

# POLICIES 2015



# CONTENT



## CORPORATE SOCIAL RESPONSIBILITY

p3  
Strategy



p4  
Policy & Objectives



p5-9  
Focus Areas



p10  
Target Group, Updating &  
Reporting



p15  
Adoption of Policies



## GENDER EQUALITY IN MANAGEMENT

p11  
Strategy



p12  
Gender Balance



p13  
Objectives



p14  
Reporting





# CORPORATE SOCIAL RESPONSIBILITY (CSR)

By its very nature, the KILROY Group's business promotes understanding and respect among cultures. We have an ambition that we, through responsible behaviour, can contribute positively to the people we serve and the societies in which we operate. We believe we can ensure long-term, sustainable value for our staff, customers, suppliers, authorities and other stakeholders.

## CSR STRATEGY

To achieve this ambition, we will concentrate our efforts on areas where we're certain that we can make a difference. We also want to send the signal that actions speak louder than words. That's why we call our CSR strategy **"Walk-the-Talk."**

We also seek inspiration for our future CSR development from the network of governments, business organisations, multinational companies and non-governmental organisations (NGOs) which all impact the general definition of responsible and sustainable behaviour.

Of course, there are some important CSR areas where the Group cannot exert direct influence, such as human rights and anti-corruption in certain parts of the world. But we will do our best to align these expectations between the Group and our stakeholders.



# CORPORATE SOCIAL RESPONSIBILITY (CSR)

## CSR POLICY

Our Walk-the-Talk strategy shapes our CSR policy which, in turn, defines the Group's short-term goals in selected focus areas and sets the framework for integrating CSR into our daily operations.

The CSR policy will also guide the processes of meeting the obligations imposed on the Group by public authorities. It will strive to meet the responsibilities and follow recommendations from internationally-recognised standards and organisations. These include commonly-accepted best practices, expert panels and the United Nations, among others.

## OBJECTIVES

The objectives of the Group's Walk-the-Talk CSR policy are:

- To be known and accepted as a responsible and good corporate citizen.
- To create value for our main stakeholders: customers, employees, suppliers and shareholders.
- To reduce negative impact on the environment.
- To make ourselves, our customers and suppliers aware of the impact we have on the places and the people we visit.
- To provide a safe and fair work environment for employees.
- To maintain openness about CSR initiatives and values.



# CORPORATE SOCIAL RESPONSIBILITY (CSR)

## FOCUS AREAS

CSR involves an extremely wide range of challenges and issues. The Group will focus on areas where we are confident of achieving results and making an impact.

We acknowledge that the very nature of our business demands that we take active responsibility for helping the development of the areas and surroundings where we operate. We aim to be proactive in integrating environmental, social and ethical concerns into our strategic processes and daily routines.

CSR is our opportunity to enlighten customers, suppliers and other stakeholders about sustainable travel. We believe it will also improve customer service, enhance our products, strengthen supplier relations, and ensure a good working environment for our employees.

CSR subjects continuously change and progress. New focus areas arise and others fade to the background. Thus, all staff and other stakeholders can contribute to an up-to-date and relevant CSR policy.

In 2015, the Group will concentrate its CSR activities on:

- **Climate** - establishing systematic collection and measuring of energy consumption data.
- **Society** - updating and enhancing awareness of our internal Code of Conduct, including information about sustainable travel, and respect for other cultures and lifestyles.
- **Sourcing** - establishing minimum requirements for suppliers.
- **Human rights** - communicating the Group's view on human and other fundamental rights in the regions where we operate.



# CORPORATE SOCIAL RESPONSIBILITY (CSR)

## CLIMATE

Our contribution to environmental protection and mitigating climate change will focus on areas where we believe we can make a difference, such as our own consumption of natural resources. Among other things, we encourage climate-friendly yet profitable investments in IT systems and technology.

Structured collection and monitoring of energy consumption at branch level will identify abnormal behaviour in energy consumption. In addition, the data will facilitate a balanced evaluation of future investments in climate-friendly initiatives.

All investments in energy savings that promise a payback within 12 months will be pursued as soon as possible. These investments will then be recommended to companies across the Group. Similar investments with a likely payback after more than 12 months will be forwarded to the CFO for evaluation and approval.

In accordance with our own CSR initiatives, our main suppliers will be required to inform us about their environmental policies, too.

# CLIMATE



# CORPORATE SOCIAL RESPONSIBILITY (CSR)

## SOCIETY

The Group has implemented a Code of Conduct that defines principles and guidelines for the Group's daily business operations. It aims to ensure that companies and employees act as good corporate citizens, and to prevent any corruption or other violations of legislation or generally-accepted industry principles.

All managers in the Group have a special responsibility to familiarise themselves with the Code of Conduct. In 2015, managers must ensure that all their employees are aware of the Code and its main content.

# SOCIETY

# CORPORATE SOCIAL RESPONSIBILITY (CSR)



## SOURCING

The very nature of our business involves a significant amount of air travel, which has an inevitable environmental impact. In addition, hotel, automobile and ground product suppliers have an impact on the environments in which we provide travel packages.

Apart from environmental aspects, our manifold network of suppliers around the world may perceive values, rights and other conditions differently than we do in our own countries. This is obviously due to differences in culture, history, economy and other factors.

In some cases, we are able to set minimum requirements in regard to education, security, environmental standards, labour rights and business affairs. But we must also accept that some issues are simply beyond our control.

In accommodating people all over the world, we will have to adapt ourselves to this industry dilemma. This does not mean that we will ignore or avoid mentioning these differences, or that we will not try to improve standards. We will take any opportunity to address such matters with due respect for cultural differences.

From 2015, CSR will be integrated into the sourcing process with new and existing core-product suppliers. All contracts with an annual volume above € 2 million will define a responsibility for suppliers to report on climate initiatives, protection of human and labour rights, anti-corruption and good governance on a regular basis.

# SOURCING





# CORPORATE SOCIAL RESPONSIBILITY (CSR)

## HUMAN RIGHTS

The Group's CSR policy respects human and labour rights. We will promote these principles within our own companies, and encourage them among our customers, suppliers and other stakeholders.

Negative impact on human rights occurs in most countries to some degree, and we know that we have to continuously assess how our own companies perform in this regard.

We will monitor the human rights situation on an ongoing basis in the countries where we operate and in our supply chain. We will evaluate our suppliers regularly, and if any negative impact on human rights comes to our attention, we will try to mitigate it and advise the supplier on how to improve. If no improvement is seen, we will reevaluate our relationship with the supplier in question.

When negative impact on human rights does take place in the supply chain, it puts the Group in a dilemma. It may not always be best to terminate cooperation, as a more complex situation could arise.

Instead, we will assess human rights issues on a case-by-case basis. On the one hand, we want to show cultural sensitivity, but we also need to take our work and production flow into account.

In 2015, we will begin implementing and integrating the United Nations guiding principles for business and human rights. Our aim is to outline the content of the guiding principles for all senior managers and provide fundamental understanding of how the KILROY Group can meet the new global minimum standards for business conduct.

# HUMAN RIGHTS



# CORPORATE SOCIAL RESPONSIBILITY (CSR)

## TARGET GROUP, UPDATING & REPORTING

The Group CSR policy is applicable to companies that are fully controlled by KILROY International A/S and shall be known by all staff in these companies. Compliance with the CSR strategy is a management responsibility and, accordingly, all managers have the responsibility to observe the CSR policy.

We will try to involve all relevant stakeholders when identifying and developing new CSR activities via informal dialogue, surveys and strategic partnerships.

In the Group's annual report, we will report on progress in our selected focus areas and on any substantial changes to the CSR policy and strategy.

Monitoring and reporting will be based on data available in the companies of the Group. CSR data contained in the annual report is not subject to external audit.



# GENDER EQUALITY IN MANAGEMENT

Recent legislation pertaining to Danish companies requires that they:

1. Set minimum goals for the share of women sitting on boards of directors and a timeframe for their implementation.
2. Adopt policies to increase the share of women in leading positions.
3. Report on the progress of points 1 and 2 in their annual reports.

## STRATEGY

As a general business principle the Group pursues diversity at all levels. In order to attract and retain talented people, it's important for the Group to strive toward gender equality in the Board of Directors and other top management positions.

Efforts to eliminate inequality are in line with our ambition to be an attractive workplace with equal opportunities regardless of gender, nationality, etc. The aim for equality must coincide with our general recruitment policy of "the best person for the job."

# GENDER EQUALITY



# GENDER EQUALITY IN MANAGEMENT

## GENDER MIX IN THE GROUP

### Staff & Staff Managers as per December 31, 2014

The current gender mix is such that women are slightly overrepresented among staff in non-management positions (64%). However, at the first level of staff management the gender mix is well balanced with 49% women and 51% men.

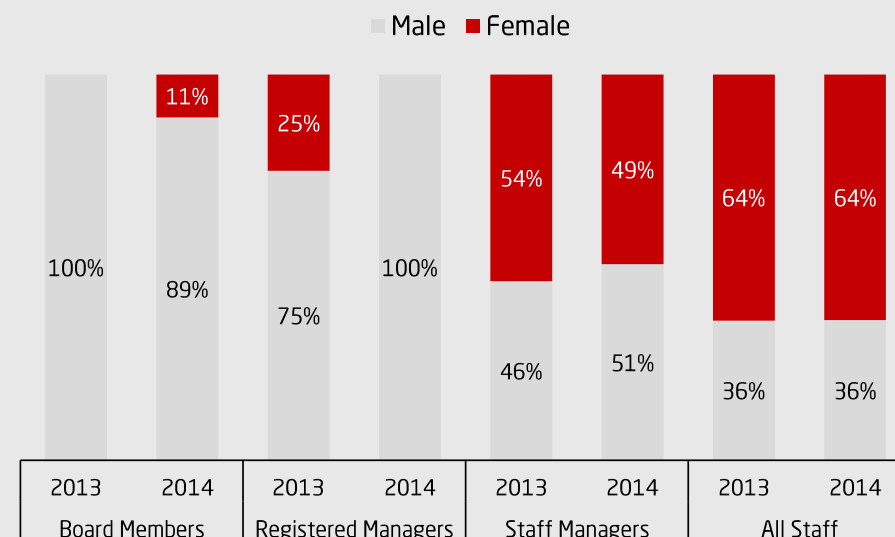
Staff managers are all managerial positions ranging from team leaders to general managers.

### Registered Managers & Board of Directors

Women at the level of registered management and on the Group Board of Directors are underrepresented.

Registered Managers are the managing directors registered with the Chamber of Commerce. Registered managers in a subsidiary are primarily structural positions with limited daily and operational involvement.

The owners of the Group are individual investors who are directly represented on the Board of Directors and/or as registered managers. There are no women among these investors.



# GENDER EQUALITY



# GENDER EQUALITY IN MANAGEMENT

## OBJECTIVES

### Staff & Staff Managers

The overrepresentation of women is not regarded as a problem and consequently, will not be a special focus area.

### Registered Managers & Board of Directors

In order to achieve a higher degree of gender equality, the following objectives are to be achieved by 2016:

- For Registered Managers, female representation is not a focus area.
- For the Board of Directors, female representation among the members elected by the general assembly is to be a minimum of 20%.

### Equal pay

Differences in remuneration between men and women carrying out the same type of work, or similar work, will be identified and eliminated at the national level.

# GENDER EQUALITY

# GENDER EQUALITY IN MANAGEMENT



## REPORTING

To ensure that these objectives are met, all managers, as part of their HR duties, will be required to focus on gender equality. To monitor progress, they will submit semi-annual status reports to the CFO.

At Group level, a statement about efforts during the year and the status of gender equality at the fiscal year-end will be included in the Annual Report and available on the website.



# POLICIES



## ADOPTION

The Policies are adopted by the Board of Directors in KILROY International A/S and will be revised annually, as required. Feedback and other input should be conveyed to the CFO.