

# Code of Conduct

KGH Group 2018

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*KGH facilitates trade.* That is why we exist and what we have been doing for more than 50 years. We are the leading provider of Trade and Customs management in Europe with a global reach. We offer and deliver innovative strategy and compliance, operations and digital services ensuring optimised trade and customs management.

For our customers, i.e. traders, logistics providers and governments, we combine our services into value created solutions. We create value through improved trade facilitation, compliance and risk management, duty optimisation and operational efficiency.

Our success is based on trustworthiness. Being trustworthy to our customers and to the customs authorities day after day, week after week and year after year requires the highest standard of quality in our processes and that we as KGH professionals acts ethically and with integrity all the time. Trust takes time to earn, but could be instantly lost.

KGH is fully committed to our Code of Conduct. We expect our employees, as well as contractors working for us, to be well informed of the requirements set out herein, and to make this Code of Conduct the standard. For us this is crucial in continuing serving our 15.000 recurring customers.

If any local regulations include requirements beyond those set out in this Code of Conduct, then the local regulations must be observed.

By acting according to our core values and this Code of Conduct we will continue building our trustworthiness.

Yours Sincerely



Lars Börjesson

CEO, KGH Group

## 1 Introduction

Our Code of Conduct is an integrated part of our formal governance at KGH Customs Services. The Code of Conduct defines the core principles and ethical standards that provide the foundation of our corporate culture and form the basis of how we create value in our company. Such principles applies to how KGH Customs Services and its subsidiaries perform and manage policies, standards and procedures internally.

Our Code of Conduct influences how we think about our actions and guides what we should and should not do. It is fundamental to the way we do business and the way we create value for our customers, investors, staff and anyone else benefiting from the services we perform. Every employee is expected to understand how this Code of Conduct influences their daily work and to adhere to the applicable policies, standards and procedures.

KGH's Code of Conduct applies to members of the Board of directors, managers and all other employees.

KGH have developed a set of key performance indicators (KPIs) to monitor and report internally on our key environmental and social impacts. These KPI`s are reported on a regular basis, allowing us to monitor and report our progress in managing and addressing these key impacts.

KGH Customs Services is a signatory to the [United Nations Global Compact](#), and supports the [Ten Principles](#) it sets out in the areas of Human Rights, Labour, Environment and Anti-Corruption.

KGH is reviewing this Code of Conduct every year.

## **2 The KGH community**

### **2.1 Health and safety**

KGH is committed to protecting the health, safety and security of each employee. Potential risks shall be identified, mitigated and monitored to prevent accidents and occupational diseases.

Each employee is, in cooperation with management, responsible for maintaining a safe and healthy workplace by ensuring that KGH's health and safety rules and practices are followed. All accidents, unsafe practices and unsafe conditions shall be reported to management or the local HR representative.

### **2.2 Employee engagement, health and wellbeing**

Employees are encouraged to engage in their own health and wellness.

KGH conducts every year a confidential employee engagement survey, called WE@KGH. The results are communicated transparently and potential improvements are suggested, prioritised and implemented. In addition, each manager initiates conversations to provide and receive feedback to and from employees for workplace improvements.

KGH has an objective to be a top company concerning employee engagement.

KGH supports and encourage employees to participate in external charity activities.

### **2.3 Human rights and diversity**

We shall respect the personal dignity, privacy and rights of each individual we interact with during the course of our work and shall not in any way cause or contribute to the violation or circumvention of human rights.

KGH actively supports the Universal Declaration of Human Rights, and is committed to ensuring that all our employees are treated fairly and with respect.

KGH supports and promotes equal opportunities for all employees to ensure decent and productive work under conditions of freedom, equity, security and dignity. No direct or indirect discrimination shall be tolerated in any KGH environment.

## **3 KGH Responsibility**

### **3.1 Environment**

Our environment is facing significant challenges, and KGH is committed to take responsibility and operate as a sustainable company. KGH shall comply with all relevant local and international environmental standards and strive to continuously improve our environmental performance, through the implementation of new ideas and environmentally friendly technologies.

KGH is also ready to extend our responsibility by actively engage in making international trade more sustainable.

### **3.2 Fair and honest dealings with customers**

We are committed to treating our customers with respect and understanding, and we strive to fulfil the needs of our customers in the best way, while complying with all relevant laws, regulations and KGH's policies, standards and procedures.

KGH's ambition is to deliver 100 % quality, and we aim to ensure that any complaints from customers are resolved quickly and fairly, and are recorded appropriately.

All KGH employees have a responsibility to keep all information about our customers and customers' business with strict confidentiality.

### **3.3 Corruption, money laundering and bribery**

Corruption and bribery is unethical, immoral and distorts competition.

In compliance with KGH ethical standards, no employee shall ever offer, give, ask for, accept or receive any form of bribe. There can sometimes be a thin line between corruption and gifts given for business courtesy. If in doubt, our employees shall always consult the line manager, or report to our whistle-blower function. All KGH employees are required to comply with KGH ethical standards on corruption and bribery, together with United Nations Global Compact principles. All new employees are made aware of these when they join the company and have to sign and conduct an e-Learning to confirm that they have read, understood and will comply with our procedures.

We will, to the best of our knowledge, only conduct business with suppliers and customers who follow the same ethical standards.

If we detect any form of illegal activities within our business, immediate actions will be taken.

### **3.4 International laws**

KGH is by definition involved in international business, which means that we are bound by both local and international laws and regulations. This requires our employees to be highly competent, and have an understanding of local customs, norms and regulations in each country. Employees need to adhere to local laws and regulations as well as to the requirements set out in this Code of Conduct, and shall adhere to the highest standards set between the two of them.

## **4 KGH Assets**

### **4.1 Internal control and audits**

Internal controls are essential for ensuring that KGH carries out its day-to-day operations effectively, and achieves its business strategy and goals. These are particularly important when the potential risk is high to our operations, and it may be necessary to consider additional levels of controls and monitoring.

Internal audits are performed to test the effectiveness of these controls. Our internal audit programme is therefore a vital tool for providing management with feedback on the effectiveness of our internal controls, whether we are managing our risks properly and continuously strive to improve our business.

Internal audits are the responsibility of our local compliance organisations, whilst it is the responsibility of all employees to follow defined processes.

### **4.2 Responsibility with personal data and privacy**

We are committed to maintaining the privacy of our employees and contractual partners and treat all personal data in strict confidentiality.

KGH shall only collect, process, and store personal data for legitimate business purposes and keep such data no longer than necessary for the purposes for which it was collected. The legal norms that are in force for the protection of personal data must be strictly upheld.

### **4.3 Learning and personal development**

Investing in learning and personal development are two key factors of success in our business. Our employees have the opportunity to develop along with the company on an ongoing basis. We have a professional growth process based on generic as well as behavioral and functional competencies. We have developed a four-step career model for our employees in operations, which is under implementation throughout the organization.

In addition, there is an annual appraisal process for employees, which allows the manager, as well as the employee to evaluate performance and to discuss development plans for the coming year.

### **4.4 Conflict of interests**

Conflicts of interest shall, wherever possible, be avoided. KGH shall never take part in, or attempt to influence, a decision or settlement if there is a conflict of interest, or if other circumstances exist which could give grounds to question our impartiality. This also applies to private interests and activities.

### **4.5 Confidentiality**

Given the nature of our work, we are often entrusted with valuable information that needs to be kept confidential. Confidentiality is therefore considered as a key priority within our business, and it is each employee's duty to ensure that all information is handled in accordance with KGH's policies, standards and procedures.

#### **4.6 KGH property**

Employees shall treat all property belonging to KGH with due care and respect. When using IT resources and equipment, security requirements provided by the IT Department shall always be followed.

#### **4.7 Community support**

KGH Compliance Foundation has been established to support global disaster relief efforts, other humanitarian charity or aid to protect people in need. Each year, an annual budget is allocated to the foundation for providing free customs declarations, free advice, or other support for disaster relief aid during major humanitarian crises. Any remaining budget not used during the year can be donated towards disaster relief or transferred to next year's budget.

In 2017, KGH have supported UNICEF, the international charity that works to protect and nurture children around the world. During 2017, we also collaborated with our customers to support UNICEF.