

Corporate Social Responsibility Report for the Kilroy Group

Introduction

As a player in an industry that is often in the spotlight of sustainability and climate discussions, we in the Kilroy Group take our role as a responsible corporate citizen seriously.

We have taken concrete measures such as climate compensation programs and animal welfare initiatives, but we realize that getting to the point where any company – travel or otherwise – can claim to be fully sustainable is just not achievable. It's a process of constantly adjusting and optimizing our efforts. We can always do better at becoming more sustainable, and our efforts continued in 2023.

This Corporate Social Responsibility Report will describe our achievements and our plans moving forward. The Report applies to all fully owned subsidiaries and SSTS A/S, the sole shareholder of Kilroy International A/S.

Focus 2023-24

In early 2022, the Kilroy Group embarked on an ambitious sustainability project. We established a task force and appointed a full-time sustainability coordinator to accelerate our efforts. By 2023 we achieved significant milestones that paved the way for transitioning from the project phase to operational integration. We disbanded the task force and appointed sustainability ambassadors for each brand, overseen by a central CSR Manager. This structure ensures that sustainability is woven into our daily operations in a manner that aligns with the unique strategies of each brand within our Group.

The work continues within our four focus areas:

- Internal operations
- Supply chain
- Travellers
- Communication

Content

3 Internal operation

7 Supply chain

8 Travellers

9 Communication

10 Appendix

Internal Operation

Baseline Assessment

The first baseline assessment was conducted in 2022 by interviewing managers of the BENNS, ISIC, Jysk Rejsebureau, KILROY and Winberg Travel brands, along with management at the various offices. This showed us where we were operating sustainably, and which areas needed work. The assessment is to be repeated biannually and will be carried out again in 2024 by a digital survey.

The Kilroy Group 2030 Goals

We have defined Kilroy Group targets for the decade based on the United Nations' 2030 Sustainable Development Goals. 2024 will be the first year we report our progress in living up to them.



Corporate Sustainability Reporting Directive (CSRD)

The European Union has mandated CSRD reporting on sustainability. Our ambitions and framework for these news standards must be in place by the end of 2024, so our reporting can begin in 2025.

Training and Awareness

With the implementation of our new Learning Management System (LMS), we have curated several modules for various aspects of sustainability. These have been included in our staff training procedures and our internal learning and development initiatives. We will continue to fashion additional training modules on CSR topics.

Internal Operation continued

Code of Conduct

The Kilroy Group has a Code of Conduct (CoC) that defines principles and guidelines for daily business operations. It outlines the fundamental expectations of all staff to maintain the good name of the Kilroy Group as a professional and trustworthy company. It serves to prevent corruption, bribery or other violations of accepted industry principles. In line with European Union directives, the Kilroy Group established a whistleblower intranet portal in 2022. As of March 2024, no issues had been reported.

Cloud Integration

As part of our sustainability efforts, the Kilroy Group has an ongoing cloud-computing integration project. This not only enhances our operational efficiency but also indirectly contributes to CO2 reduction. Increased flexibility in managing server loads and optimizing our use of resources helps minimize our environmental footprint and improve our overall performance.

Digitalization

The technological landscape is constantly evolving. We regularly organize webinars and virtual customer travel events, and we prioritize video meetings over staff travel whenever feasible. The Kilroy Group has also made digital documentation the standard mode of distribution, including customer travel documents. We are minimizing the use of printed materials.

AI (Artificial Intelligence) policy

With the emergence of easily accessible AI tools, we've identified a need for an AI policy and guidelines. It's a new and fascinating world for our staff. But as the technology is young and unexplored, it's also an area where we need to show caution. Our experience will grow with time, and policies will be adjusted accordingly.

Assets and Data Protection

The Kilroy Group continues to use all company assets responsibly and legally, according to their intended purposes. Protecting company information and data, as well as the personal data of our employees and customers, is a priority. The Group works actively with secure data handling and data ethics, and will continue this work in the future.

Risk Management

The risks related to human and physical assets, as well as the risk of data abuse, theft, breach, fraud or cyberattacks, are increasingly present. The question is no longer if we will be attacked, but when and how severely. The Kilroy Group continues to review and identify new areas of risk. A training module on IT security was rolled out in 2023 to all staff to increase awareness.

Internal Operation continued

Human Resources

The Kilroy Group's management principles support:

- Openness and well-being at work
- Choosing the best person for the job
- Delegation of responsibility and authority wherever possible
- Competence development
- Target-setting, goals and expectations

These principles contribute to positive development across the group by providing employees on all levels with opportunities, job satisfaction and a safe, healthy work environment. Moreover, we conduct employee surveys locally and centrally every year to gauge our progress and provide any remedies.

Human Rights and Equality

The Kilroy Group is dedicated to upholding human rights and ensuring that all employees and customers are treated with respect. This means protecting them from discrimination, harassment or bullying related to race, gender, sexual orientation, age, religion, social status, nationality, impairment, political opinion or any other unrelated status. We grant all employees freedom of employment in accordance with local laws and regulations, while also safeguarding principles, rights and social justice for all. Employees and management also have access to information and training to conduct their work safely and in a socially sustainable manner. We will continue to work on upholding human rights in the future.

We pursue gender balance at all management positions. Temporary imbalances do occur, but we direct our attention to rectifying them. Differences in salary between individuals with the same or similar documented experience, who carry out the same type of work, or similar work, is not accepted.

Diversity and Inclusion

The travel industry is a people business and as such, diversity and inclusion are essential for success. The Group aims to be an attractive employer by guaranteeing equal opportunity at all levels. Thus, it is important for the Kilroy Group to embrace and foster diversity in the widest possible sense as we consider personal qualifications over gender, origin, and other background factors. The company strives toward a staff composition reflecting both the audience and society in general – while not compromising on experience.

Gender Composition

Among staff management positions, the gender mix was skewed in 2023 with 40% women and 60% men. However, it's moving in the right direction compared with 2021 when there were only 30% women. Staff managers are positions ranging from team leaders to registered directors.

The gender mix among staff shows a different picture, with 67% women and 33% men, which is a significant development from previous two years. The Group doesn't have a separate policy for this but works to achieve gender equality in management as well as other positions. For example, by ensuring the highest possible representation of the underrepresented gender in the recruitment for senior positions.

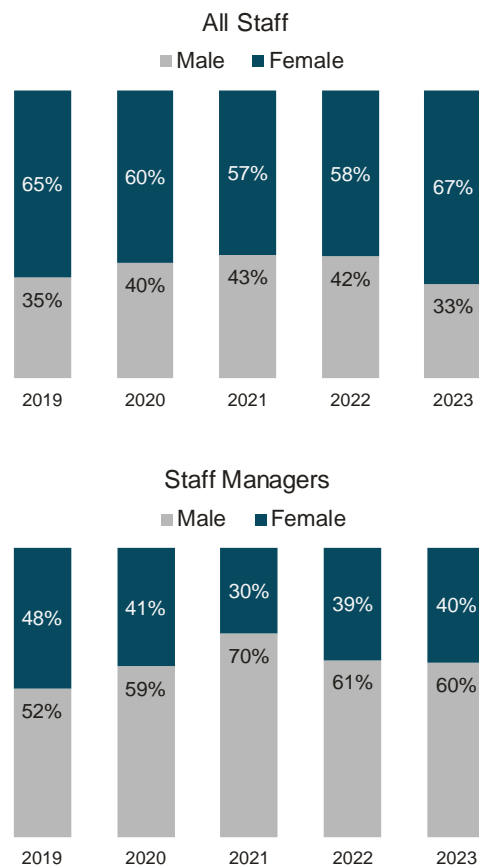
Internal Operation continued

Gender Composition continued

Our ambition for 2030 is to have a maximum 5% deviation in gender composition for staff management positions. The owners of the Kilroy Group are individual investors who are directly represented on the Board of Directors of the parent company. There are no women among these investors, nor are there any women represented on the company boards or among the registered management. Due to the gender composition of the investor circle, it's a challenge to achieve gender equality on the board. But we have a goal of at least one female representative before 2026. See charts to the right.

The table below shows the current status of underrepresented gender and targets. The charts to the right illustrate the development of gender mix among all staff and staff managers.

Gender Diversity	Status 2023	Target %	Target Year
<u>Board of Directors</u>			
Number of shareholder-elected members	4		
Underrepresented gender	0%	25.0%	2026
<u>Executive Management</u>			
Number of members	8		
Underrepresented gender	25%	37.5%	2027
<u>Staff Management</u>			
Number of members	58		
Underrepresented gender	40%	45.0%	2030



myclimate and Carbon Offsetting

In 2019, we partnered with the carbon offsetting company myclimate. In addition to offsetting 100% of staff flights, our aim with this cooperation was to offer a reliable setup with documented effects of their work. The awareness and interest from both staff and customers are increasing year after year, and the funds that we allocate are growing steadily. Knowledge and understanding of the projects we work with is key, and our efforts to train and educate staff continue.

Our funds are divided between two projects. One is in Madagascar called Back to the Green Island and focuses on production and distribution of solar stoves. The second is called Community Reforestation in Nicaragua. Both projects have detailed annual reports on their achievements. Read more about our carbon offsetting activities in the Travelers section of this report.

Supply Chain

Sustainable Sourcing

As a travel agency, the Kilroy Group has a complex and global network of hundreds of suppliers spanning various industries. Efforts to improve the overall sustainability of our supply chain are important, and we've created our own framework for assessing our suppliers. The criteria include:

- Education
- Equality
- Usage of natural resources
- Safeguarding local communities
- Nature and wildlife conservation
- Labour rights

Given the sheer complexity of this task, we decided to roll this framework out gradually, starting by assessing the land suppliers we use across the Kilroy Group. This first stage was completed in late 2022. The second iteration of our internal supplier sustainability survey has been finalized, with the intention to implement it across all brands in the second quarter of 2024.

These assessments provide us with invaluable insights into our suppliers' sustainability efforts, pinpointing potential risks within our supply chain and enabling us to prepare for forthcoming regulations such as the CSRD.

Covering a range of sustainability topics, the main objective of these surveys is to foster transparency and accountability throughout our supply chain, ensuring that our sustainability goals are consistently aligned.

The survey will be circulated to all suppliers that provide:

- Accommodation services
- Transportation
- Activities/excursions
- Full range of Destination Management Companies' services

The assessment should be made regularly, and we expect to conduct it every third year. Whenever contracting a new supplier, the assessment will be included in the process.

Travellers

Our aim is for increased internal training, and for our supply chain efforts to result in a more sustainable offering to our customers, the travellers. A few other initiatives are worth highlighting.

Carbon Offsetting of Customer Flights

Originally, we offered carbon compensation through myclimate mainly as an add-on for customers. From 2022, we integrated it as part of a new concept called Tripmates. Some markets have successfully tested offering offsetting as a default, regardless of products or travel type.

We still make clear to the customer the exact cost of the carbon offsetting, and how to remove it if they wish. Results show that by making carbon offsetting the default option, more travellers ultimately offset their flights. Compared to 2022, the offsetting grew with 37%. More markets and brands are planning to roll out this model during 2024.

Customer Satisfaction

Gauging customer satisfaction is part of the Kilroy Group's accountability towards our customers and stakeholders. It is a measurement of our performance and conduct. We gauge customer satisfaction through various channels, and the results of these are monitored for service and product improvements. Equally so, cases of customer complaints are handled via clear procedures, fairly and objectively, to provide the appropriate remedies. We adhere to local legislation deriving from the EU Package Travel Directive wherever and whenever applicable.

Risk and Emergencies

Given the number of travellers and activities throughout the year, the risk of incidents or accidents that can involve injury or harm to customers are a natural part of our preparedness, contingency planning and crisis management.

Communication

To avoid the practice of greenwashing and insincere claims of sustainability, the Kilroy Group refrains from overtly vocalizing our sustainability efforts in our marketing communication. We have created a Responsible Marketing Policy and follow commonly accepted ethical practices in our marketing endeavours.

Appendix

Policies

All approved policies for the Kilroy Group are available upon request.

Scope

The policies listed on the webpage above are applicable to companies that are fully controlled by Kilroy International A/S and shall be known by all staff.

Compliance with the policies is the responsibility of all managers. We try to involve all relevant stakeholders when identifying and developing new policies via informal dialogue, surveys, and strategic partnerships.

Reporting and Monitoring

In connection with the Group's annual reports, we report on progress in our selected focus areas and on any substantial changes to the policies. Monitoring and reporting are based on data available in the companies of the Kilroy Group. Data related to the Group policies and contained in the annual report is not subject to external audit.

Adoption

The Policies are adopted by the Board of Directors in Kilroy International A/S and are revised annually, as required. Feedback and other input should be conveyed to the Group's CFO. This document is prepared in accordance with the Danish Financial Statements Act §99a and §99b.