



**KILROY**

**POLICIES**

ADOPTED JUNE 2021



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# CORPORATE SOCIAL RESPONSIBILITY (CSR)



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

## CSR GUIDANCE

We focus our efforts on areas where we're certain 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 guidance "Walk-the-Talk."

We seek inspiration for our CSR development in the network of government and industry organisations, multinational companies and non-governmental organisations (NGOs) that 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 accept the fact that our customers, employees and other stakeholders demand that a company like the KILROY Group takes a stand on social and ethical responsibilities by acting as a responsible corporate citizen. Thus, we do our best to align expectations between the Group and our stakeholders.

# CORPORATE SOCIAL RESPONSIBILITY (CSR)



## CSR POLICY

Our Walk-the-Talk approach shapes our CSR policy. This policy, in turn, defines the Group's short-term goals in selected areas and determines how we integrate CSR into our daily operations. It also addresses the obligations placed on us by the authorities and internationally acclaimed organisations.

CSR subjects constantly change and progress. New focus areas arise, and others recede. All employees and other stakeholders can contribute to an up-to-date and relevant CSR policy.

## OBJECTIVES

The objectives of our CSR policy are:

- to be, and to be known as, a 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.

# CORPORATE SOCIAL RESPONSIBILITY (CSR)



## FOCUS AREAS IN 2021

Given the impact the Covid-19 pandemic had on the KILROY Group in 2020, our efforts within CSR declined suddenly as resources were limited across all areas. Nevertheless, we maintain our ambitions and commitment to our responsibilities.

Objectives set for 2020 remain, and continue in 2021:

**Climate and Environment.** Our initiative on carbon offsetting was a first step as we entered a partnership in 2019 with myclimate.org. In our view, myclimate.org best meets our requirements on the calculation of flight CO2 as well as transparency on funded projects. In 2021 we will work to incorporate the agreement and opportunities with myclimate.org across all departments and brands, including company travel activities.

Furthermore, our approach takes a broader view of responsibility than on climate alone. We will identify how and where we can embrace and support the United Nations' Sustainability Goals.

**Ethics and Integrity.** The completion and implementation of a new Code of Conduct, including guidelines for anti-corruption, anti-bribery, and respect for other cultures and lifestyles, remain as focus areas in 2021.

**Sourcing.** Definition of minimum requirements for our main travel product suppliers, such as their approach to ethics, human rights and protecting the environment, remains in focus.

**Human rights.** We will continue to communicate the Group's fundamental view on human rights.

**Social Inclusion.** Preserving equal opportunity for all, regardless of gender, race, religion, age or other personal convictions will always be a focus area, along with personal development and the utilisation of talents.

# CORPORATE SOCIAL RESPONSIBILITY (CSR)



## CLIMATE AND ENVIRONMENT

Through transparency and alternative travel options, we want to give our customers enough information about their environmental footprint to make an informed travel decision. Internally, we will be diligent in considering business, climate and environmental sustainability.

Tangible climate changes and their mitigation will have an extreme impact on the travel industry. The effects will probably be even more pervasive than those caused by the emergence of the Internet.

The Group's business involves air travel, almost exclusively. The innovation required to reduce airplanes' emissions is obviously beyond our influence.

To do our utmost in mitigating the effects our industry poses on the environment, we should take a bolder position with both short-term climate-related activities, where we can exert direct influence, and with long-term plans. In 2021, we will focus on implementing our recent engagement in carbon offsetting.

This work will be guided by transparency and alternative options. Our customers should be offered the most complete information possible about a particular type of travel's impact on the environment. They should also be offered choices whenever possible for their desired travel experience.

For some time, we have focused on areas where we can make a difference, such as our own consumption of natural resources at our offices and outlets. Among other things, we have encouraged climate-friendly investments in technology and amenities. This focus will continue.

# CLIMATE AND ENVIRONMENT

# CORPORATE SOCIAL RESPONSIBILITY (CSR)



## ETHICS AND INTEGRITY

Operating in every corner of the globe - across cultures, traditions and legal regimes - we must accept the potential risks that all our stakeholders directly or indirectly pose on our business. Previously, we have not addressed these risks explicitly. But we are committed to being a good corporate citizen by working in a fair and lawful manner. All our staff will serve as ambassadors in their communication with customers, suppliers and other stakeholders.

We should always treat others as we expect to be treated ourselves. We should use all company assets responsibly and legally, according to their intended purposes.

To ensure compliance, the Group is working to draw up a Code of Conduct that will define principles and guidelines for the Group's daily business operations. It will ensure that the Group's companies and employees act as good corporate citizens. It will prevent corruption, bribery or other violations of accepted industry principles.

All managers in the Group will be central in implementing and ensuring adherence to the Code of Conduct.

# ETHICS AND INTEGRITY



# CORPORATE SOCIAL RESPONSIBILITY (CSR)

## SOURCING

The KILROY Group sources products and services from hundreds of suppliers all over the world. This mirrors our wish to help our curious travellers meet them in all their diversity. But it is also a challenge, as suppliers may perceive values, rights and other conditions differently than we do. This can be due to differences in culture, history, economy and other factors.

Another dilemma is that a supplier may be best-in-class in one territory but less progressive in others. Are labour conditions more important than environmental impact – or vice versa? It's seldom that the best of all choices comes in "one package."

Our past attempts to integrate CSR in sourcing have not been notably successful. From now on, we will communicate our priorities more clearly and build a more systematic rating of all existing and new suppliers. Considering the vast number of these suppliers and the general disruption caused by the Covid pandemic, we expect this process to continue in coming years.

Among other things, this new rating system will:

- enhance our own perception of a given supplier,
- improve suppliers' understanding of our CSR priorities,
- exclude suppliers that fail to achieve a minimum score.

# SOURCING



# CORPORATE SOCIAL RESPONSIBILITY (CSR)



## HUMAN RIGHTS

The KILROY Group respects human and labour rights. We promote these principles within our own companies, and encourage them among our customers, suppliers and stakeholders.

Infringement of human rights occurs in most countries to some degree, and we must continuously assess how our own companies perform in this regard. Until now we have not encountered nor been made aware of any violations of human rights.

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 re-evaluate our relationship with the supplier in question.

When adverse impact on human rights does take place in the supply chain, it can put the Group in a dilemma. Termination of a supplier may potentially have other negative effects on a local community and indirectly place further burdens on human rights. In such situations, we can only act on a case-by-case basis.

During 2021, we will determine whether the United Nations' guiding principles for business and human rights can benefit our, and our region's, approach to these issues. It will remain a long-term target to develop a policy for all KILROY Group managers in accordance with UN minimum standards for business conduct.

# HUMAN RIGHTS

# CORPORATE SOCIAL RESPONSIBILITY (CSR)

## SOCIAL INCLUSION

The Group aims to be an attractive employer by guaranteeing equal opportunity at all levels. However, we are aware of the challenges in attracting and retaining talented people. Thus, it is important for the KILROY Group to embrace diversity in the widest possible sense as we consider personal qualifications over gender, origin and other background factors.

The travel industry is a people business and as such, diversity and inclusion are essential for success. We have a genuine interest in being seen as an “inclusive company.” Training and personal development must always be in focus to ensure the proper match of skills and competences for the customers being served.

We are conducting employee surveys locally to gauge our progress and implement remedies. We are also considering whether to make these standard throughout the Group.

Our management principles support:

- openness and well-being at work,
- choosing the “best person for the job,”
- delegation of responsibility and authority wherever possible,
- team-orientation,
- competence development,
- target-setting,
- a “Keep it simple – make it happen” attitude.

These principles contribute to the positive development of the whole company by providing employees on all levels with opportunities, job satisfaction and a safe, healthy work environment.

We use and take advantage of personal talents. Age is not considered a limiting factor, but we know that the human lifecycle sometimes dictates changes, either self-determined or mutually agreed. We profit from the knowledge and experience that the company's senior employees have accumulated.

# SOCIAL INCLUSION

# CORPORATE SOCIAL RESPONSIBILITY (CSR)



## GENDER COMPOSITION AND EQUAL PAY

### OBJECTIVES

#### Staff and Management

In accordance with our strategy for equality and diversity, we pursue gender balance at all management positions. Temporary imbalances do occur, but we then turn our attention to restoring the proper balance.

#### Board of Directors

The owners of the Group are individual investors who are directly represented on the Board of Directors of the parent company. There are no women among these investors.

Consequently, targets for the subsidiaries in the Group are for at least 33% women to be appointed by the general assemblies by 2023.

#### Equal pay

Differences in salary between genders carrying out the same type of work, or similar work, is not accepted.

### AS OF DECEMBER 31, 2020

#### Staff and Management

The gender mix in 2020 came closer to a balance among all staff: 60% (65% in 2019) women and 40% (35%) men.

For management positions, the gender mix is slightly skewed with 41% (48%) women and 59% (52%) men. Staff managers are positions ranging from team leaders to registered directors.

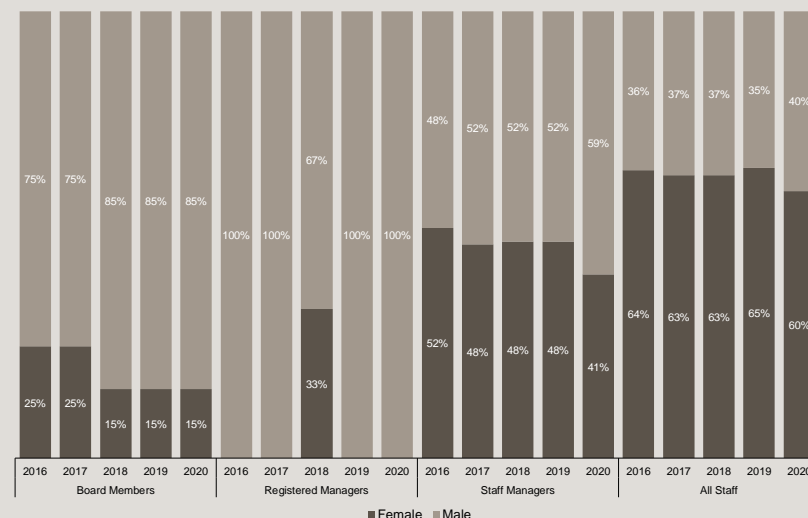
#### Board of Directors

Women at the level of Board of Directors in the parent company and in the subsidiaries are underrepresented.

In the parent company no women are represented. In the subsidiaries, 22% of the board members are women.

#### Equal pay

No incidents of unequal remuneration for staff carrying out the same type of work, or similar work, were reported during 2020.



SOCIAL INCLUSION

# ANIMAL WELFARE

## GUIDELINE

Being a good corporate citizen also extends to the complex area of animal welfare. It's complex because the treatment of animals is relative to the various cultures of the world. On the one hand, we readily accept the keeping of household pets such as a family dog or cat, but we strongly protest if they are treated cruelly. The same applies to wild animals in captivity.

Wherever possible, the Group avoids selling travel products that include the use of wild animals that are abused or forced to do unnatural things for the purpose of entertainment. In the current absence of universally accepted rules on animal protection, we can only approach animal welfare in the broad sense, and evaluate our suppliers on a case-by-case basis.

Our actions alone cannot change a foreign culture's practices in animal treatment. However, the Group is actively committed to contributing, through our own conduct, to improvements in their welfare. We aim to exert leverage to help identify, prevent and mitigate the mistreatment of animals in our business and chain of supply.

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# ANIMAL WELFARE





# POLICIES

## TARGET GROUP, UPDATING AND REPORTING

The Group Policies 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.

In the Group's annual report, 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.