



# CSR Report 2021

Kohberg Bakery Group A/S



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This report is not only Kohberg's annual report on our corporate social responsibilities but also a mandatory report in pursuance of Article 99a of the Danish Annual Statements Act regarding social responsibility. The same report is filed as our annual CoP (Communication on Progress) with regard to the United Nations Global Compact



## REACHING OUR GOALS BY PULLING TOGETHER

The year 2021 was again a year under the impact of the COVID-19 pandemic and therefore yet another unpredictable year. Of course, when our society is affected by lockdowns, restrictions and disease, as a company and workplace, Kohberg is affected too.

Throughout this period, we at Kohberg have maintained focus on the goals and the responsibilities that come with being the largest bakery under Danish ownership and having 454 employees. I am proud to say that, by pulling together, we at Kohberg have achieved great things in a year when many things have been made more difficult, postponed or cancelled.

Our CSR policy is based on UN Strategic Development Goal no. 12 "Responsible consumption and production". This is an area in which we strive consistently to find new and better solutions. On the one hand, a great deal of energy is needed to bake bread and, on the other, at Kohberg we wish to play our part in the transition to a green economy. Therefore, in 2021 we set a clear investment plan for energy improvements, including heat recovery and heat pumps with a view to reducing our consumption of fossil fuels.

Kohberg has played an active role in combating food waste for some time. We are involved in ONE/THIRD, a Danish think-tank, and active too within the company. We make intensive efforts to produce prognoses so that we bake the right amount of bread at the right time. This was a challenging task especially in a year, when the introduction of sudden lockdowns and restrictions turned everything upside-down, and consumer behaviour patterns changed at very short notice. Even so, we did manage to reduce discards of the total number of finished production.

Our employees are our most precious resource, and it is important for us that Kohberg is a healthy, safe and tolerant place to work. We work with initiatives that support all three parameters. It is a pleasure for me to watch as our persistent efforts improve safety and result in positive findings in our Employee Satisfaction Survey.

Kind regards,

*René Normann Christensen*  
CEO, Kohberg Bakery Group A/S

A handwritten signature in blue ink, reading "René Normann Christensen".





SELECTED FACTS AND KEY FIGURES



The Kohberg logo is a small, oval-shaped emblem with a gold border. Inside the oval, the word "Kohberg" is written in a dark, elegant script font.

Kohberg



# ABOUT KOHBERG

"Kohberg Bakery Group is the largest Danish-owned bakery. Kohberg is a well-known brand in Denmark. Danes eat Kohberg bread throughout the day - at breakfast, lunch and dinner, and as snacks between meals."

## ABOUT KOHBERG

At Kohberg, we have just less than 500 employees who work at three bakeries in Bolderslev, Haderslev and Taastrup. About 80 of us are bakers. Regardless of profession and function, everyone at Kohberg has a passion for making tasty bread.

In April 2021, on termination of a retail logistics agreement, Kohberg's warehouse at Søften was closed.

### 2021

Revenue MDKK 765.9, EBITDA MDKK 43.2, Equity MDKK 104.3, 454 employees\*.

Again in 2021, COVID-19 made its mark on Kohberg and on revenue, which was lower than in 2020. In particular, our Food Service and Export units found that customers felt the impact of prolonged restrictions, and that people's needs and opportunities have changed.

Meanwhile, new initiatives and projects have progressed slowly or been put on hold altogether as a result of the global pandemic. Moreover, revenue was also adversely affected by the new logistics agreement.

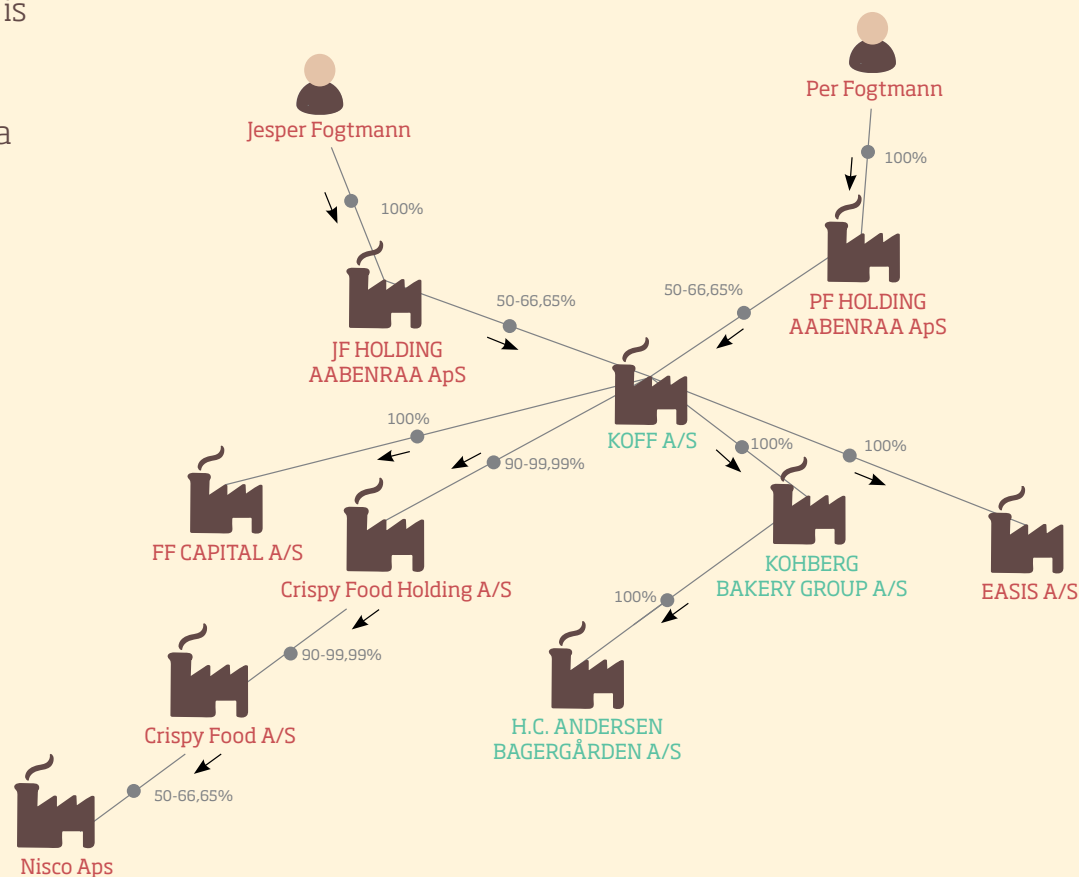
\*Average no. of FTEs (Full-Time Equivalents) in 2021.

## OWNERSHIP

Kohberg is part of the ownership structure under KOFF A/S, a family-owned and -managed holding company. Kohberg Bakery Group is KOFF A/S' largest food-producing company. Kohberg is Denmark's largest family-owned bakery.

This CSR report covers Kohberg Bakery Group A/S, including a subsidiary, H. C. Andersen Bagergården A/S.

## KOHBERG OWNERSHIP



## KOHBERG AND ITS SURROUNDINGS

As a food-producing company, Kohberg has an impact on its surroundings. Similarly, many factors in our surroundings affect us, e.g. public authorities and legislation, the employees at our bakeries, our customers and the consumers who enjoy our bread, cakes and Danish pastries. We wish to act responsibly throughout the value chain, and we strive to ensure that Kohberg's impact on our surroundings is to make a positive difference to them.



## PRODUCTS AND SERVICES

Kohberg produces a very wide range of bread that is delivered pre-packed to supermarkets and food service customers. Moreover, we deliver frozen bake-off bread and Danish pastries primarily to food service customers. Kohberg sells its products on the Danish and international markets under its own brand and as a private label.

We produce organic and vegan variants in several product categories. Kohberg also offers its food service customers gluten-free and lactose-free bread.

Our range includes the following product categories:



The Kohberg logo is an oval-shaped emblem with a gold border. Inside the oval, the word "Kohberg" is written in a dark brown, elegant script font. The logo is positioned on a black and white checkered banner that runs diagonally across the top of the image.

*Kohberg*

# CSR STRATEGY AND FOCUS AREAS

"At Kohberg, we create value for our customers, partners and for ourselves. This is the added value that comes from e.g. our own responsible actions and seeking to encourage our surroundings also to act responsibly."

## WE TAKE RESPONSIBILITY

At Kohberg, we are bakers. Everyone at Kohberg works towards supplying great bread to satisfied consumers. This is the core value of our business and our mission as a bakery. We believe it is essential to take responsibility and we attempt to encourage our surroundings to do the same. Kohberg's taking responsibility helps to add value for our customers, partners and ourselves.

Therefore, we work comprehensively and strategically with Corporate Social Responsibility and describe our actions and goals in our annual CSR Report.

## CSR STRATEGY

We have devised a "CSR house" that describes the full extent of our CSR strategy. The house's foundations are our mission and our desire to run our company responsibly.

Our CSR work has three load-bearing columns, i.e. three focus areas: environmentally sustainable consumption, good food and a good place to work. Each year we set goals for each focus area and measure our progress/development.

The "roof" over our entire CSR strategy is an overarching goal which is to contribute to achieving the UN Strategic Development Goals and our own vision to be an attractive bakery company that creates positive value.



### Mission

We're bakers. With passion for bread, we provide great taste and make fresh bread experiences easy for you, wherever you shop.



**KOHBERG AND THE UN GLOBAL COMPACT**

The UN Global Compact comprises 17 specific Strategic Development Goals (SDGs) and 169 subgoals. These oblige UN member states to focus on a more sustainable development for human beings and the planet we inhabit.

At Kohberg, we seek actively to contribute to this development as best we can. In our work, we focus especially on SGD no. 12 “Responsible consumption and production”.

As a food producing company, it makes perfect sense for us to

examine how we best utilise resources while minimising our impact on the climate and environment. This focus extends throughout the Kohberg value chain, from the crops in the fields until customers and consumers buy the finished bread.

At Kohberg, we strive consistently to examine how we can minimise quantities of waste, recycle resources and avoid using pollutants. Moreover, as a food company, we are actively involved in efforts to reduce global food waste per head by half.

**UNITED NATIONS’ 17 SUSTAINABLE DEVELOPMENT GOALS**



## VALUE CHAIN AND RISK FACTORS

As a company, we at Kohberg aim to take responsibility. Among other initiatives, we map our impact on our surroundings and focus consistently on minimising any negative impacts our activities may have.

In connection with our strategic CSR work, we have scrutinised Kohberg's value chain and pinpointed where Kohberg has - or risks having - a negative impact on its surroundings.





# ENVIRONMENTALLY RESPONSIBLE CONSUMPTION

"We strive to incorporate eco-friendly and sustainable alternatives and minimise consumption and waste throughout the value chain - from the crops growing in the fields until the bread is transported to our customers."

## CONSUMPTION OF RESOURCES

### FOCUS ON WASTE THROUGHOUT THE VALUE CHAIN

Like any other bakery, we work with natural ingredients and our pre-packed bread stays fresh only for a few days. It is therefore important that Kohberg maintains strong focus on optimising processes and minimising waste throughout the value chain. The ultimate goal is of course to ensure that as much as possible of our bread fulfils its purpose, i.e. that it is eaten, not thrown away.

### PROCESS WASTE

Process waste is difficult to eliminate at a bakery. We often receive new ovens and other equipment that our bakers use to develop and bake new variants of our bread, cakes and pastries. Moreover, we have to adjust our recipes regularly as ingredients vary depending on their quality, ambient temperatures and season. Thorough quality monitoring ensures that customers and consumers are oblivious to these fluctuations.

We optimise our processes in order to restrict waste to a minimum. However, in 2021, process waste was higher than our 7 % goal. We will continue to maintain focus on waste at weekly meetings throughout 2022.

### DISCARDS

At Kohberg, we have to begin the baking process before customers have ordered the bread. We produce according to forecasts that predict how much of which types of bread our customers will need. Forecasting is an important tool because our pre-packed bread stays fresh only for a few days and cannot be stored and sold at a later time. The COVID-19 pandemic made 2021 an unpredictable year. Lockdowns and restrictions introduced at short notice changed not only the demand for bread but also consumer behaviour patterns. Even so, we succeeded during the year to reduce discards to 1.25 % of the total number of finished production units.



INGREDIENTS & GROWERS



SUPPLIERS



TRANSPORT



KOHLBERG



CUSTOMERS



CONSUMERS





## FOOD WASTE

As much as one third of the world's food goes to waste - and much food is wasted in consumer households where good ingredients and scraps end up in the waste bin. This must change and at Kohberg we intend to help push development in the right direction.

Kohberg has joined "Danmark mod Madspild" (Denmark fights food waste) and is a member of ONE\THIRD, a Danish think-tank comprising 55 food producing companies, stakeholders, public authorities and scientists who have joined forces to combat and prevent food waste.



Guidelines on our breadbags help Danish consumers sort waste correctly.



## WE HELP CONSUMERS TO SORT WASTE BETTER

We have recently introduced new guidelines on our bread bags to help consumers to sort their waste correctly. As part of our packaging policy, we seek solutions that ensure that as much as possible is sorted and recycled. We have also reviewed the type of plastic, material thickness and design of our packaging. For example, we have redesigned the bag corners so that we use less plastic.

*"All our bread bags are made of recyclable plastic. However, the consumer may find it difficult to determine what type of plastic he*

*has to dispose of. Therefore, we print new guidelines on our bread bags to help Danish consumers sort their waste correctly."*

*- Britt Hougaard, Head of Marketing, Innovation & Communication*

The familiar Kohberg bread trays have been made of 100 % recycled plastic for the past 20 years. As a bakery, our choice of packaging has to encompass factors such as food safety, food waste and storage. Plastic packaging is still the best solution. In 2022, we aim to ensure that 90 % of our plastic packaging is made from recyclable plastic.

## ENERGY CONSUMPTION

BETTER EFFICIENCY = LESS CONSUMPTION

### Electricity and gas consumption

At Kohberg, we strive consistently to improve and optimise our bakeries and our working processes. This also applies with regard to the environmental and climate-related agenda, for which reason we seek to minimise our consumption of electricity and gas. Our success is the result of multiple initiatives and many improvements that have stabilised processes, increased focus and reduced the number of errors, all of which contribute to lower total consumption. In 2021, we reduced our energy consumption by 1.64 % measured in kWh per ton of finished products.

### Kohberg sells its truck fleet

In April 2021, on termination of a retail logistics agreement, Kohberg sold its fleet of trucks. The objective of grouping logistics under retail is to reduce the number of kilometres driven and thus to reduce the environmental impact.

In future, diesel consumption in connection with distribution will not feature as an item of consumption at Kohberg. However, this does not erase our carbon footprint. Transport and logistics remain part of Kohberg's value chain – as indeed they are decisive for our products' reaching the consumers. In future, this field will be one in which we work with other stakeholders to influence and reduce consumption.



## WE INVEST IN ENERGY OPTIMISATION

It takes a great deal of energy to bake bread. In the coming years, we at Kohberg plan to reduce our energy consumption by means of a series of investments. About 10 % of our total investments will be invested in energy optimisation and recovery.

*"Our ovens generate a great deal of heat. We can recover this heat and use it, for example, to heat the water we use elsewhere in the process. This also means that*

*we can reduce our gas consumption. Similarly, we can reduce gas consumption at our bakeries by installing heat pumps.*

*- Flemming Svenningsen, Operations Director*

Furthermore, we expect to install a more energy-efficient refrigeration condenser that will save about 40 % energy. For several reasons, including the COVID-19 pandemic, machinery deliveries are slow. We are therefore unable at this time with certainty to state when all our energy-saving initiatives will materialise.



## ENVIRONMENTALLY SUSTAINABLE CONSUMPTION

Consumption of resources			
Focus areas	Goals 2021	Results 2021	Goals and actions 2022
<b>Policies</b> Environment policy Climate policy  <b>Risks</b> Chemical substances Water consumption Waste and food waste Biodiversity Animal welfare CO <sub>2</sub>	<b>Process waste</b> 7 % process waste from commodities/ingredients (from sourcing to packed end-product).  <b>Action:</b> Ongoing process optimisation. Weekly meetings with focus on waste.	<b>Process waste</b> 8.4 % process waste from commodities/ingredients (from sourcing to packed end-product).	<b>Process waste</b> 7% process waste from commodities/ingredients (from sourcing to packed end-product).  <b>Action:</b> Ongoing process optimisation. Weekly meetings with focus on waste.
	<b>Discards</b> 2.2 % discards of finished products (packed ready for sale). <b>Action:</b> Focus on and optimisation of forecasting and planning to reduce discards.	<b>Discards</b> 1.25 % discards of finished products (packed ready for sale).	<b>Discards</b> 1.25 % discards of finished products (packed ready for sale).  <b>Action:</b> Focus on and optimisation of forecasting and planning to reduce discards.
	<b>Sustainable packaging</b>  <b>Plastic packaging</b> Reduce plastic content in packaging by 5-7 %.  <b>Action:</b> Consistently replacing foils and plastic types used in bread bags and adjusting bread bag sizing.  <b>Plastic bread trays</b> All our plastic bread trays must be made of recycled plastic.  <b>Action:</b> Action: All repurchased bread trays are made of recycled plastic.	<b>Sustainable packaging</b>  <b>Plastic packaging</b> Reduced plastic content in packaging by 0.56 % in 2021  <b>Plastic bread trays</b> All our plastic bread trays are made of recycled plastic.	<b>Sustainable packaging</b>  <b>Plastic packaging</b> Reduce plastic content in packaging by 2-5 %. (Assessment with no knowledge of future projects)  <b>Action:</b> Consistently replacing foils and plastic types used in bread bags and adjusting bread bag sizing.  <b>Recyclable plastic (new goal)</b> 90 % of our plastic packaging must be made of recyclable plastic (a step towards meeting manufacturer's obligations 2023).  <b>Action:</b> 90 % of our plastic packaging must be made of recyclable plastic (as step towards meeting manufacturer's obligations 2023).  <b>Plastic bread trays</b> All our plastic bread trays must be made from recycled plastic.  <b>Action:</b> All repurchased bread trays must be made from recycled plastic.  <b>Repurchase of bread trays (new goal)</b> 5 % reduction (baseline 2021) in repurchase of new plastic bread trays made from 100 % recycled plastic.  <b>Action:</b> Ongoing process optimisation of recycling processes at Kohberg. Optimise/monitor bread trays returned from customers, minimise damage to bread trays during washing and transportation.



## ENVIRONMENTALLY SUSTAINABLE CONSUMPTION

Energy consumption			
Focus areas	Goals 2021	Results 2021	Goals and actions 2022
<b>Policies</b> Climate policy  <b>Risks</b> CO <sub>2</sub>	<b>Electricity and gas consumption</b> 770 kWh per ton of finished products, corresponding to a 3 % saving compared to 2020  <b>Action:</b> Optimisation and investments in technology.	<b>Electricity and gas consumption</b> 780 kWh per ton of finished products, compared to 793 kWh per ton in 2020 (corresponding to a 1.64 % reduction).  This goal is therefore not entirely achieved.	<b>Electricity and gas consumption</b> Implementation of energy-saving projects launched in 2021 – a process that will continue until 2023.  <b>Action:</b> Optimisation and investments in technology.



*Kohberg*

# GOOD FOOD PRODUCTS

"We bake with ingredients that meet our own stringent quality standards, and consumers' expectations regarding food product safety and responsibility."



## FOOD PRODUCT SAFETY

### WE FULFIL OUR OBLIGATIONS

#### Smileys

As the largest bakery under Danish ownership, we are responsible for ensuring that our bread, cakes and pastries meet high standards of food product safety and quality. We are subject to ongoing audits that ensure that we meet our own and our surroundings' expectations.

We do our utmost to ensure that at regular audits conducted by the Danish Veterinary and Food Administration (DVFA) we receive no remarks and the happiest Smiley as a symbol of our success. At the end of 2021, our locations at Taastrup, Haderslev and Bolderslev had all achieved an Elite Smiley in a DVFA audit.

#### BRC and audits

Kohberg is certified according to the British Retail Consortium's (BRC) Global Standard. The BRC Global Standard requires food producing companies to comply with the most stringent requirements regarding management, food product safety, hygiene, maintenance and employee training.

The BRC Food Certificate guarantees consumer health. All our procedures and work processes are fully described and subject to an annual certified audit, in addition to which we review BRC requirements in internal audits.





## NOTHING LESS THAN THE BEST CERTIFICATES

At Kohberg, we regard certificates as important signals for ourselves, our customers and our business partners. For several years, all three bakeries have been certified according to the British Retail Consortium's (BRC) Global Standard.

*"Annual BRC audits ensure that we continue to work at further streamlining our processes and reducing the number of anomalies. This work produces positive results. For the first time, all three of our bakeries were awarded Grade A. Taastrup achieved AA+, which is the best possible certificate.*

*And of course, we intend to maintain the highest quality standards."*

*- Line Ransby Olsen, Quality Manager*

As part of our work with food product safety and BRC, Kohberg has integrated Food Safety Culture into our Employee Satisfaction Survey. Employees answer 10 questions about Kohberg's and their own personal approach to various standards, including food product safety, claims and breaches of security.

## HEALTHY FOOD PRODUCTS

### RESPONSIBLY GROWN INGREDIENTS

#### Free from...

The ingredients that we use in our pre-packed bread are grown naturally with respect for the environment. We believe it is important that we can claim that our ingredients are free from certain substances. Our ingredients must be grown without the use of glyphosate and plant growth regulators. We demand the same of our suppliers. In 2021, all flour and grain products purchased by us were free from glyphosate and plant growth regulators.

#### Danish ingredients

Since 2019, the main ingredient in our bakery products has been flour that is grown, harvested and ground to flour in Denmark. Danish crops and food products are subject to impeccably thorough scrutiny, which results in very high food safety standards for the bread, cakes and pastries that Kohberg bakes.

For the same reason, we strive generally to bake using as many Danish ingredients as possible. We regularly extend the list of ingredients we purchase that are of Danish origin.

#### Nordic Keyhole Label & Whole Grain Label

Many Kohberg products contain whole grains, and we are dedicated to adjusting our recipes so that they contain as many whole grains as possible while the bread continues to taste as it should and retain its texture.

Kohberg is a member of the Danish Whole Grain partnership, which works to ensure that Danes have access to whole grain foods as part of a healthy and varied diet. We assess every new Kohberg bread to determine if it qualifies to carry the Whole Grain Label and/or the Nordic Keyhole label.

In 2021, whole grain flour accounted for almost half (49 %) of all the flour used at Kohberg, and 56 % of our pre-packed bread (29 variants) carries the Nordic Keyhole label.





## EVEN MORE DANISH INGREDIENTS

As a Danish-owned bakery company, Kohberg makes special efforts to give back to the community to which we have belonged for more than 50 years. This is just one of the reasons that explain why we choose to bake using Danish ingredients, including Danish flour.

*"For several years now, Kohberg has used Danish flour as the main ingredient in all our bread, cakes and pastries. Danish ingredients have become a very important parameter for us. In 2021, we introduced two new goals,*

*to use oats of Danish origin and to use only Danish butter in Kohberg's pre-packed bread."*

*- Britt Hougaard, Head of Marketing, Innovation & Communication*

In 2022, we have introduced another new goal only to use eggs of Danish origin at our bakeries.



## SUSTAINABLE COMMODITIES /INGREDIENTS

### No eggs from caged hens

At Kohberg, we are not afraid to exceed official regulations and legal requirements. We take responsibility for our choices of commodities/ingredients, and we set high standards on behalf of our customers. For some years, we have maintained a clear policy that states that Kohberg bread, cakes and pastries do not contain eggs from caged hens, and it is therefore imperative that our suppliers supply only barn eggs or organic eggs.

### Certified palm oil

Kohberg joined Roundtable on Sustainable Palm Oil (RSPO) in 2012. The RSPO-certified palm oil requirement applies throughout our supply chain. We have also developed product variants, in which we use alternatives to ingredients based on palm oil. This applies e.g. to our vegan Danish pastries.

**Link: KOFF is a member of Roundtable  
on Sustainable Palm Oil**



## PUSHING BOUNDARIES WITH INNOVATION

At Kohberg, we aim to be best at broadening the scope of what good bread is and can do. Bread has a small carbon footprint compared to other food products. We believe that we are obliged to take the lead when it comes to food product innovation.

*"In future, Kohberg will push the boundaries and produce innovative, relevant products. We will seek out local and global sources of inspiration. We insist on baking delicious bread for customers who are not prepared to compromise on quality or*

*climate. Based on our professional expertise and insight into food trends, markets and consumers, in future Kohberg will be developing innovative bread solutions."*

*- Kasper Bus, Innovation Manager*

In 2021, Kohberg hired Innovation Manager Kasper Bus. Kasper is responsible for a concerted effort at Kohberg to persuade the Danes to eat better bread.



## GOOD FOOD PRODUCTS

Food product safety			
Focus areas	Goals and actions 2021	Results 2021	Goals and actions 2022
<b>Policies</b> Human rights policy  <b>Risks</b> Food product safety	<b>BRC Food Safety certificates</b> All three locations are awarded a BRC food safety certificate. Grade A at two locations, Grade B at one location.  <b>Action:</b> Certification conducted by a third-party accreditation agency.	<b>BRC certificates</b> All three locations are awarded a BRC food safety certificate. - Taastrup: AA+ - Haderslev: AA (awaiting audit early in 2022) - Bolderslev: A+	<b>BRC certificates</b> All three locations are awarded a BRC food safety certificate. Goal achieved in 2021. No BRC audit in 2022.  <b>Action:</b> Our goals for 2023 will include a goal to achieve IFS certificates.
	<b>Elite Smiley</b> The Danish Veterinary and Food Administration's (DVFA) has awarded an Elite Smiley to all three locations.  <b>Action:</b> DVFA inspections.	<b>Elite Smiley</b> The Danish Veterinary and Food Administration's (DVFA) has awarded an Elite Smiley to all three locations: - Taastrup: Elite Smiley - Haderslev: Elite Smiley - Bolderslev: Elite Smiley	<b>Elite Smiley</b> The Danish Veterinary and Food Administration (DVFA) has awarded a Happy Smiley to all three locations.  <b>Action:</b> DVFA inspections. The Elite Smiley Scheme has been changed. A Happy Smiley replaces an Elite Smiley.
	<b>Internal audits</b> 12 internal audits conducted, reviewing BRC requirements at our own locations.  <b>Action:</b> Internal audits conducted.	<b>Internal audits</b> 11 internal audits conducted, reviewing BRC requirements at our own locations. One audit is rescheduled to early 2022 due to COVID-19.	<b>Internal audits</b> 12 internal audits conducted, reviewing BRC and IFS requirements at our own locations.  <b>Action:</b> Internal audits to review BRC and IFS requirements.
	<b>External supplier audits</b> 2 supplier audits conducted.  <b>Action:</b> Audits of selected suppliers conducted.	<b>External supplier audits</b> 2 supplier audits conducted.	<b>External supplier audits</b> 2 supplier audits planned.  <b>Action:</b> Audits of selected suppliers conducted.



## GOOD FOOD PRODUCTS

Healthy food products			
Focus areas	Goals and actions 2021	Results 2021	Goals and actions 2022
<b>Policies</b> Human rights policy  <b>Risks</b> Food product safety Chemical substances Pollution	<b>Glyphosate</b> All flour and grain products purchased are glyphosate-free.  <b>Action:</b> Suppliers required to supply glyphosate-free ingredients.	<b>Glyphosate</b> All flour and grain products purchased are glyphosate-free.	<b>Glyphosate</b> All flour and grain products purchased are glyphosate-free.  <b>Action:</b> Suppliers are required to supply ingredients that are free of glyphosate.
	<b>Plant growth regulators</b> All flour and grain products purchased are free of plant growth regulators.  <b>Action:</b> Suppliers are required to supply ingredients that are free of plant growth regulators.	<b>Plant growth regulators</b> All flour and grain products purchased are free of plant growth regulators.	<b>Plant growth regulators</b> All flour and grain products purchased are free of plant growth regulators.  <b>Action:</b> Suppliers are required to supply ingredients that are free of plant growth regulators.
	<b>Danish ingredients</b>  <u><b>Rye - conventional</b></u> All conventional rye and rye flour purchased are cultivated in Denmark.  <u><b>Rye - organic</b></u> At least 75 % of organic rye and rye flour purchased is cultivated organically in Denmark.  <u><b>Wheat - conventional</b></u> At least 75 % of conventional wheat and wheat flour purchased is cultivated in Denmark.  <u><b>Wheat - organic</b></u> At least 50 % of organic wheat and wheat flour purchased is cultivated organically in Denmark.  <u><b>Oats</b></u> At least 75 % of conventional oats and oat flour/oatmeal purchased is cultivated in Denmark.  <u><b>Butter</b></u> All butter purchased is of Danish origin.  <b>Action:</b> Suppliers required to supply rye, wheat, oats and butter of Danish origin.	<b>Danish ingredients</b>  <u><b>Rye - conventional</b></u> All conventional rye and rye flour purchased are cultivated in Denmark.  <u><b>Rye - organic</b></u> At least 75 % of organic rye and rye flour purchased is cultivated organically in Denmark.  <u><b>Wheat - conventional</b></u> At least 75 % of conventional wheat and wheat flour purchased is cultivated in Denmark.  <u><b>Wheat - organic</b></u> At least 50 % of organic wheat and wheat flour purchased is cultivated organically in Denmark.  <u><b>Oats</b></u> At least 75 % of conventional oats and oat flour/oatmeal purchased is cultivated in Denmark.  <u><b>Butter</b></u> 56 % of butter purchased is of Danish origin. All pre-packed Kohberg brand bread is made with Danish butter.	<b>Danish ingredients</b>  <u><b>Rye - conventional</b></u> All conventional rye and rye flour purchased are cultivated in Denmark.  <u><b>Rye - organic</b></u> At least 75 % of organic rye and rye flour purchased is cultivated organically in Denmark.  <u><b>Wheat - conventional</b></u> At least 75 % of conventional wheat and wheat flour purchased is cultivated in Denmark.  <u><b>Wheat - organic</b></u> At least 50 % of organic wheat and wheat flour purchased is cultivated organically in Denmark.  <u><b>Oats</b></u> At least 75 % of conventional oats and oat flour/oatmeal purchased is cultivated in Denmark.  <u><b>Butter</b></u> All pre-packed Kohberg brand bread is made with Danish butter.  <u><b>Eggs (new goal)</b></u> All eggs purchased come from Danish hens.  <b>Action:</b> Suppliers required to supply rye, wheat, oats and butter of Danish origin.



## GOOD FOOD PRODUCTS

Healthy food products			
Focus areas	Goals and actions 2021	Results 2021	Goals and actions 2022
<b>Policies</b> Human rights policy  <b>Risks</b> Food product safety Chemical substances Pollution	<b>Wholemeal flour</b> 47.5 % of total consumption of flour is whole grain. Calculated on total consumption of flour in all bread variants (Kohberg brand and private label).  <b>Action:</b> Focus on the use of wholemeal flour in recipes and product development.	<b>Wholemeal flour</b> 49 % of total consumption of flour is whole grain. Calculated on total consumption of flour in all bread variants (Kohberg brand and private label).	<b>Wholemeal flour</b> 50 % of total consumption of flour is wholemeal flour. Calculated on total consumption of flour in all bread variants (Kohberg brand and private label).  <b>Action:</b> Focus on the use of wholemeal flour in recipes and product development.
	<b>The Nordic Keyhole label</b> 60 % of Kohberg's total number of baked, pre-packed bread products carries the Nordic Keyhole label.  <b>Action:</b> Recipe monitoring and focus on product development.	<b>The Nordic Keyhole label</b> 56 % of Kohberg's total number of baked, pre-packed bread products carries the Nordic Keyhole label (29 of total 52 variants).	<b>The Nordic Keyhole label</b> 60 % of Kohberg's total number of baked, pre-packed bread products carries the Nordic Keyhole label.  <b>Action:</b> Recipe monitoring and focus on product development.



## GOOD FOOD PRODUCTS

Sustainable commodities/ingredients			
Focus areas	Goals 2021	Results 2021	Goals and actions 2022
<b>Policies</b> Environment policy  <b>Risks</b> Biodiversity Animal welfare Child labour Slavery Working conditions Wages Chemical substances	<b>Eggs</b> No eggs purchased come from caged hens.  <b>Action:</b> Commodities/ingredients requirements: Suppliers required to deliver free-range and organic eggs.	<b>Eggs</b> No eggs purchased come from caged hens.	<b>Eggs</b> All eggs purchased are barn eggs or organic (i.e. not from caged hens).  <b>Action:</b> Commodities/ingredients requirements: Suppliers required to deliver barn eggs or organic eggs.
	<b>Palm oil</b> All commodities/ingredients purchased containing palm oil are RSPO-certified.  <b>Action:</b> Commodities/ingredients requirements – suppliers required to supply RSPO (Roundtable of Sustainable Palm Oil) certified palm oil.	<b>Palm oil</b> All commodities/ingredients purchased containing palm oil are RSPO-certified.	<b>Palm oil</b> All commodities/ingredients purchased containing palm oil are RSPO-certified.  <b>Action:</b> Commodities/ingredients requirements – suppliers required to supply RSPO (Roundtable of Sustainable Palm Oil) certified palm oil.
	<b>Organic flour</b> 7 % of total consumption of flour is organic flour. Calculated on total consumption of flour in all bread variants (Kohberg brand and private label).  <b>Action:</b> Focus on the use of organic flour in recipes and product development.	<b>Organic flour</b> 7 % of total consumption of flour is organic flour. Calculated on total consumption of flour in all bread variants (Kohberg brand and private label).	<b>Organic flour</b> 8 % of total consumption of flour is organic flour. Calculated on total consumption of flour in all bread variants (Kohberg brand and private label).  <b>Action:</b> Focus on the use of organic flour in recipes and product development.
	<b>Vegan</b> 68 % of Kohberg's total number of baked, pre-packed bread products is vegan.  <b>Action:</b> Commodities/ingredients requirements – suppliers.	<b>Vegan</b> 71 % of Kohberg's total number of baked, pre-packed bread products is vegan. (37 of total 52 variants)	<b>Vegan</b> 72 % of Kohberg's total number of baked, pre-packed bread products is vegan.  <b>Action:</b> Commodities/ingredients requirements – suppliers.



Kohberg

# A GOOD PLACE TO WORK

"We employ 454 people at our bakeries and warehouses, and in sales and administration. We believe it is important that Kohberg is a safe, responsible and good place to work."

## OCCUPATIONAL HEALTH AND SAFETY

### DETERMINED EFFORTS CREATE RESULTS

#### Accidents and near misses

At Kohberg, our employees' safety is paramount, and we strive to improve the working environment and safety across the organisation.

We record all accidents and injuries at work and near misses because we believe that gives us an accurate picture of where we need to introduce new initiatives and change habits in order to make Kohberg an even safer place to work.

In 2021, there were 22 reports of accidents and injuries with absence, which was 35 % fewer than in 2020. Of course, we aim to eliminate accidents and injuries and will continue to focus on safety and safe patterns of behaviour.

#### Special initiatives

During the year, we introduced six specific initiatives with regard to internal traffic, contingency planning, risk evaluations, operators' behaviour, training in the handling of chemicals and ergonomics. Although the COVID-19 pandemic made training and emergency drills difficult to carry out, we succeeded in conducting initiatives in all six areas.

#### Work Environment Smiley

Kohberg works closely with the Danish Working Environment Authority (DWEA). The authority conducts regular audits to ensure that we comply with workplace and OHSE regulations. We strive consistently to be awarded happy green Smileys at our locations. At the end of 2021, the Taastrup bakery was awarded a green Smiley. The bakery at Bolderslev had a yellow Smiley as a result of a DWEA remark made in November that has now been resolved.

Our bakery in Haderslev has yet to be awarded a Smiley because we are still awaiting DWEA's inspection.



## KOHBERG SAFETY PASSPORT

Kohberg Safety Passport is an eight-day training course, developed by Kohberg in collaboration with the educational institution EUC Lillebælt. The training course is for production managers and health & safety representatives. The attendees study safe behaviour and contingency planning.

*"Kohberg Safety Passport teaches employees to spot risky behaviour and encourages them to take steps to prevent risks from developing into hazardous situations. We also hope to become better at analysing accidents. Accidents are complex matters. When we are aware of the root causes of an accident, we can use that knowledge to prevent the similar occurrences."*

*- Brian Vestergaard Olesen, OHSE Coordinator*

Due to COVID-19 several courses were postponed in 2021. We plan for all our production managers and health & safety representatives to take the Kohberg Safety Passport training course.





## HEALTH AND WELL-BEING

### FOCUS ON EMPLOYEE WELL-BEING

#### Employee Satisfaction Survey

In 2021, following several years' lapse, we conducted a study of our employees' well-being and loyalty. The response rate was 80 percent, which we regard as satisfactory. 72 percent of our employees are happy to work at Kohberg, which is just above the national average. They scored 78 % on loyalty, which is considered high.

The overall results of the study of our employees' well-being and loyalty are satisfactory. The study also shows us if there are

departments or specific areas in which there is room for improvement. We have decided to repeat the study in alternate years.

Furthermore, we have decided to intensify focus on absence due to illness from 2022. Our goal is to achieve maximum 3 % absence due to illness of the total number of hours worked (all employees). As part of this work, all our employees will be offered a health and well-being scheme via Velliv (pension and insurance provider).



## **TOLERANT WORKPLACE**

### **EVERYONE IS WELCOME HERE**

#### **Special positions**

Kohberg can accommodate – and is indeed very willing to accommodate – special needs. We are all different and society must provide more jobs that are adapted to the individual. At Kohberg, we employ a number of people under special conditions of employment.

It is also important that we take responsibility for training the next generation of qualified employees and give them the chance to learn relevant competencies and gain useful work experience. Throughout the year, Kohberg welcomes many people on practical work experience, all of whom for some reason need a helping hand to gain a foothold in the employment market.

In 2021, there were 10 people in flexijobs at Kohberg, eight in production and two in administration, as well as two in sheltered employment. Kohberg employs nine apprentices in all – five automation technicians, two industrial operators, one retail baker and one in accounting.

#### **Gender distribution on the Board of Directors and in executive management**

We aim to achieve an appropriate equal distribution of men and women in managerial positions. We therefore strive to ensure that every employee has the same opportunities, regardless of gender.

In 2021, 35 % of senior managers at Kohberg were women and 65 % men. There is a total of eight women in managerial positions. In future, we wish at least to meet the national average gender distribution, which is currently 25 % women.

By 2022, we aim to have at least one woman on the Board of Kohberg Bakery Group (one of four seats = 25 %). There were no elections to the Board in 2021.

Nevertheless, when we hire new employees, appoint leaders and nominate to a seat on the Board, we seek to ensure that we select the best candidate regardless of gender.



## FINANCIAL APPRENTICE KIT LINKS PRACTICE WITH THEORY

Having studied Business Administration for two years at IBC Aabenraa, Kit Nærum-Hansen wished to continue her training via an apprenticeship. As accounting apprentice at Kohberg Bakery Group, she has been a member of the team from Day One.

*"I have always loved figures, and I knew this was the direction I wished to take. But it was important for me to land in the right place. I was fortunate to land at Kohberg. I was made to feel very welcome from my first day here. I have every chance to try my hand at many different tasks in finance, accounting and administration,"* explains 21-year-old Kit Nærum-Hansen.

In Summer 2022, she completes her two-year apprenticeship at Kohberg. During her apprenticeship, Kit has returned to the classroom for study weeks.

*"Before each study week, I adapt my work tasks to include some of the topics that we will cover at college. This is a great way for me to make the link between practice and theory."*

COVID-19 got in the way of many activities, not least forcing administrative personnel to work away from the office. Even so, our financial apprentice has learned how social events bring people together.

*"Among other things, I attended the Christmas party, cycling trips and a chocolate course, all great ways to spend time with colleagues. I also got to know people from all the different departments,"* explains Kit Nærum-Hansen, who hopes to be kept on as an accounting clerk at Kohberg when she has completed her apprenticeship.



## WE OFFER FURTHER TRAINING

### **Employee Development**

At Kohberg, we make determined efforts to offer salaried and hourly-paid employees education and further training. Having well-qualified employees is one way to ensure future success at Kohberg, and we appreciate the value of having happy employees and giving them a chance to develop their skills. A well-educated workforce also makes it easier for us to recruit in-house.

Some further training programmes are run under the auspices of the IKUF industrial skills development scheme, which offers all our employees two weeks' training of their choice every year.

Unfortunately, COVID-19 prevented us from carrying out many education programmes and training courses in 2021. However, two unskilled workers are currently training to become qualified industrial operators.

Moreover, 31 leaders have completed the Kohberg Leadership Academy programme. All our leaders have now completed this training programme. Our goal for 2022 is to get at least 10 new leaders and/or employees with leadership potential through the leadership programme.



## A GOOD PLACE TO WORK

Occupational health and safety			
Focus areas	Goals and actions 2021	Results 2021	Goals and actions 2022
<b>Policies</b> Employees' rights policy  <b>Risks</b> Safety at work Healthy workplace	<b>Industrial accidents</b> 25 % reduction in accidents and injuries with absence reported, compared to 34 reported accidents and injuries in 2020, corresponding to maximum 25 reported accidents and injuries leading to absence.  <b>Action:</b> Additional resources to analyse accidents and near misses with a view to learning and prevention.	<b>Industrial accidents</b> 35 % reduction in accidents and injuries with absence reported in 2021 compared to 2020, corresponding to maximum 22 reported accidents and injuries leading to absence.  In 2021, we held a series of training courses for members of our OHSE organisation, the purpose of which was to improve safety at the company via learning and preventive measures.	<b>Industrial accidents</b> A further 25 % reduction in accidents and injuries with absence reported compared to 2021, corresponding to maximum 17 reported accidents and injuries leading to absence.  <b>Action:</b> More focus on safety and goal-oriented instructions and extra focus on safe behaviour, including implementation of the STOPP principle. Safety is the first item on the agenda at whiteboard and production meetings throughout the organisation.
	<b>Occupational injuries compared to sector</b> Kohberg's incidence rate for serious occupational injuries must not exceed 31 serious occupational injuries per 1,000 employees. At Kohberg, this corresponds to no more than two serious occupational injuries a year.  <b>Action:</b> More focus on safety and goal-oriented instructions and extra focus on safe behaviour. Safety is the first item on the agenda at whiteboard and production meetings throughout the organisation.	<b>Occupational injuries compared to sector</b> There were two serious occupational injuries that resulted in long-term absence. Both occurred in Q1 2021.	<b>Occupational injuries compared to sector</b> We aim to eradicate occupational injuries, in which the injuries can be described as serious.  <b>Action:</b> More focus on safety and goal-oriented instructions and extra focus on safe behaviour, including implementation of the STOPP principle. Safety is the first item on the agenda at whiteboard and production meetings throughout the organisation.
	<b>Near misses</b> 250 in-house reports of near misses (industrial accidents and injuries). 90 % of all near misses must be resolved or referred to workplace assessment within a week.  <b>Action:</b> Information about the importance of reporting and acting on reported near misses.	<b>Near misses</b> 185 near misses (industrial accidents and injuries) reported. Our goal is to resolve or refer 90 % of all near misses within a week. This goal was not met. Results for 2021 = 20 %. 100 % of all near misses reported in 2021 were processed by the end of January 2022.	<b>Near misses</b> 250 in-house reports of near misses (industrial accidents and injuries). 90 % of all near misses must be resolved or referred to workplace assessment within a week.  <b>Action:</b> The process of dealing with near misses has been streamlined. We have improved the reporting system itself, information on the importance of reporting near misses and the handling of reports of near misses.



## A GOOD PLACE TO WORK

Occupational health and safety			
Focus areas	Goals and actions 2021	Results 2021	Goals and actions 2022
<b>Policies</b> Employees' rights policy  <b>Risks</b> Safety at work Healthy workplace	<b>Special initiatives</b> Six special upskilling initiatives/projects (one in each quarter + conclusion of two launched in 2020) regarding work environment cooperation. We seek to ensure that everyone is well acquainted with this work.  <b>Action:</b> 1) Internal traffic and safety, uniform marking and regulations in all buildings. 2) Contingency plans and first aid - conduct drill. 3) Risk assessment and accident investigation for leaders and health & safety representatives 4) Focus on behaviour, including machine safety for operators. 5) Training all employees to work with chemical substances - instructed by certified supplier. 6) Mapping ergonomic challenges in every department.	<b>Special initiatives</b> We have implemented a series of initiatives in each of the six focus areas.  We have made special efforts to make internal traffic safer. In 2021, there were no serious events that could be ascribed to internal traffic.  Safety training has been challenged by the COVID-19 pandemic. Safety training is expected to be completed by the end of Q2 2022. By then, every member of the OHSE organisation will hold a Kohberg Safety Passport.  For the same reasons, we conducted no emergency drills in 2021. As for the remaining focus areas, some initiatives were implemented. However, further steps must be taken in the future.	<b>Special initiatives</b> We implemented four specific initiatives:  <b>Initiatives:</b> 1) At Bolderslev, new signage finally complete after reorganisation of internal traffic. 2) Noise was mapped in all production areas at Bolderslev. Action taken. 3) Initiatives will be implemented in response to ergonomics mapping. 4) We will implement specific initiatives in order to avoid falls and slipping on floors, as well as take measures to prevent crushing of fingers/hands due to carelessness, distraction and other causes.
	<b>Work Environment Smiley</b> All three locations are awarded a Danish Working Environment Authority green Work Environment Smiley  <b>Action:</b> Special focus on work environment. Kohberg locations reduced to four from April 2021.	<b>Work Environment Smiley</b> One of three locations is awarded a green Work Environment Smiley. - Taastrup has a green Smiley - Bolderslev has a yellow Smiley - Haderslev is not yet awarded a Smiley	<b>Work Environment Smiley</b> All three locations are awarded a Danish Working Environment Authority green Work Environment Smiley.  <b>Action:</b> Special focus on work environment.



## A GOOD PLACE TO WORK

Health and well-being			
Focus areas	Goals and actions 2021	Results 2021	Goals and actions 2022
<b>Policies</b> Employees' rights policy  <b>Risks</b> Employment Conditions Safety at work Healthy workplace	<b>Employee Satisfaction Survey</b> We have conducted a study of employees' well-being and loyalty.  <b>Action:</b> To maintain focus on employee well-being and job satisfaction, in alternate years we will conduct a survey of employees' well-being and loyalty.	<b>Employee Satisfaction Survey</b> Study of employees' well-being and loyalty conducted in November 2021.  Response rate (%): 80 % Job satisfaction: 72 Loyalty: 78	<b>Employee Satisfaction Survey</b> Our next Employee Satisfaction Survey will be conducted in 2023.  <b>Action:</b> Encourage staff leaders to consider creative special positions and to continue to take on apprentices.
			<b>Absence due to illness (new goal)</b> Maximum 3 % absence due to illness (total working hours, all employees).  <b>Action:</b> We will offer all employees a Velliv health & well-being scheme. The scheme comprises a comprehensive range of services designed to increase well-being and loyalty.



## A GOOD PLACE TO WORK

Tolerant workplace			
Focus areas	Goals and actions 2021	Results 2021	Goals and actions 2022
<b>Policies</b> Employee rights policy Human rights policy  <b>Risks</b> Discrimination Employment conditions	<b>Special positions</b> 8 flexijobs 10 apprenticeships: 3 process/industrial operator apprentices, 5 automation technician apprentices, 1 apprentice baking operative, 1 accounting apprentice  <b>Action:</b> Encourage staff leaders to consider creating special positions and to continue to take on apprentices.	<b>Special positions</b> 10 flexijobs 2 in sheltered employment 9 apprenticeships: 5 automation technicians, 2 industrial operators, 1 retail baker, 1 in accounting	<b>Special positions</b> At least to maintain the 2021 level = 10 in flexijobs. 2 in sheltered employment 9 apprenticeships  <b>Action:</b> Encourage staff leaders to consider creating special positions and to continue to take on apprentices.
	<b>Gender distribution on the Board of Directors</b> 25 % of board members are female (one out of four) (Target by end of 2022)  <b>Action:</b> By 2022, Kohberg aims to have at least one female Board member. Nevertheless, when we appoint members to the Board, we seek to ensure that we hire the best candidate(s) regardless of gender.	<b>Gender distribution on the Board of Directors</b> 0 % of board members are female (none of the four) Goal not met.	<b>Gender distribution on the Board of Directors</b> 25 % of board members are female (one out of four) (Target by end of 2022)  <b>Action:</b> By 2022, Kohberg aims to have at least one female Board member. Nevertheless, when we appoint members to the Board, we seek to ensure that we hire the best candidate(s) regardless of gender.
	<b>Gender distribution in executive management</b> At least 20 % in executive management is female (five out of 24 in executive management). Kohberg aims to achieve an appropriate equal distribution of men and women in managerial positions.  <b>Action:</b> When hiring new leaders, if we have suitable candidates, candidates of both genders will be invited to interview. Nevertheless, when hiring/nominating managerial staff, we will always seek to ensure that we hire/nominate the best candidate(s) regardless of gender.	<b>Gender distribution in executive management</b> 32 % in executive management is female (eight out of 25 leaders).	<b>Gender distribution in executive management</b> In future, we at Kohberg wish at least to meet the national average gender distribution, which is currently 25 % women.  <b>Action:</b> When hiring new leaders, if we have suitable candidates, candidates of both genders will be invited to interview. Nevertheless, when hiring/nominating managerial staff, we will always seek to ensure that we hire/nominate the best candidate(s) regardless of gender.



## A GOOD PLACE TO WORK

Employee Development			
Focus areas	Goals 2021	Results 2021	Goals and actions 2022
<b>Policies</b> Employees' rights policy  <b>Risks</b> Employment Conditions Safety at work Healthy workplace	<b>Education and training</b> Education for salaried and weekly-paid staff (as needed).  <b>Action:</b> Maintain high quality of education and further training for hourly-paid and salaried employees. External training for salaried employees, conduct industrial skills development (IKUF) training and in-house project management courses.	<b>Education and training</b> We offer unskilled employees the opportunity to train as qualified industrial operators. In 2021, two of Kohberg's unskilled employees were training to become industrial operators.	<b>Education and training</b> Education for salaried and weekly-paid staff (as needed).  <b>Action:</b> Maintain high quality of education and further training for hourly-paid and salaried employees. External education and training for salaries employees, conduct IKU training programmes and in-house project management training.
	<b>Leadership training</b> 20 leaders are currently undergoing the leadership development programme.  <b>Action:</b> Leaders at the next level (approx. 20) will attend Kohberg Leadership Academy leadership training course - with external consultants Learn2Lead.	<b>Leadership training</b> 31 leaders have completed Kohberg Leadership Academy training.	<b>Leadership training</b> At least 10 new leaders and key employees to complete Kohberg Leadership Academy.

A man in a white t-shirt and a white cap with the Kohberg logo is working in a bakery. He is looking down at a chocolate cake. The background shows shelves with various baked goods. A checkered banner is at the top of the image.

*Kohberg*

# RESPONSIBLE CORPORATE GOVERNANCE

"At Kohberg, we abide by the law at all times. We believe it is imperative that we meet our own high standards of responsibility and transparency."



## SUPPLIER MANAGEMENT

### WE EXPECT MUCH OF OUR SUPPLIERS

#### Supplier Risk Assessment

As a food producing company, it is essential that Kohberg has suppliers who are reliable and cooperative. We maintain close contact with our suppliers, and we check and rate them on a range of parameters, not only to meet our obligations with regard to BRC accreditation, but also because we have a declared aim actively to develop our suppliers and Kohberg's partnerships with them.

This applies in particular to suppliers of commodities/ingredients, packaging & wholesale goods. These suppliers are subject to persistent risk assessment. In 2021, 100 % of this supplier group was risk assessed.

#### Supplier Code of Conduct

The Supplier Code of Conduct (SCoC) obliges suppliers to comply with a set of ethical regulations that apply to management and employees within several areas, including human rights, labour rights and corruption. Suppliers must also act responsibly with respect to climate and environment.

Our goal is for 70 % of purchase volume (DKK) to come from suppliers of commodities/ingredients, packaging & wholesale goods, cleaning and logistics who have signed our Supplier Code of Conduct. We achieved this goal in 2021.



## **FAIRNESS**

### **HONEST MARKETING PRACTICES**

#### **Fair marketing and fair competition**

At Kohberg, we believe it is important to take responsibility and present ourselves to the world as fair and honest people. Naturally, this also applies to how we market Kohberg and our bread, cakes and pastries. Our marketing campaigns are always decent, honest and truthful.

We meet every legal requirement, and we respect the principles of fair competition. To meet our own requirements and standards, relevant members of staff are continually taught competition law and compliance, and new employees attend a similar training course, if relevant.

## **TRANSPARENCY**

### **WE LAY ALL OUR CARDS ON THE TABLE**

#### **CSR Report**

This report is Kohberg's annual report on our corporate social responsibilities in pursuance of the Danish Annual Statements Act. The report is also a tool that helps us to hone our performance year on year.

We lay all our cards on the table. We describe how we act responsibly and sustainably with regard to our consumption, food products, employees and management. The 2021 CSR Report shows us not only what we do well but also where there is room for improvement.

The same report is filed as our annual CoP (Communication on Progress) with regard to the United Nations Global Compact scheme.



## RESPONSIBLE CORPORATE GOVERNANCE

Supplier management			
Focus areas	Goals and actions 2021	Results 2021	Goals and actions 2022
<b>Policies</b> Human rights policy Labour rights policy Climate policy Environment policy Anti-corruption policy	<b>Supplier Risk Assessment</b> At least 70 % of purchase volume (DKK) must be sourced from risk-assessed suppliers.  <b>Action:</b> Select suppliers for audit and conduct risk assessment.	<b>Supplier Risk Assessment</b> At least 70 % of purchase volume (DKK) must be sourced from risk-assessed suppliers.  <b>Action:</b> Select suppliers for audit and conduct risk assessment.	<b>Supplier Risk Assessment</b> This goal will be deleted in 2022.
	<b>Supplier Risk Assessment - suppliers of commodities and ingredients, packaging &amp; wholesale goods</b> 100 % of purchase volume (DKK) must be sourced from risk-assessed suppliers of commodities/ingredients, packaging & wholesale goods.  <b>Action:</b> Select suppliers for audit and conduct risk assessment.	<b>Supplier Risk Assessment - suppliers of commodities and ingredients, packaging &amp; wholesale goods</b> 100 % of purchase volume (DKK) must be sourced from risk-assessed suppliers of commodities/ingredients, packaging & wholesale goods.  <b>Action:</b> Select suppliers for audit and conduct risk assessment.	<b>Supplier Risk Assessment - suppliers of commodities and ingredients, packaging &amp; wholesale goods</b> 100 % of purchase volume (DKK) must be sourced from risk-assessed suppliers of commodities/ingredients, packaging & wholesale goods.  <b>Action:</b> Select suppliers for audit and conduct risk assessment.
	<b>Signing the Supplier Code of Conduct - all external purchases</b>  At least 70 % of purchase volume (DKK) is sourced from suppliers (all external purchases) who have signed the SCoC.  <b>Action:</b> Obtain signatures and assess if more purchase categories should also be signed.	<b>Signing the Supplier Code of Conduct - all external purchases</b>  At least 70 % of purchase volume (DKK) is sourced from suppliers (all external purchases) who have signed the SCoC.  <b>Action:</b> Obtain signatures and assess if more purchase categories should also be signed.	<b>Signing the Supplier Code of Conduct - all external purchases</b>  This goal will be deleted in 2022.



## RESPONSIBLE CORPORATE GOVERNANCE

Supplier management			
Focus areas	Goals and actions 2021	Results 2021	Goals and actions 2022
<b>Policies</b> Human rights policy Labour rights policy Climate policy Environment policy Anti-corruption policy	<b>Signing the Supplier Code of Conduct - commodities/ingredients, packaging &amp; wholesale goods</b>  100 % of purchase volume (DKK) must be sourced from suppliers of commodities/ingredients, packaging & wholesale goods who have signed the SCoC.  <b>Action:</b> Obtained signatures.	<b>Signing the Supplier Code of Conduct - commodities/ingredients, packaging &amp; whole-sale goods</b>  100 % of purchase volume (DKK) is sourced from suppliers of commodities/ingredients, & wholesale goods who have signed the SCoC. <b>Action:</b> Obtained signatures.	<b>Signing the Supplier Code of Conduct - commodities/ingredients, packaging &amp; wholesale goods</b>  This goal will be deleted in 2022.
	<b>Signing the Supplier Code of Conduct - commodities/ingredients, packaging &amp; wholesale goods, cleaning &amp; logistics</b> 70 % of purchase volume (DKK) must be sourced from suppliers of commodities/ingredients, packaging & wholesale goods, cleaning & logistics, who have signed the SCoC.  <b>Action:</b> Obtained signatures.	<b>Signing the Supplier Code of Conduct - commodities/ingredients, packaging &amp; wholesale goods, cleaning &amp; logistics</b> 70 % of purchase volume (DKK) must be sourced from suppliers of commodities/ingredients, packaging & wholesale goods, cleaning & logistics, who have signed the SCoC.  <b>Action:</b> Obtained signatures.	<b>Signing the Supplier Code of Conduct - commodities/ingredients, packaging &amp; wholesale goods, cleaning &amp; logistics</b> 70 % of purchase volume (DKK) must be sourced from suppliers of commodities/ingredients, packaging & wholesale goods, cleaning & logistics, who have signed the SCoC.  <b>Action:</b> Obtain signatures and assess if more purchase categories should also be signed.



## RESPONSIBLE CORPORATE GOVERNANCE

Fairness			
Focus areas	Goals and actions 2021	Results 2021	Goals and actions 2022
<b>Policies</b> Anti-corruption policy Human rights policy  <b>Risks</b> Unfair marketing Corruption Distortion of competition	<b>Fair marketing</b> Zero legal decisions for breach of marketing legislation committed or caused by Kohberg Bakery Group A/S.  <b>Action:</b> We have conducted legal, decent, honest and truthful marketing campaigns and we respect national regulations and the principles of fair competition. Moreover, relevant employees have received compliance training.	<b>Fair marketing</b> Zero legal decisions for breach of marketing legislation committed or caused by Kohberg Bakery Group A/S.	<b>Fair marketing</b> Zero legal decisions for breach of marketing legislation committed or caused by Kohberg Bakery Group A/S.  <b>Action:</b> We plan legal, decent, honest and truthful marketing campaigns and we respect national regulations and the principles of fair competition. Moreover, relevant employees have received compliance training.
	<b>Anti-corruption</b> Zero legal decisions for breach of anti-corruption legislation committed or caused by Kohberg Bakery Group A/S.  <b>Action:</b> Focus on anti-corruption throughout the organisation.	<b>Anti-corruption</b> Zero legal decisions for breach of anti-corruption legislation committed or caused by Kohberg Bakery Group A/S.	<b>Anti-corruption</b> Zero legal decisions for breach of anti-corruption legislation committed or caused by Kohberg Bakery Group A/S.  <b>Action:</b> Focus on anti-corruption throughout the organisation.

Transparency			
Focus areas	Goals and actions 2021	Results 2021	Goals and actions 2022
<b>Policies</b> Anti-corruption policy Human rights policy  <b>Risks</b> All risks	<b>CSR Report</b> Publication of CSR Report 2020.  <b>Action:</b> Collected CSR data and published CSR Report.	<b>CSR Report</b> CSR Report 2020 published.	<b>CSR Report</b> Publication of CSR Report 2021.  <b>Action:</b> Collected CSR data and published CSR Report.



# UNITED NATIONS GLOBAL COMPACT

"The Kohberg Bakery Group joined the UN Global Compact many years ago. We express wholehearted support for its ten principles."



## UNITED NATIONS GLOBAL COMPACT

Kohberg Bakery Group has joined the UN Global Compact and therefore follows its ten principles, from which two of our focus areas are derived: Human beings & Health, and Environment & Climate.

In 2021, every area associated with human rights, employee rights and anti-corruption was rated as “satisfactory”, as they are covered by our Code of Conduct and legislative requirements in “low-risk countries”.

We strive to reduce our impact on the environment and climate, and consider our efforts in these fields to be predominantly “green”.

We are aware that we have a responsibility to protect the environment, and this continues to be an important focus area for us.



## THE UN GLOBAL COMPACT IN THIS REPORT

IN THIS REPORT, WE ADDRESS THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT AS FOLLOWS:

PRINCIPLE	PAGES
1 The company supports and respects the protection of internationally proclaimed human rights	14-21, 22-32, 45-50
2 The company makes sure it is not complicit in human rights abuses	14-21, 22-32, 45-50
3 The company upholds the freedom of association and the effective recognition of the right to collective bargaining	33-44, 45-50
4 The company supports measures to eliminate all forms of forced and compulsory labour	33-44, 45-50
5 The company upholds the effective abolition of child labour	33-44, 45-50
6 The company upholds the elimination of discrimination in respect of employment and occupation.	33-44, 45-50
7 The company supports a precautionary approach to environmental challenges	14-21, 22-32, 45-50
8 The company undertakes initiatives to promote greater environmental responsibility	14-21, 22-32, 45-50
9 The company promotes the development and diffusion of environmentally friendly technologies	14-21, 22-32, 45-50
10 The company is opposed to corruption in all its forms, including extortion and bribery	45-50



## COMPANY PROFILE

### ORGANISATION

Company name: Kohberg Bakery Group A/S

Website URL: [www.kohberg.dk](http://www.kohberg.dk) & [www.kohberg.com](http://www.kohberg.com)

Headquarters: Kernesvinget, 6392 Bolderslev, Denmark

Ownership: Koff A/S (90-99.99 percent)

Employees: 454

### REPORT

Report period: 1/1 2021 - 31/12 2021

Reporting practices: We report in pursuance of Articles 99a and 99b of the Danish Annual Accounting Act.

The report comprises information regarding: All companies in Kohberg Bakery Group A/S

### GOVERNANCE

If you have any questions, the contact person with regard to this report and the person generally responsible for CSR is CEO René Normann Christensen ([rnch@kohberg.com](mailto:rnch@kohberg.com))

"At Kohberg, we believe that every human being  
has a right to good bread."

The Kohberg logo is presented as if it were a chocolate chip cookie. The word "Kohberg" is written in a brown, elegant script font on a light-colored, oval-shaped cookie. The cookie has a thin brown border and is set against a background of a large, vibrant sunflower with yellow petals and a dark brown center. To the left of the cookie is a black and white checkered pattern, resembling a tablecloth, which also has a diagonal crease running through it.

*Kohberg*

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