

November 2015

Human rights principle

Assessment, Policy and Goals

KGH actively supports the Universal Declaration of Human Rights. KGH has implemented a Staff Policy and is committed to ensuring that all our employees are treated fairly and with respect. In the upcoming year the work related to further integration of the words of the Declaration of Human Rights into all of our different policies in order for the connection between our commitment to the principles of UN Global Compact and the policy objectives to become even more obvious will continue.

A Diversity and Equality Work Policy that support the Human rights and also has a grievance mechanism in place to handle problems experienced in the work place is implemented. The work place policies are communicated in particular to all new employees directly when they are hired from their nearest manager and also through an internal module based education program. One of these modules is carried out from the management team so that all new employees will get the same knowledge base all over the company. Explicitly mentioned is that the KGH Group shall facilitate for its employees to combine their employment and parental responsibilities. Information about operations is communicated to employees that are on parental leave and they are also invited to join work related activities for continued participation. In the start of 2015 the KGH Code of Conduct was revived and updated. After approval from the CEO it was published both on our intranet and web.

Measurement of Outcomes

KGH monitors the outcome of the working groups in each location/office and addresses their suggestions for improvement regarding human rights related issues. In the past year KGH has not been subject to any investigations, legal cases or incidents involving Human Rights violations.

Labour

Assessment, Policy and Goals

KGH supports the ILO Core Conventions and will not do business with any organization that uses forced or child labor. The principles of UN Global Compact are presently further promoted within the areas of in particular Labor and Anti-Corruption to further highlight the connection between them, the policies and operational work. All KGH employees are issued with a contract of employment which clearly states their terms and conditions including pay rates and other issues related to the employment. The national legislation on Freedom of Association in the work place is enforced and monitored by HR for continued compliance. Staffs are given online intranet access to information about KGH work policies as well as to protocols and minutes of the cooperation and interaction between the union(s) and the company. The CEO posts a weekly update on the Intranet for increased transparency and continued employee inclusion and the notes from the Management Team for Operations are also made available on the Intranet for the same reasons. The KGH Group has also during the first part of 2015 launched a new and updated version of intranet which will establish a more defined common ground for the communication concerning the 10 principles of the UN Global Compact. In addition to the intranet our Compliance department is carrying out an audit program where one part in the program ensure that the actual site is following our policies and routines.

Implementation

Staff is encouraged to engage in their health and KGH contributes with on average about 200 EUR/year to each person individually to spend on wellness such as massage, gym memberships and similar of own preference. The actual amount differs slightly between countries due to national tax regulations. KGH also sponsors registration fees to leisure runs and similar events. In the autumn 2015 all the staff in the KGH Group was invited to the yearly party where the first part of the day was a seminary with information from the management and an external speaker focused on issues related to team work. The second part was devoted to team building activities.

Measurement of Outcomes

Every year the Diversity and Gender Plan is revised and the efforts made evaluated. The gender balance has improved during 2015 with 58 % women (2014 – 58,9 % women) as a result of active implementation of the plan. The latest review also showed no pay differentials based on gender. KGH has not been involved in any investigations, legal cases or other relevant events related to the contravention of the Global Compact Labor principles.

Environment

Assessment, Policy and Goals

KGH is committed to improving the environment in which it operates implementing different policies on the subjects related to sustainability. The work with an Environmental Policy containing measurable targets that focusses on the implementation of the Global Compact environmental principles continues. We have during 2015 carried out an ESG-initiative (Environmental, Social and corporate Governance) with KPI:s that is presented in the board report each quarter. The KPI:s that we measure and follow up is within the areas: Governance, Health and wellbeing of staff, Community program and Use of office material.

Implementation

The local working groups are initiatives that bring sustainability and the focus on environment to an everyday practical level. In some offices employees are partaking in recycling schemes concerning toners, paper and other consumables and the promotion of this continues within the KGH Group. A program to install a double computer screen system has been initiated in order to reduce the number of printed documents.

Measurement of Outcomes

KGH conducts a confidential employee satisfaction survey which addresses areas related to environment. The survey results are communicated transparently and potential improvement suggestions are discussed with the trade unions and at senior management level prior to implementation. The internal auditors and controllers continue to monitor key performance indexes related to environment such as paper consumption and energy consumption and the results are addressed on management as well as on employee level. Human Resources monitor and follow up sickness absence on a monthly basis and as a part of that process seek to identify any correlations to environment that can be addressed. During 2015 no such correlations have been identified. We have also conducted with an amount to save the rain forest in several countries around the globe.

Anti Corruption

Assessment, Policy and Goals

KGH actively supports the UN Convention Against Corruption and will not participate in any corruption, bribery or extortion. The Policy of Business Ethics as well as the Entertainment and Sponsor Policies are tools in place to further advance transparency and the zero tolerance on bribery, extortion and corruption. KGH actively cooperates with Customs Agencies in countries of operation and implements a Customs Policy guiding the interaction between KGH Customs and the Clients in order to fight crime and corrupt behavior. KGH actively cooperates with Customs Agencies using MoUs in countries where this is possible. The MoU guides the interaction between KGH, Customs and the Clients in order to fight crime and corrupt behavior. KGH did sign a MoU with the Norwegian Customs authorities to cover the Norwegian market place. KGH have in 2015 included an e-learning about Anti Bribery & Corruption in the ordinary package for all new employees in the KGH Group.

Implementation

The policies on ethics and related Anti-Corruption have together with other policies related to the UN Global Compact principles been made part of the welcoming package to new employees that they need to read and sign off as having read. External consultants that are to work with KGH have during the year been presented with a welcome package including our stand and measures on Anti-Corruption. The e-learning about Anti Bribery & Corruption will be mandatory for all new employees to prevent any undesired or even criminal behavior. As we are within the Customs area it is also important for us to be approved as an Authorized Economic Operator (AEO) and we have during 2015 received AEO-certificates in Belgium, France, Italy, Czech Republic.

Measurement of Outcomes

KGH uses the Internal Auditors and Controllers to identify any spurious payments that could be related to bribery or corrupt behavior. KGH Group has not been involved in any legal cases, rulings or other events related to corruption and bribery.