





# Corporate Social Responsibility Report for the Kilroy Group

## Introduction

As a player in an industry that's often in the spotlight of sustainability and climate discussions, we in the Kilroy Group must take our role as a corporate citizen seriously. The Group is grounded in values that promote understanding and respect among people, and we've taken tangible measures such as climate compensation programs and animal welfare initiatives. But we recognize that we still have some way to go before we can rightfully claim to be a sustainable travel company.

This is why we made some extraordinary efforts toward this goal in 2022. This Corporate Social Responsibility Report will describe our achievements in 2022, as well as our plans moving forward.

## Focus 2022-23

In January 2022, the Kilroy Group launched a comprehensive project with the formation of a special task force and the hiring of a full-time sustainability coordinator to oversee it all.

We started by systematically assessing our current sustainability processes and identifying areas for improvement. The next step involved creating policies and guidelines to ensure a common understanding of what "sustainable" practices are in concrete terms. During this phase, we also began forming our own targets for 2030, based on the United Nations' Sustainability Development Goals.

By mid-year we were finally ready to start putting our plans to work, involving our internal sustainability coordinator, the task force, management and other key stakeholders. We identified four focus areas:

- Internal operations
- Supply chain
- Travellers
- Communication

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# Internal Operation

## Baseline Assessment

To understand the present situation, early 2022 was spent 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 improvement.

## Sustainable Policies and Guidelines

The internal assessment identified a need to update and create new policies for sustainable operations across all brands and markets. We used a lot of time updating existing policies, such as human rights and animal welfare, to give them a more sustainable focus. We also created new ones for areas which had not previously been covered. This resulted in an internal Green Office policy, a Responsible Sourcing policy and a Responsible Marketing policy.

## The Kilroy Group 2030 Goals

A key initiative in 2022 was defining our own Kilroy Group targets for the decade, based on the United Nations' 2030 Sustainable Development Goals. These objectives must be specific and measurable so we can gauge our success. Some details remain, but the goals are now largely identified. The completed version will be available at <https://www.kilroygroup.net/csr-1> during 2023.

We plan to report each year on our progress in living up to them.



## Training and Awareness

Training and competence development is crucial in the Kilroy Group. Not only are they essential for achieving our sustainability goals, they also ensure that we remain an attractive employer that encourages personal growth.

In 2022, the Group invested in a new training platform to support onboarding and staff development. Several modules, including some on sustainability, have already been published, and we will add more in 2023.

As another resource in our sustainability work, we created a CSR section on the Kilroy Group's intranet as a toolkit for all staff. It contains resources such as frequently-asked questions, guides for the carbon offsetting of travel, and various training materials that give easy access to our policies, CSR Reports and 2030 Goals.

# Internal Operation continued

## Code of Conduct

To ensure compliance the Group has a Code of Conduct (CoC) that defines common principles and guidelines for daily business operations. The CoC describes some of the fundamental expectations towards all staff in order to maintain the good name and reputation of the Kilroy Group as a professional and trustworthy company. It serves to prevent corruption, bribery, or other violations of accepted industry principles. All managers in the Group are central in the continued adherence to the CoC. It is a collective duty among all employees and stakeholders to report any observed or suspected misconduct or breach of the CoC either through standard reporting lines or as whistleblowing.

The Group has no formal policy for anti-corruption and bribery as we consider our CoC to cover these topics. We work actively to promote and maintain behaviour that is in accordance with our CoC and we will continue to do this in the future.

## Whistle-blower Portal

In line with recent European Union directives, the Group established a whistle-blower intranet portal in 2022. It enables the reporting of any possible or suspected infraction of the Kilroy Group CoC. As of April 2023, no issues have been submitted via the portal.

## Digitalization

The technological landscape is constantly evolving, and the Group steadily embraces digitalization. The Covid pandemic accelerated this trend due to the restrictions it imposed on physical gatherings. We now 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.

## Assets and Data Protection

The Kilroy Group continues to use all company assets responsibly and legally, according to their intended purposes. The company maps and manages business-critical systems and processes systematically. Protecting company information and data, as well as the personal data of our employees and customers, is a priority. We are committed to safeguarding the confidentiality, integrity, and availability of all physical and electronic information assets, and to ensuring our compliance to all regulatory requirements.

The Group works actively with secure data handling and data ethics and will continue this work in the future. There is no formal policy on this, as internal work is performed effectively with reference to current legislation such as the GDPR legislation.

## Risk Management

The risks related to human and physical assets, as well as the risk of data abuse, theft, breach, fraud or cyber-attacks, are always present. In 2023, the company will review and continue to identify areas of risk. We will elaborate on relevant emergency and contingency plans, including internal training and testing. As an example, we recently tested our procedures to avoid impact of phishing emails, which revealed a need for more information and training. Efforts to minimize general risks will continue and be continuously adjusted.

# 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 a 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. Additionally, all employees and management 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 towards a staff composition reflecting both the audience and society in general – while not compromising on experience.

# Internal Operation continued

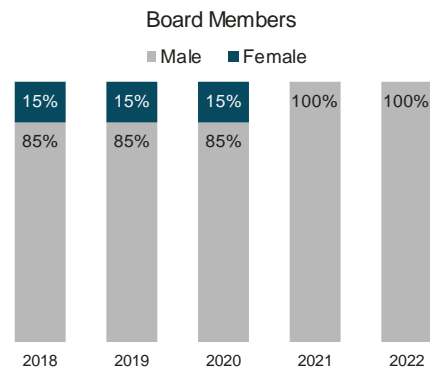
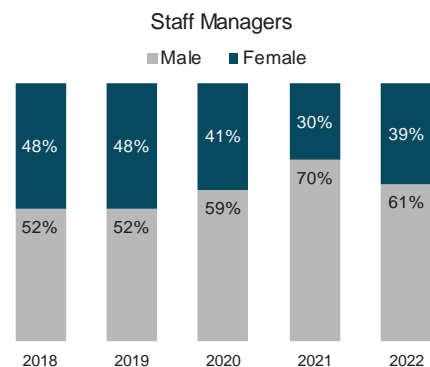
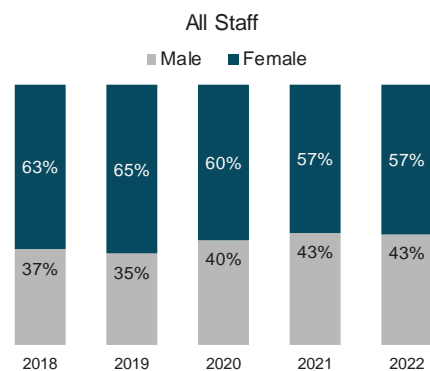
## Gender Composition

Among staff management positions, the gender mix was skewed in 2022 with 39% (30% in 2021) women and 61% men. Staff managers are positions ranging from team leaders to registered directors. The gender mix among staff shows a different picture, with 57% women and 43% men, which is unchanged from 2021. The Group does not have a formal policy for this, but works actively to achieve gender equality in management positions. For example, by ensuring the highest possible representation of the underrepresented gender in connection with recruitment to senior positions. We will continue this work in the future.

The 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 is a challenge to achieve gender equality on the board. However, we continue to have a goal of at least one female representative before 2026.

See charts to the right.



## 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 get more customers to offset their flights as well. However, due to the pandemic, this partnership did not receive the intended level of attention. But in 2022, we were again able to begin increasing awareness among staff and customers by clarifying the processes for carbon offsetting. As a result, the amount donated to myclimate in 2022 was more than 10 times higher than in 2021 and our efforts continue.

We still have more work to do, and we aim to spend 2023 intensifying our external communications about the project. Read more about our carbon-offsetting activities in the Travelers section of this report.

## KILROY Foundation

Set up in 2013, the KILROY Foundation is a non-profit organization dedicated to improving educational opportunities throughout the world. It was established and solely funded by the owners of Kilroy International, a company focused on helping students and other young people to explore life through travel and education abroad.

As a consequence of the Covid pandemic, financial constraints have put the activities of the foundation on hold until further notice.

# Supply Chain

## Sustainable Sourcing

Another of our focus areas in 2022 was finding a proper way to evaluate and improve the overall sustainability of our supply chain. As a travel agency, we have a complex and global network of hundreds of suppliers spanning various industries. Based on the sustainability task force's recommendations, we are in the process of creating our own framework for assessing our suppliers.

The framework touches upon a variety of important matters, such as

- 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 Group. This first stage was completed in late 2022. A full supply chain assessment is a major task and will continue through 2023, 2024 and onwards. We have already learned from many of our suppliers' answers and initiatives, so it has shown to be a valuable exercise.

# Travellers

Our aim is for increased internal training, and 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

In the past, we have primarily offered carbon-compensation through myclimate as an add-on for customers. However, in 2022 we integrated it as part of a new concept called Tripmates. For a test period of three months in 2023 we will add it to offers as a default. We will still make it clear to the customer the exact cost of the carbon offsetting, and how to remove it if they wish.

Our hope is that by making carbon offsetting the default option, more travellers will ultimately offset their flights. If successful, we will consider introducing the same procedures in our other markets and brands as well.

## Customer Satisfaction

Gauging customer satisfaction is part of the Kilroy Group's accountability towards our customers and stakeholders. It's 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. The Covid pandemic taught us about resilience and our ability to handle pervasive, lasting disruption.



# Communication

In order to avoid the practice of greenwashing and insincere claims of sustainability, the Kilroy Group has refrained from overtly vocalizing our sustainability efforts in our marketing communication. Although we have created a Responsible Marketing Policy and follow commonly accepted ethical practices in our marketing endeavours, we have prioritized the internal alignment of our affairs before incorporating sustainability as an essential aspect of our brands to prospective customers.

# Appendix

## Policies

All approved policies for the Kilroy Group are available on [kilroygroup.net/csr](https://kilroygroup.net/csr).

## 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.