

# Human Rights report spring 2023



# Table of content

<b>Human Rights report spring 2023 .....</b>	<b>3</b>
Introduction and summary .....	3
About Coor .....	3
Legal framework.....	4
Guidelines and processes regarding human rights and working conditions.....	4
<b>1. Embed responsible business conduct .....</b>	<b>6</b>
Policies.....	6
Supply chain Due Diligence.....	6
Further identified activities.....	7
<b>2. Identify and assess adverse impacts.....</b>	<b>8</b>
Negative impact and salient risks.....	8
Supply chain Due Diligence.....	8
Further identified activities.....	9
<b>3. Cease, prevent or mitigate .....</b>	<b>10</b>
Supply chain Due Diligence.....	10
Further identified activities.....	10
<b>4. Track.....</b>	<b>11</b>
Supply chain Due Diligence.....	11
Further identified activities.....	11
<b>5. Communicate.....</b>	<b>12</b>
Supply chain Due Diligence.....	12
Information requests .....	12
Further identified activities.....	12
<b>6. Remediation .....</b>	<b>13</b>
Supply chain Due Diligence.....	13
Further identified activities.....	13
<b>Appendix: Salient human rights impact .....</b>	<b>14</b>
Cleaning.....	14
Security.....	14
Property .....	15
Risk management.....	15



# Human Rights report spring 2023

Coor influences the lives of many people every day and we have a strong commitment in creating a truly sustainable company. Respect for the equal value and rights of all people is fundamental to Coor. Coors due diligence process helps us to identify risks relating to human rights, labour rights and the environment with a view to ending, preventing or mitigating those risks.

## Introduction and summary

This report and strengthened commitment are a result of an expert third-party review of our business to understand the extent to which Coor policies and practices are meeting the requirements of applicable human rights standards. The review assessed Coors performance against guidelines set out in global human rights instruments, focusing on the business areas with the highest risks of violation, based on what is already known about the industry.

It found that Coor has a stable platform with commitment to respect human rights in Code of Conduct and Supplier Code of Conduct, there are instruments to capture risk(s) in general and a management system covering own operations and supply chain. In regards of measure and track implementation effectiveness, the process however needs further formalization to help create a greater understanding of actions taken. Coor communicates internally but the transparency to relevant stakeholders is now in focus (i.e. this report). In regards of remediation and involvement we have a clear process in place.

As the review found that general risks are captured in our processes, more work was required to understand and mitigate specifically human rights risks in our entire value chain incl. supply chain.

This report aims to increase the transparency of how we work to seek respect of human rights in everything we do. It covers the entire group including subsidiaries. Where there are significant differences between operations, this is told.

## About Coor

Coor takes responsibility for the operations it conducts, in relation to its customers, employees and shareholders, as well as for its wider impact on society and the environment.

As the leading provider of facility management services, Coor aims to create the happiest, healthiest and most prosperous workplace environments in the Nordic region. Coor offers specialist expertise in workplace services, property services and strategic advisory services. Coor creates value by executing, developing and streamlining our customers' service activities. This enables our customers to do what they do best. We specialize in managing, developing and making service functions more efficient for offices, properties, production facilities and the public sector in the Nordic region, with a market share of approximately 40% within the IFM segment.

Coor is a public limited company with its registered office in Stockholm and the groups parent company were listed on the Nasdaq Stockholm exchange on 16 June 2015. The company is organised in four geographic areas – Sweden, Norway, Denmark and Finland, but also has some operations in Belgium and Estonia.

The Board of Directors has delegated operational responsibility for the company and its management to the company's President and Chief Executive Officer (CEO), who manages the business within the limits and guidelines established by the Board. In

In addition to the CEO, the Group's executive management team consists of the Presidents of each country and the heads of the Group functions. The country structure is the primary basis of segmentation for monitoring and reporting. To read more about the company structure and organization, please read the Corporate Governance Report included in the Annual report or visit [coor.com](http://coor.com).

### Legal framework

Globally, there is an increased expectation from legislators, investors, customers and employees that companies should respect human rights and take responsibility for negative impacts linked to their business operations. Coor is committed to developing an organizational culture which implements a policy of support for internationally recognized human rights and seeks to avoid complicity in breaches of human rights.

We support the principles contained within the International Bill of Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO's Declaration on the Fundamental Principles and Rights at Work. Other examples that have a direct impact on Coor include the adoption of the Norwegian Transparency Act and ongoing proposals for mandatory EU legislation on environmental and human rights. This report aims to meet the expectations on process description to meet these regulations.

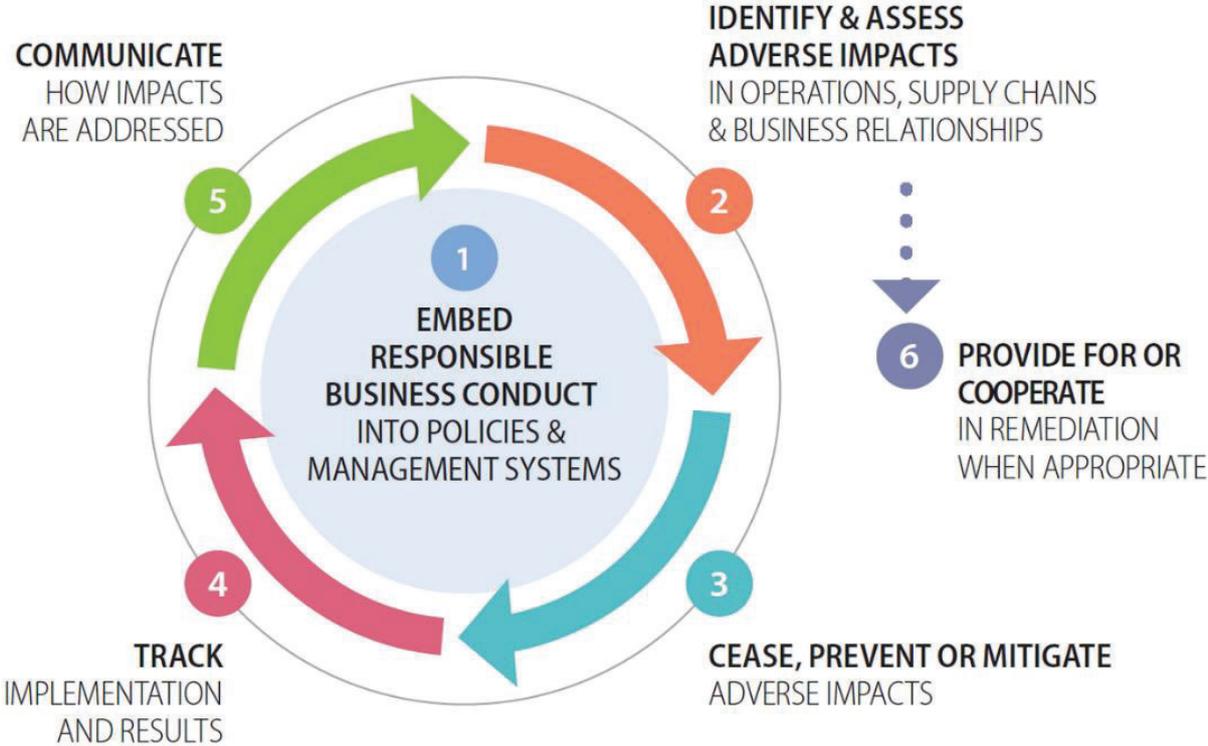
### Guidelines and processes regarding human rights and working conditions

The process implemented at Coor is built upon the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises and it helps us to identify, prevent, mitigate and account for how we address these actual and potential adverse impacts in our operations, supply chain and other business relationships. The purpose of due diligence is first and foremost to avoid causing or contributing to adverse impacts on people, the environment and society, and to seek to prevent adverse impacts directly linked to operations, products or services through business relationships. When involvement in adverse impacts cannot be avoided, the due diligence process should enable us to mitigate them, prevent their recurrence and, where relevant, remediate them.



The process consists of six stages:

Below, our approach to each step is described and each step also includes a specific description of how Coor manages due diligence in supply chain. In Coor, human rights due diligence aligned with UNGP requirements are a continuous work and in regard to each step, we have identified further activities to improve our approach covering both own operations and supply matters.



# 1. Embed responsible business conduct

Embed responsible business conduct is about having relevant guidelines in place, as well as effective management systems for their implementation and follow-up. At Coor, this means that we have a sustainability strategy at group level, that we are clear to our partners, both customers and suppliers, about our shared responsibility to ensure basic human rights and decent working conditions.

Internally, Coor has formally incorporated the responsibility for managing human rights into the Sustainability Management team (SuMT) to lead our efforts to make responsible decisions. SuMT has created a virtual, cross functional team to draw upon the expertise of Coor employees across the company to continue its centralized leadership on global strategy, initiatives, business decision-making, and internal and external stakeholder engagement. The virtual team is comprised of senior-level employees in business development including M&A, legal, procurement, investor relations, sustainability, and human resources.



## Policies

We have a clear commitment to respect human rights in our Code of Conduct and Supplier Code of Conduct including a commitment of remedy. There is also a Sustainability Policy and Procurement Policy forming these expectations as well as information security and sustainability requirements for suppliers. Although we did during our latest impact assessment identify a need for a specific human rights policy which is now in place and committed to in our Executive Management Team.

## Supply chain Due Diligence

Purchases should contribute to Coor's long-term profitability through a range of sustainable products and services in both the short and long term. Coor expects a high standard at all stages of the value chain and strives to ensure that it operates in accordance with sound business ethics in its relations with suppliers. Coor is a signatory to the UN Global Compact and contributes to the achievement of its goals by taking a clear position in its procurement policy and Responsible procurement process, which are inspired by the UN Global Compact Management Model and its six steps: commit, assess, define, implement, measure, communicate, as illustrated below:



**The model sets a good foundation for continuously working to improve our supply chain practices in accordance with UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises.**

### Further identified activities

- Improve mandate, resources and responsibility for day-to-day human rights functions.
- Improve training in human rights for managers that have responsibility in the day-to-day management of human rights issues.
- Continuously update human rights-related instructions in policies and routines.

## 2. Identify and assess adverse impacts

This stage is about identifying the risk of negative impact internally in our business and in our supply chain. In Coor, we work continuously with risk assessments, and use recognized risk assessment tools in this work.

We work in an industry where there is a risk of negative impact on individuals. This means that we have to prioritize follow-up of our routines internally, good training and follow-up of our managers with personnel responsibility, good cooperation with elected representatives, and good cooperation with our business relations, customers and suppliers.

Our risk assessments help us to identify and prioritise risks. Due to our risk management processes, we can act on and mitigate the most salient and serious risks first.

Some of the tools in this work are our annual employee satisfaction survey, our annual development dialogues with all employees, our strategic risk management process managed by SuMT, we include aspects of labour rights in M&A processes (but today not primarily from human rights perspective) and always conduct risk assessment at start of new contracts.

### Negative impact and salient risks

In the end of 2022 Coor performed our first formally comprehensive Human Rights Impact Assessment (HRIA) to set a process that creates a clear overview of our human rights related risks. By taking this first step, Coor has gained a better understanding of how our activities can cause, contribute to, or be linked to negative human rights impacts. This is particularly true in the supply chain and in jurisdictions with weak regulations, but also in connection with outsourcing. In the company's own operations, aspects linked to health and safety and language barriers were highlighted as

significant. For the HRIA we identified three categories of business categories to focus on as our assessment was that these categories are the most prevalent in regard to human rights. In addition, our supply chain was also assessed. Our three high risk business categories were "Cleaning", "Security" and "Property Management".

Based on Coors human rights impact assessment (HRIA) we have summarized those human rights (including labour rights) that the business recognizes as likely to be the most salient for our operations, by means our priority areas:

- Health and safety at work (HS)
- Right to health
- Right to just and favourable terms and conditions of employment
- Right to non-discrimination and equal treatment

When we identify risks, these are evaluated using terms of potential or actual risks, probability, connection and leverage to define severity and priority of actions. A list of the risks that have been assessed as very high, high and medium in severity is listed in the appendix below.

Pursuant to UNGP, OECD and the Norwegian Transparency act, we will prioritise to mitigate the identified risks in accordance with the severity level assigned to each risk.

### Supply chain Due Diligence

Coor performs risk-based due diligence by regularly and systematically identifying and assessing risks and consequences linked to human rights, labor rights, the environment and business ethics in its value chain and uses this information to avoid, mitigate or remedy the effects to ensure that the company conducts its business in a responsible manner.

In the HRIA two procurement categories were prioritized and the following salient human rights impact in the supply chain of Food & Beverage and Clothes & Footwear were assessed:

- Right to not be subject to child labour
- Right to not be subject to forced labour, including the right to freedom of movement
- Right to non-discrimination
- Right to freedom from harassment and sexual harassment
- Right to freedom of association and collective bargaining including non-discrimination of union members

- Indigenous peoples' rights to their lands, territories, and resources, as recognized in the UN Declaration on the Rights of Indigenous Peoples

**Further identified activities**

- Incorporate further human rights consideration in current routines.
- Further develop routine for consolidating Human Rights Impact Assessments (HRIA) as part of HRDD process.



### 3. Cease, prevent or mitigate

We work in a structured way to ensure responsibility and social sustainability in our business and towards our supply chain. To support in this work, all our managers got access to our management system Our Way of Working where our processes and routines are available.

Health, environment and safety are central to Coor's operations, which is illustrated by our slogan "if we cannot do the work safely, we shall not do it at all". To safeguard the health and safety of our employees we continuously educate our employees, as example game-based training through Coor My Learning where topics and content are based on our own risk conditions and professional insight into the services we perform. Follow-up and control throughout the year is anchored in an action plan which, among other things, contains safety rounds, health and safety quarterly theme, employee survey, development interviews, etc. Health and Safety responsibility lies with "Local Adaptation and Implementation" and local HS representatives to ensure that health and safety is well taken care of on a day-to-day basis.

Coor's employees are of course covered by Nordic laws, as well as collective wage agreement terms. All Coor employees have written employment agreements, freedom of association, access to company health services, access to training offers and other benefits, such as language training and opportunities for personal and professional development. These are also very important values in our cooperating with suppliers.

Respect for the equal value and rights of all people is fundamental to Coor. Our employees are our most valued assets. We know that our differences make us stronger together and enables better results. Right to non-discrimination and equal treatment are therefore the basis of our company and we continuously strive to become even more committed. These statements are included in policies as well as in management training.

#### Supply chain Due Diligence

- The most salient risks identified in the risk assessment are prioritized to actively manage and work with activities and other initiatives to mitigate the identified risk. Coor has established Supplier Due Diligence processes that cover the entire life cycle of procured goods and services.

#### Further identified activities

- Further develop supply chain management.
- Review employee trainings and record-keeping.
- Develop action plans regarding root causes to human risks and risks amplifiers
- Coordinated human rights governance on group level.

## 4. Track

Monitoring the implementation and effect of measures is about whether Coor makes good due diligence assessments, and whether we implement effective measures to prevent recurring deviations. Coor must therefore regularly carry out evaluations and revisions of our assessments, measures and plans to ensure that these have the desired effect.

To help in implementation effectiveness Coor uses several tools. One of the most important ones is the annual Employee Motivation Survey. Within health and safety all issues are addressed in a Group common reporting system that helps to both work proactively analysing risk observations but also follow up on actual events and over time statistics.

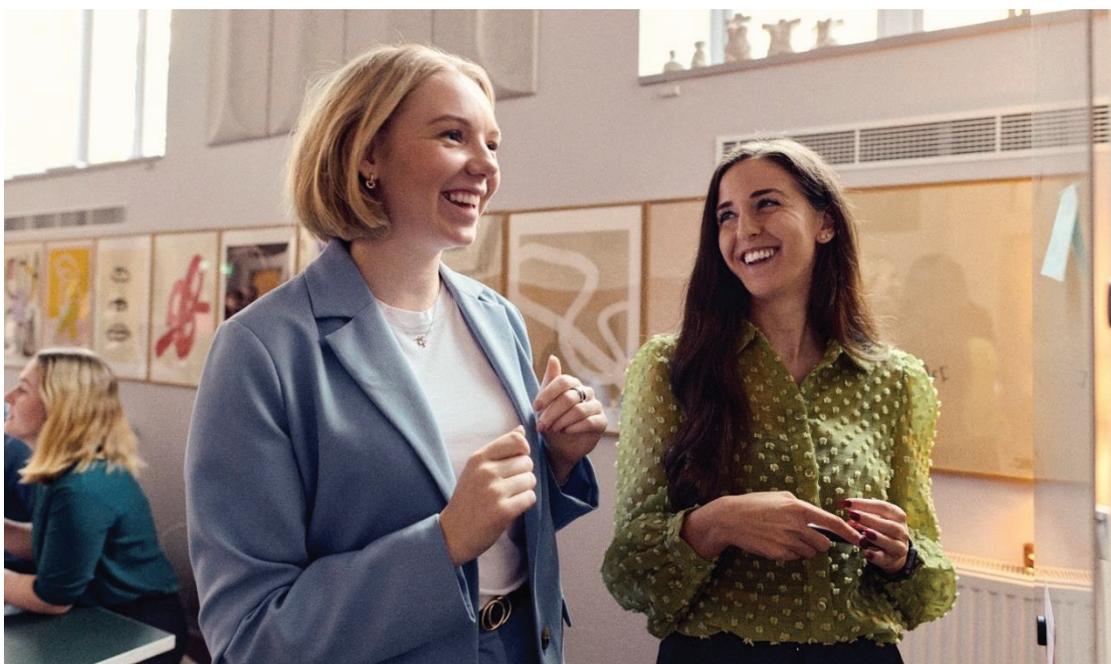
### Supply chain Due Diligence

Coor actively monitors compliance with the company's Supplier Code of Conduct. Every year, a plan for supplier monitoring is formulated based on the risk assessment for our supply chain, this states which suppliers need to be evaluated and audited. In a supplier evaluation, suppliers answer questions regarding compliance with Coor's Supplier

Code of Conduct, quality, environment, working environment, and health and safety. The supplier audits are carried out either on site at the supplier's premises or online. The auditor monitors compliance by interviewing staff, reviewing documents and, where possible, inspecting the work environment.

### Further identified activities

- Increase ability to follow-up on actions taken to prevent risk beyond health and safety and further formalize the processes in Coor's HRDD cycle.
- Review current employee survey to further increase the accuracy in identifying and follow up on specifically human rights risks.



## 5. Communicate

Coor must be open about the assessments that are made in our value chain, and ensure a constructive dialogue with all stakeholders, be they customers, end users, suppliers, interest organisations, etc.

Coor publishes an annual and sustainability report every year, which gives a good account of our work. This specific report is an addition to this in 2023 to meet higher expectations on transparency on our due diligence mechanism and our identified negative impact and risk areas. Going forward Coor will publish a yearly report on our human rights due diligence.

### Supply chain Due Diligence

Coor communicates transparently its supply chain activities with stakeholders by publishing relevant KPI's on website, in supplier dialogue and in yearly sustainability report.

### Information requests

As part of The Norwegian Transparency Act a routine for handling information requests about Coor's HRIA is set. Please send an email to [no.apenhetsloven@coor.com](mailto:no.apenhetsloven@coor.com) with your request.

### Further identified activities

- Continue to detail Coor's HRDD process and align annual report 2023.



## 6. Remediation

Where we identify that we have caused or contributed to adverse human rights impacts, we will provide for or cooperate in the remediation through legitimate purposes.

Where we identify that we have not caused or contributed to the adverse human rights impact but are directly linked to the impact by our business relationships, we will seek to use our leverage to enable remediation. In the event of deviations, we have channels and resources to follow up and take measures to correct the relationship.

In connection with the Norwegian Transparency Act, the number of actual or reported cases of violations of human rights must be logged and reported in accordance with a separate routine for this. As of today, we have not had such cases.

We commit to having effective channels for complaints (grievance mechanisms), that are accessible to all employees, and to develop those in line with the 'effectiveness criteria' laid out in the UN Guiding Principles on Business and Human Rights and ask of our suppliers and business partners to do the same. Therefore, in Coor, a notification channel has been set up which we encourage everyone to use if someone becomes aware of

objectionable circumstances. This can be our own employees, customers, suppliers or other third parties. The notification channel is open to everyone.

### Supply chain Due Diligence

We expect our suppliers and business partners to respect human and workers' rights and establish human rights policies which address the corporate responsibilities outlined in the UN Guiding Principles for Business and Human Rights. If we discover that suppliers or business partners are involved in violations of human rights, we will communicate our concerns and demand that the supplier or business partner take appropriate action, e.g., through a remediation process. If corrective actions are not taken and the violations endure, an assessment shall be made of whether to end the business relationship.

### Further identified activities

- Strengthen knowledge about our grievance mechanisms, "WhistleB", to all stakeholders.
- Clarify communication of expectation on suppliers to establish grievance mechanisms.

## Appendix: Salient human rights impact

During the HRIA, Coor identified 56 risks divided per business area. The risks were classified based on severity low, medium, high, and very high. The ones with highest severity are described in tables below. There is also a section describing how these risks are managed today.

### Cleaning

Impact scenario	Potential or actual risk	Probability	Connection	Leverage	Severity
Physical injury sustained through a serious incident/accident in high-risk industry or due to cleaning in close proximity to dangerous machinery/operations.	Potential	Unlikely	Directly linked to	Medium	Very high
Physical injury sustained through repetitive strain (e.g., heavy lifts, repetitive movements and bending low/reaching high).	Actual	Very likely	Cause	High	High
Physical condition sustained through contracting infections or diseases due to working among the general public (at hospital and in the general public during pandemic).	Potential	Possible	Directly linked to	Medium	High
Risk of negative impact on cleaners' mental health.	Actual	Likely	Cause	High	High
Risks of negative impact on others stakeholders' health	Potential	Unlikely	Cause	High	High
Increased risk of exploitation of workers in the cleaning industry.	Potential	Possible	Directly linked to	Medium	High

### Security

Impact scenario	Potential or actual risk	Probability	Connection	Leverage	Severity
Physical injury sustained when handling or arresting individuals who are violent or under the influence, including as first responders to alarm.	Actual	Very likely	Cause	High	High
Physical injury sustained through an incident in a high-risk industry or at a high-risk object (e.g. terrorist attack).	Potential	Very unlikely	N/A	Low	High
Risk of negative impact on security workers' mental health.	Actual	Likely	Cause	High	High
Risk of negative impact on other stakeholders' physical or mental health.	Potential	Possible	Cause	High	High

## Property

Impact scenario	Potential or actual risk	Probability	Connection	Leverage	Severity
Physical injury sustained from accidents with high-risk tools or machines, e.g., drills, saws, snow removal machines etc.	Potential	Possible	Cause	High	Very high
Physical injury sustained from electrical work.	Actual	Possible	Cause	High	Very high
Serious physical injury sustained through an external impact or incident in a high-risk industry.	Potential	Unlikely	N/A	Low	Very high
Physical injury sustained from falling from a height and work involving ladders.	Actual	Possible	Cause	High	High
Physical injury due to a car accident (driving).	Potential	Possible	Cause	High	High
Physical injury due to working in areas with moving vehicles.	Actual	Possible	Directly linked to	Medium	High
Physical conditions, such as asthma, sustained from working in spaces with poor air quality (e.g., industrial dust).	Actual	Possible	Directly linked to	Medium	High
Physical conditions sustained through handling hazardous substances, e.g., chemicals, pest control substances, paint and other materials.	Actual	Possible	Cause	High	High
Risk of negative impact on employee's mental health.	Actual	Likely	Cause	High	High
Increased risk of exploitation of workers in the snow removal.	Potential	Possible	Directly linked to	Medium	High
Physical injury sustained from heavy lifts/heavy objects.	Actual	Possible	Cause	High	High
Physical injury sustained due to lack of adequate personal protection equipment.	Potential	Possible	Cause	High	High
Negative physical impact sustained through repetitive work tasks, static working positions or other forms of strain injuries.	Actual	Possible	Cause	High	High

## Risk management

### Physical injuries/conditions and mental health

Many of the identified risks are connected to physical injuries and/or conditions as well as mental health issues, mainly related to our own employees. Coor's employee processes form the basis for the company's social responsibility. Coor's employees work continuously to improve the company's service delivery to the customers, but to be able to do a good job they need to have the right conditions and need to feel that they are being seen, heard and acknowledged. We refer to Coor's efforts to build employee engagement

as Passion for People. The Group's HR Director is responsible for Coor's strategic development activities in the area of social sustainability. Since 2021, the Group's HR Director, together with all the country HR Managers, have formed a management team tasked with promoting joint development, not least in social responsibility. The management team has created a common development plan for those areas where the Group has common interests. The management team also continuously monitors the common Group goals as well as other strategic KPIs in social sustainability and evaluates the initiatives that are implemented to achieve the goals. Coor is a service company whose most important asset is our employees. As part of Passion for People, Coor therefore

monitors staff turnover to ensure that the company has the talent it needs. This monitoring also provides indications regarding the employees' well-being and is an important parameter as the company grows.

All employees should be able to work in a good and safe environment, both physically and psychosocially. Coor's efforts to promote health and safety are based on identified risks and general legal requirements. Coor's health and safety management is well implemented, governed by the executive management team and developed continuously through the Safety Committee, which consists of the national and Group health and safety officers and the Group's HR Director. We have a clear vision to achieve zero workplace-related injuries. A key success factor to realise this vision is to address health and safety in collaboration with customers as well as suppliers. The majority of Coor's employees work in our customers' premises and often in collaboration with subcontractors, which is why continuous dialogue, joint efforts and analysis are important and prioritised. Risks are identified through risk surveys, risk assessments, continuous safety inspections and daily reporting of risk observations.

### **We especially focus on:**

- Nationwide initiatives in the form of preventive activities to increase proactive risk awareness in the business.
- The introduction of Life Saving Rules and First Line Manager Training courses.
- Operational monitoring of safety inspections, risk surveys and assessment of injuries to develop targeted risk prevention activities. The introduction of escalation processes to deal with injuries in all countries.
- Collaboration with customers on safety inspections, training and supplier meetings.

- Internal and external audits in accordance with the ISO 45001:2018 health and safety standard.

All employees are encouraged and expected to report observed risks as part of their duties. Processes and procedures contain instructions for how events should be reported and investigated. Risk observations, incidents and injuries are reported directly to the relevant manager by mobile phone or computer. The reports are then followed up and the implemented risk prevention activities are assessed. The results are followed up and analysed at country and Group level on a monthly basis. Based on the results, targeted measures and training activities are carried out.

If we can't do it safely, we shouldn't be doing it. This is a key maxim to bear in mind as we work towards our vision of zero work-related injuries.

### **Exploitation of workers**

Even though the highest potential severity were identified in the area of health and safety, the HRIA also showed an increased risk for exploitation of workers both within cleaning and property. Coor naturally takes this very seriously and is now starting work to identify activities and the need for new or updated routines to reduce this risk. This means, among other things, an increased need for training both in recruitment and among managers. This also applies in cases where Coor uses subcontractors for the performance of services. From an employer's perspective, Coor has had an understanding of the issue for a long time, including the importance of freedom to collective bargains, but with the individual perspective on the issues that due diligence for human rights entails, the insight has deepened, and we understand that further measures need to be taken.



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