relevant sites ▶ Implementation of the inspirational catalogue on occupational safety ▶ Implementation of the inspirational catalogue on absence due to illness

Accounting policies and KPI definitions

Sustainably trading

FOOD SAFETY

ISO 22000 certification

Count of sites that have a valid ISO 22000 food safety certification.

ISO 22000 - Internal audits

Number of ISO 22000 audits carried out at our own sites via Euro Cater employees who do not normally work at the given sites, i.e. first-party audits. This is usually the Environment and Quality Manager.

ISO 22000 - External audits

Number of ISO 22000 audits carried out at our sites via people who do not work for Euro Cater, i.e. third-party audits. We generally use auditors from Bureau Veritas Certification.

Elite smileys

Count of Danish sites with a valid elite smiley, awarded by the Danish Veterinary and Food Administration via third-party audits.

SUPPLY CHAIN MANAGEMENT

Supplier risk assessment

As part of the group's supplier data, various risk parameters are specified for each supplier. These include strategic importance, country, access to facilities and violations of the Supplier Code of Conduct. Purchases in DKK for the past financial year for all suppliers (creditors) that have been risk assessed are summed and divided by the total purchase volume in DKK for all of Euro Cater.

Supplier Code of Conduct signatories

Proportion of purchase volume in Euro Cater that is covered by our central Supplier Code of Conduct. The total purchase volume is calculated in DKK. Purchases in DKK for the past financial year for all suppliers (creditors) that have signed our central Supplier Code of Conduct are summed and divided by the total purchase volume in DKK for all of Euro Cater.

SUSTAINABLE PRODUCT RANGE

MSC/ASC-certified sites

Count of sites that have a valid MSC/ASC certification.

MSC/ASC - Internal audits

Number of MSC/ASC audits carried out at our own sites via Euro Cater employees who do not normally work at the given sites, i.e. first-party audits. This is usually the Environment and Quality Manager.

MSC/ASC - External audits

Number of MSC/ASC audits carried out at our sites via people who do not work for Euro Cater, i.e. third-party audits. We generally use auditors from Bureau Veritas Certification.

KRAV-certified sites

Number of Swedish sites with a valid KRAV certification via third-party auditing.

KRAV - External audits

Number of KRAV audits carried out at our sites via people who do not work for Euro Cater, i.e. third-party audits. We normally use auditors from Kiwa Sverige AB.

Palm oil (own production)

Euro Cater has a small in-house production of food products. Among these, the quantity of fats and oils used that derive from palm oil is measured. The proportion of these palm oil ingredients that are RSPO-certified is calculated annually.

Palm oil (fats and oils sold)

The proportion by weight of the products sold in the fats and oils product groups that contain certified and non-certified palm oil is calculated.

Training procurement staff

Each site has its own sales staff, who are trained in our CSR policies and sustainable product range. This takes place at local and central procurement meetings, and on internal or external training programmes - which sometimes focus on CSR and sometimes have CSR as a sub-topic.

Training of sales staff

Each site has its own sales staff, who are trained in our CSR policies and sustainable product range and sales. This takes place at local and central sales consultant meetings, and on internal or external training programmes - which sometimes focus on CSR and sometimes have CSR as a sub-topic.

Sustainable operations

ENERGY

ISO 14001-certified sites

Count of sites that have a valid ISO 14001 certification.

ISO 14001 - Internal audits

Number of ISO 14001 audits carried out at our own sites via Euro Cater employees who do not normally work at the given sites, i.e. first-party audits. This is usually the Environment and Quality Manager for Dansk Cater and Svensk Cater.

ISO 14001 - External audits

Number of ISO 14001 audits carried out at our sites via people who do not work for Euro Cater, i.e. third-party audits. We normally use auditors from DNV GL.

Electricity consumption

The total electricity consumption is registered and compared to the total revenue in DKK.

TRANSPORT

Diesel consumption

The total diesel consumption for Euro Cater's own trucks is registered and compared to the total revenue in DKK. In addition, the number of kilometres driven in our own trucks is registered, and the number of kilometres per litre of diesel is calculated. Company cars in Denmark are included, but account for an insignificant proportion.

Training of drivers and dispatchers

Sites with own drivers and dispatchers are trained in eco-driving, safe traffic and the working environment. This takes place at local dispatch meetings and on internal or external training programmes.

WASTE AND FOOD WASTE

Volume of waste (total)

The total volume in kilograms is measured for each site and consolidated for the entire group. The amount of waste is viewed in relation to the total revenue in DKK.

Volume of waste (fractions)

The total volume in kilograms is measured for each site per waste fraction. Since the fractions are defined by the type of container, and hence by the waste management company used, our fractions are pooled in slightly broader groups. The volume either comes directly from the waste collection companies (e.g. by accessing the database on the website) or via data entered from invoices. Data is stored in a central Excel spreadsheet.

Food waste prevented

The quantity of goods (in kilograms) sold through the Danish webshop that are close to their expiry date is calculated. The quantity of such goods (in kilograms) sold via telesales in Denmark is also calculated. These two numbers are added together.

Good workplace

SENSE OF COMMUNITY

Women on the Board of Directors

The number of women sitting on the Board of Directors for Euro Cater Holding A/S is noted. This is calculated as a proportion of all board members.

Women in management

The proportion of women in the extended management team at Euro Cater is calculated. This group comprises the management teams at the various sites and department heads at the head offices in Denmark and Sweden.

SKILLS

Training of managers

Each site has its own management team, which is being trained in our CSR strategy, CSR policies and procedures, etc. This takes place at local and central management meetings, and on internal or external training programmes - which sometimes focus on CSR and sometimes have CSR as a sub-topic. The training of purchasers, sales consultants, drivers and dispatchers has been described earlier.

HEALTH AND SAFETY

Working environment smiley count of Danish sites with a valid green working environment smiley, awarded by the Danish Working Environment Authority via third-party audits. A company can only receive a green smiley if it has undergone a review of its core working environment. This means that it has had a risk-based inspection, where the Danish Working Environment Authority has found that the company does not violate the working environment rules.

COMPANY PROFILE

ORGANISATION

- | | |
|-----------------------|---|
| ▶ Company name | Euro Cater Holding A/S |
| ▶ Web address | Euro-cater.com |
| ▶ Head office | Vidalsvej 6, 9230 Svenstrup J, Denmark |
| ▶ Primary brands | AB Catering, BC Catering, inco, Cater Food, Cater Grønt, Dansk Cater, Svensk Cater, Nordsjöfisk |
| ▶ Ownership | Manny A/S owns 65%, and ICG EFV Luxembourg S.a.r.l. owns 35% of the group |
| ▶ Number of employees | 2,367 FTEs |

REPORT

- | | |
|-----------------------------------|---|
| ▶ Reporting period | 1 October 2018 – 30 September 2019 |
| ▶ Reporting procedure | We have reported in accordance with sections 99a and 99b of the Danish Financial Statements Act as well as section 10 of the Annual Accounts Act (Årsredovisningslagen) (Sweden). |
| ▶ Companies covered in the report | Covers all companies in the Euro Cater group |

GOVERNANCE

- | | |
|---|---|
| ▶ Enquiries concerning the report and overall responsibility for the CSR report | Henrik Ellegaard, CFO (he@euro-cater.com) |
|---|---|





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