

General.....	1
Statement of continued support.....	2
Organisational Profile.....	4
Our vision for Social Responsibility	5
Our definition of CSR	5
General considerations on risks in the travel industry.....	6
People.....	8
Planet.....	17
Profit.....	21
The Prospect for 2013 on all three bottom lines	22

General

This Communication Of Progress (COP) covers Albatros Travel products and the Copenhagen Headquarters for the year 2012 (December 2011 – December 2012).

It is the first COP and CSR report from Albatros Travel A/S. The next report will be published in December 2013

Questions regarding the content of the report should be addressed to:

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CSR Manager

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Statement of continued support

I am pleased to confirm that Albatros Travel continues to support and implement the ten principles of the UN Global Compact covering human rights, including core labour rights, the environment and anti-corruption. With this COP we show how we integrate the ten principles in our strategies, policies and daily practices and disclose some of our goals for advancing the global principles.

Our first year as a UN Global Compact signatory has been exploratory and educational. Although Albatros Travel has always prioritised acting responsibly we never structured or formalized our work; our responsibility remained informal. Working structured and strategically with CSR applying international principles for sustainable development to all three bottom lines is now a long-term commitment.

We learned that training on all levels is essential to progress. In 2012 the chairman of the board, the executive management and the CSR manager participated in a training program on strategic CSR by consulting specialists from GLOBAL CSR. The knowledge from this program is disseminated throughout our organization by our CSR workgroup, with representatives from all departments. Thus, 2012 was a year of capacity and strategy development and we are looking forward to 2013, where we will communicate publicly and demonstrate concrete actions.

Albatros Travel arranges package tours with tour leaders. Our primary opportunity relates to disseminating knowledge and awareness about culture-differences and the environment to our guests. We chose as our strategic focus to contribute to the dissemination of knowledge and awareness promoting peace and mutual appreciation. Our tour leaders will play a key role in executing the strategy. We already have knowledgeable and experienced tour leaders, but we will strengthen our sustainability performance further by training in human rights and other sustainability related topics specific to the destination. The focus on education reaches beyond our own organization and also directs any philanthropic projects, such as the establishment of sustainable customer donation projects.

At the compliance level we will establish due diligence processes on all three bottom lines enabling us to identify, prevent and mitigate any adverse impacts on the core principles for human rights, the environment and anti-corruption.

We have identified our greatest environmental adverse impact to be the carbon footprint of our products. It appears that macroeconomic trends lead to the steady rise of fuel prices, providing our suppliers, airlines and bus companies, with an economic incentive to reduce fuel consumption. We cannot produce travel products without a significant carbon footprint with the technology available, but we strive to reduce our carbon footprint wherever possible. We started conducting lifecycle analysis on our products in order to identify where we can make the greatest difference.

Our main challenge in the coming year is the effective integration of CSR in our whole organization and in the relationships to our substantial supply chains. Although eco-tourism has been known and practiced for many years, working strategically and holistically with sustainability on all three bottom lines is new to the travel industry. In particular we will have a challenge in encouraging suppliers to work with sustainability and guiding them in effectively implementing the UN Guiding Principles. However, as the first travel company to integrate both the UN Global Compact's principles and the UN Guiding Principles, it is our goal demonstrate leadership and share best practice examples with our business relations in order to contribute

to the general level of sustainability in the travel industry. Promoting the integration of responsibility in our supply chain is essential, if we are to make a positive difference all the way to our destinations, where many adverse impacts may be identified.

This year's COP covers only our Copenhagen headquarters. We are in the initial phase of formalising our work with sustainability and still need to integrate our foreign offices in the process. The Copenhagen office comprises about three quarters of our entire staff and produces almost all of our products and thus the greater part of our organization is covered in this report.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Ariel Zlotnik', with a stylized flourish at the end.

Ariel Zlotnik
CEO
Albatros Travel A/S
Tøndergade 16
1752 Copenhagen V
Denmark

Organisational Profile

Albatros Travel A/S was established in 1986 by Søren Rasmussen, now chairman of the board. We provide travel packages for private consumers primarily travelling out of the Danish, Swedish and Norwegian markets. The customers travel mainly in groups of 20-50 persons and are accompanied by a tour guide.

All Scandinavian business is conducted from the company's headquarters in Copenhagen. In addition, small subsidiaries have been established in Germany, India, China, Greenland, Kenya, Tanzania, Namibia and South Africa to handle local requirements.

The company is headed by the Board of Directors, including the main shareholder of the Company. Referring to the Board of Directors is a group of executives who head the various departments of the company.

Main divisions in Copenhagen

Our headquarters is divided into departments, each of which with specialised work functions in relation to the types of tours. Within the different work areas there is a person with in-depth knowledge on the specific area. This ensures that our customers are being served with the best expertise available in the field.

Sales: Handling all requests from customers / sales to customers

Production / Handling: Responsible for setting up the individual group tours and general cooperation with suppliers (mainly flight companies and hotels on destinations)

Marketing: Production of adverts for newspapers and web pages

Finance / IT: Handling finance, insurance and IT

CSR: Handling positive and negative impacts on social, environmental and economic sustainable development and CSR integration in the full organisation

Employees:

We currently employ 156 persons in our office in Copenhagen. In addition, we engage approximately 500 freelance tour leaders with Danish, Swedish and Norwegian backgrounds, who work with the local tour operators at the travel destinations

Scale of the organisation

On an annual basis we handle app. 1,000 tours serving more than 35,000 travellers annually, with net sales of approximately 650 million Danish Kroner (DKK).

Equity as per the official annual accounts amounts to DKK 56.4 million. Total balance amounts to DKK 310.5 million.

Our vision for Social Responsibility

A Travel Company with Conscience, Care and Courage

Albatros values and respects the dignity of the individual and strives to preserve the world's cultural and environmental diversity.

It is our ambition to be industry leaders in this respect and we set high standards for ourselves and our business partners in social, environmental and economic sustainability in line with UN principles for social responsibility.

We want to be an inspiration to others and demonstrate how we operate responsibly as a profitable business.

By prioritizing social responsibility we seek to attract the best employees and give our customers the opportunity to travel responsibly.

Our definition of CSR

CSR is how we make sure that
we are not a barrier,
but contribute positively, to
social,
environmental and
economic
sustainable development

General considerations on risks in the travel industry

The following is some general sector and context risks extracted from the publication *Putting Tourism to Rights*, published by Tourism Concern in 2009. The publication relates sector specific human rights risks and is a valuable tool for identifying sector specific human rights risks of causing adverse human rights impacts. With the UN Guiding Principles from 2011 our identification of adverse impacts can become even sharper in relation to specific rights impacted basing our tools on the international covenants and not the Universal Declaration only. From the analysis following general sector risks were identified.

Sector risks

Locals are the most affected

The human rights issues in the tourism industry often relate to the local populace at the destinations. The locals affected by tourism, especially in developing countries, are those who have the low income jobs in the tourism related businesses and those who have no direct connection to the industry, but whose daily life is somehow negatively impacted by tourism.

A prime example of a low income job with little social security and with additional potential health hazards is the job of porter. Every year there are reports of injuries and even fatalities among porters on Kilimanjaro and other places due to altitude sickness or lack of proper clothing. Examples of adverse impacts on local people's human rights not directly connected with tourism are lack of access to beaches, parks or heritage sites because of hotel fencing, or high admission fees, or a lack of access to water because of excessive water consumption by hotels or golf courses. Herein lie potential adverse impacts of locals' freedom of movement and access to water.

Child labour

Child labour and the sexual abuse of children is a long-standing issue in the tourism industry and is still a negative human rights impact from the industry despite great efforts from ECPAT and others. However, since Albatros Travel only sells group tours with a tour leader, the sexual abuse of children is not a risk directly linked with our products. Child labour on the other hand will always be a risk in the tourism sector because there are so many low wage seasonal jobs in tourism.

Customer safety

Accidents occurring while travelling are a possible adverse impact on the health of our guests. Travelling always involves the risk of accidents, especially in less developed countries with poor infrastructure and lax traffic regulations. Albatros demands high safety standards from suppliers however safety regulations are not always abided by and thus need our constant awareness.

These sector risks deserve extra focus in our identification of possible adverse impacts but should not overshadow our general attention to all human rights as stated in the International Bill of Human Rights.

Context risks

Due to our numerous countries of operation, many of which are developing countries, and our visits to sensitive natural areas and cultural heritage sites a heightened awareness of adverse impacts is needed.

Some of our most popular destinations are countries with relatively low levels of law enforcement/abidance and high levels of corruption. Some have not endorsed international conventions on human rights and work, while others have done so but fail to live up to their responsibility of enforcing these. Operating in such relatively unregulated contexts increases our responsibility to establish thorough human rights due diligence processes which effectively identify any negative impacts.

We try to create unique new tours to as yet unexplored corners of the world, places which may indigenous populations who can be a tourist attraction themselves or who may inhabit beautiful and isolated natural spots that are also attractive as tourism destinations. If visits to indigenous peoples are not conducted with the peoples' written free and prior consent there is a risk of negatively impacting their right to privacy. Moreover visits to their traditional living areas and the establishment of tourism businesses on these peoples' territories are a potential adverse impact on their right to property and culture.

People

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: ensure that they are not complicit in human rights abuses.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

Policy commitment

Albatros Travel is in the early phase of the implementation of the UNGC principles and our aligning with the UN Guiding Principles on Business and Human Rights (UNGP). We have completed our first human rights impact assessment, formulated our CSR strategy and we are now in the process of formulating our human rights policy.

Our policy commitment to respect the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights of Work is being formulated by the CSR manager in dialogue with the executive management and guidance from GLOBAL CSR. Our policy commitment to respect human rights will be finished early 2013.

Our policy commitment will stipulate our human rights expectations of our personnel and business relations and will be made publicly available on our website and referenced in our business contracts. The policy will be formulated as a general CSR policy and include environmental and anti-corruption commitments.

We are currently in the process of aligning the policy requirements from the Guiding Principles with our current operational policies and workflow descriptions

Our human rights goals		
	Compliance	Beyond compliance
Internal	Not posing a barrier to the enjoyment of human rights	Contribute to the right to education that strengthens respect for human rights and promotes tolerance
External	Making sure our business relations do not pose a barrier to human rights	Contribute to the right to freely participate in the cultural life of the community

Striving to not pose a barrier to the enjoyment of human rights

Our effort not to pose a barrier to the enjoyment of human rights consists of our aligning with the UNGP. We have taken the first steps by completing a human rights self assessment, and by starting the staff capacity building. We already have the basic setup for an operational level grievance mechanism and the CSR manager has seen an increase in the feedback on possible negative impacts on human rights from the departments that have been trained in the UNGP. With the completion of our human rights policy commitment early 2013, continued staff education including tour leader training and more direct communication with our clients we will most probably receive more feedback on our possible adverse human rights impacts

Contributing positively to the enjoyment of human rights

Our internal focus beyond compliance

We focus on training and creating awareness for several reasons

- Implementing the Guiding Principles takes a lot of capacity building, in our offices and among our freelance tour leaders, our business relations and our customers.
- It is a great strength of our products that we can strengthen our customers' knowledge of other cultures and contribute to an understanding which promotes tolerance.
- We select our tour leaders carefully and make sure they have an extensive knowledge of the countries they operate in. It is our ambition to train them further in human rights and cultural understanding and this way keep increasing the strength of our products, namely their contribution to intercultural respect and understanding.
- It is a priority for our guest. Our customer web survey panel consisting of about 600 customers and non-customers have given a high rating to our duty to enlighten them on human rights and cultural understanding when asked to choose between relevant focus areas for Albatros's CSR.

Our external focus beyond compliance

Is the right to freely participate in the cultural life of the community. Since facilitating our guests' access to and knowledge about other peoples' cultural life is an important part of our products. Responsible tourism creates the opportunity for indigenous peoples to continue their traditional lifestyles in relatively remote areas with only little adaptation to modern economy and culture. However visiting indigenous communities without their free prior and informed consent and continued dialogue can be an adverse impact on their human rights and create rapid unwanted change. In similar ways visiting places of cultural significance to local peoples can create adverse impacts. We have chosen to make this risk into a long term strategic focus and will strive to enhance our dialogue with local peoples in order to help develop sustainable ways to conduct such visits.

Human Rights Goals 2013				
	Compliance	Time	Beyond	Time
Internally	Formulating and publicising our human rights policy commitment and communicating it internally and externally	Q1	Initiating international trainee program	Q2
	Formulating and communicating action plans for the integration of UNGP in relevant organizational functions	Q1	Pilot on gaining free prior and informed consent from and maintaining dialogue with indigenous populations before establishing visits	Q3
	Tour leader training on human rights policy and human rights feedback	Q2		
	Adding human rights assessment questions on our evaluation questionnaires for customers	Q2		
	Adding human rights assessment questions on our evaluation questionnaires for tour leaders	Q2		
	Initiating our Kenya office with the implementation of the UNGP	Q3		
	Training relevant staff in their functions related to the Guiding Principles	Q4		
Externally	Pilot on the implementation of UNGP with selected suppliers	Q3	Search for relevant third parties in destinations representing local vulnerable groups	ongoing

Human Rights due Diligence Processes

Fig.1 and 2 show the current organizational structure of our due diligence processes

Fig.1 internal grievances

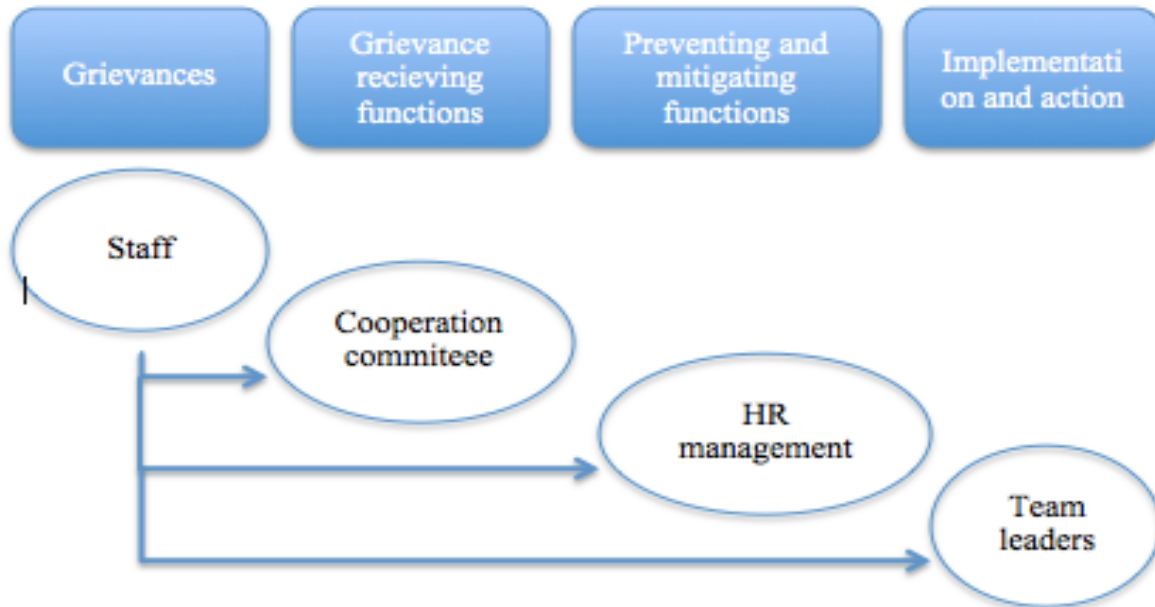
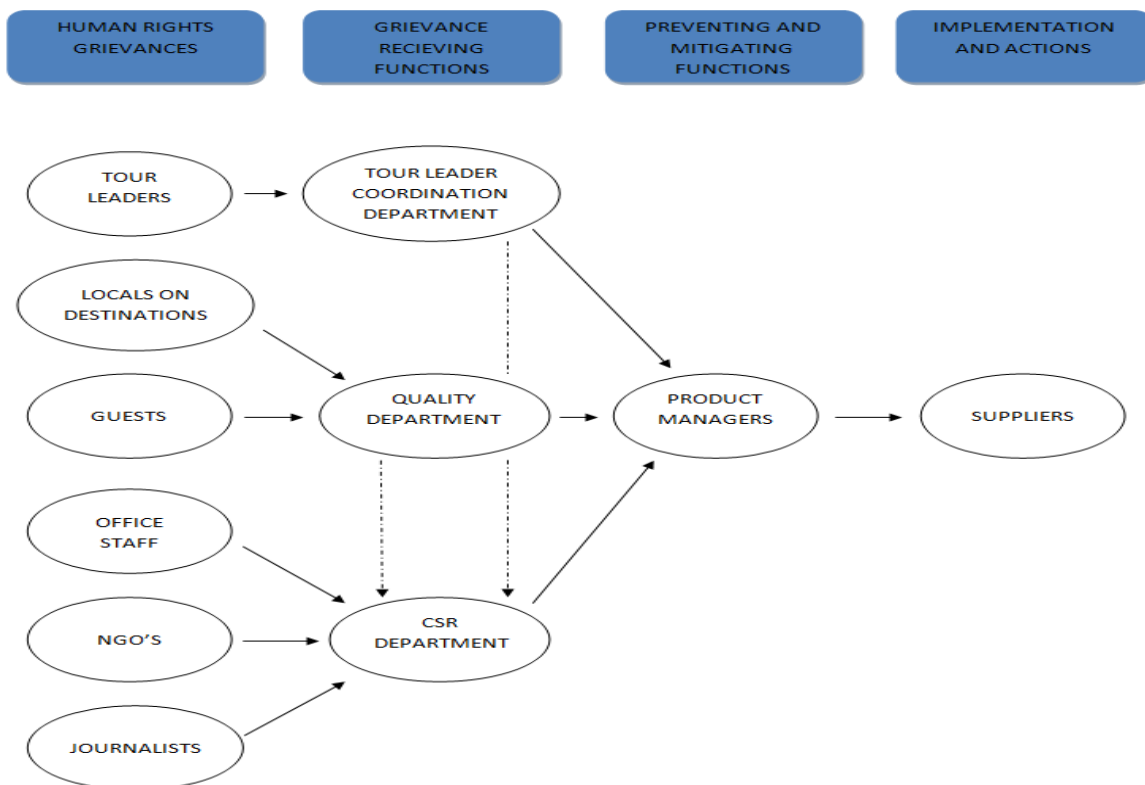


Fig.2 grievances related to products



An example of our current preventative procedure on the basis of an identified adverse human rights impact

A tour leader mails us to say that a bus driver in South Africa didn't have proper accommodation for the night while driving for one of our groups. The tour leader had helped out by letting the driver sleep in the extra bed in his hotel room.

The CSR manager received the tour leader's mail from the quality department, which receives all complaints. Before the CSR manager could take action, the product manager had been on the phone with the local supplier where he learned that the bus driver had received money for his accommodation but chosen to save it and sleep in the bus.

Education and training

In order to raise awareness in the company in general and to build capacity for identifying adverse impacts on human rights we have taken the following initiatives

- All employees have participated in a CSR orientation with the aim of raising awareness of Albatros Travel's ambitions and means of working with CSR.
- We have established a CSR work group with representatives from all teams in the Copenhagen office. The sixteen members represent all functions in our value chain including two representatives from the executive management. The work group members have received further education in the UN Global Compact and the Guiding Principles in order to make them capable of functioning as CSR ambassadors in their teams. They now make sure that the job functions and knowledge of their teams are included in strategic CSR decisions and planning, and that decisions and knowledge from the CSR department is communicated and understood in their respective teams.
- The chairman of the board, CSR manager and executive management have all participated in a five months of CSR training undertaken by GLOBAL CSR. The training includes an introduction to the UNGC, UNGP, feedback on human rights self assessment, CSR vision and strategy as well as policy and communication.

Supply Chain Management

Our production team, which handles the supplier contacts, has received a basic supply chain management (SCM) introduction in accordance with the UNGP. This new model of SCM was received with some scepticism as it was conceived as being too academic and with too little actual control over what suppliers actually do beyond what they write in their Accounting Report. It is still our belief, however, that this model of SCM will gain momentum as more companies start using it.

Identification

Our executive management and board of directors consist of men only. Since this may have adverse impacts on gender equality and equal job opportunities it is an area of concern to us. In 2012 we have seen an increase in the representation of women in middle management (now 50%) and from January 2013 our head of human resources is made executive thereby increasing female representation in top management as well.

We have started developing country risk assessments on general and sector specific risks on all three bottom lines. These assessments help us prioritize our due diligence focus. As an example we consider Myanmar an area with increased risk of contributing to adverse impacts on human rights due to lack of

human rights compliance on the governmental level. Therefore we have a heightened focus on the identification of adverse impacts when conducting business here.

Reaching all the way to the destinations

In order to make our identification process reach all the way to those most likely to be adversely affected, namely the people living at our travel destinations, we have to consider new engagement opportunities. This can possibly be done through NGO partnerships or an annual hearing of interest groups representing vulnerable groups in our destinations. Furthermore we are planning a pilot in exploring free, prior and informed consultation of and possibly consent from indigenous peoples before visiting their communities and maintaining dialogue on the form and frequency of visits. It is our hope that this pilot will give us valuable experience on tourism where vulnerable groups live that we can share with others in the business.

Customer Survey

In 2012 we asked our survey panel consisting of roughly 600 private customers and non-customers about what they found to be the most important CSR issues for Albatros Travel and whether they would pay for it, if heightening the level of responsibility meant a minor increase in prices.

- 232 answered the question of whether they would pay more for their vacation if it was more responsible. 50 percent answered that they found CSR important and 45 percent that they would pay more for a travel product with a strong CSR profile.
- On the question of what focus areas they found most important (with a choice between six different focus areas) they ranked the working conditions within Albatros Travel and with our suppliers highest. The second highest rating was given to cooperating with suppliers to decrease water consumption and waste production. Third place was given to our role in enlightening travellers on the social, environmental and economical conditions at our destination.
- 148 answered the question on what initiatives they would prioritize at our destinations. They gave the highest scores to the protection of animals and nature, and maximizing income for local peoples.

We have used the feedback from our guests in our process of developing our strategic CSR focus.

Preventing adverse human rights impacts

At the office

A stress reduction work group consisting of employee representatives has recently developed a wellbeing policy with the of reducing work related stress through among other things target-mapping staff competencies, streamlining work processes and management, improving inclusion, employee development and communication

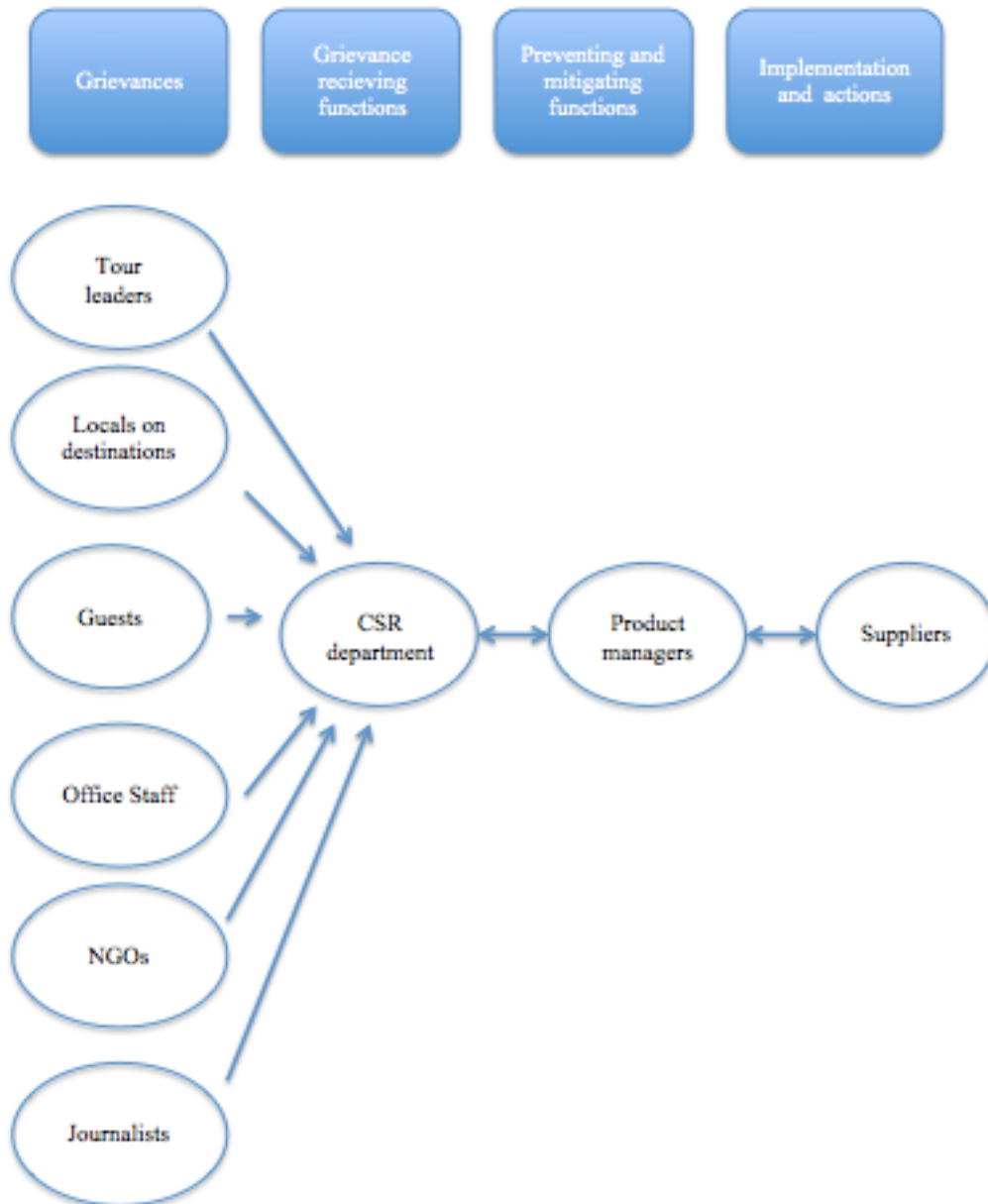
Furthermore we have an existing cooperation committee which handles staff grievances. Fig. 1 above shows our internal grievance function.

Allocating responsibility

In 2013 we will formally allocate staff responsibilities in our due diligence process through training and writing responsibilities into job descriptions. As shown in fig. 1 the information flow of adverse human rights impacts identified by guests and tour leaders currently flows through both the quality department and tour leader coordination, who because of their basic due diligence training now redirect it to the CSR manager. It is our plan however to add specific CSR questions to the electronic evaluation formulas that

tour leaders and guests fill out after each trip and send the answers from these questions directly to the CSR manager who then directs them to the proper functions in the organization. This way the CSR manager will get a better overview of adverse impacts in all three bottom lines and will be able to initiate and track preventative as well as mitigating actions. Fig. 3 shows this proposed organizational setup.

Fig. 3 Grievance receiving and allocation of responsibilities



Mitigation

Any adverse impact uncovered should immediately be stopped and prevented from happening again. How we react to an adverse impact will depend on its severity and its probability of occurring again, and whether a particularly vulnerable group is affected. We will be able to solve most cases by contacting our supplier and asking for a change of an inappropriate procedure.

The identified adverse impact will most often be identified by guests or tour leaders and reported to the CSR manager who then contacts the product manager to take action through the supply chain. We believe we will get the best results from letting the product managers who have the daily contact with the suppliers be the key implementing agents of mitigation throughout the supply chain.

As the work with our due diligence process develops we will gain experience with proper mitigation processes and learn to balance our responses in accordance with the guiding principles.

Formal prevention and mitigation procedures we already have in place are:

- Emergency contingency plan - in case an accident involving clients of Albatros Travel occurs, the company has an emergency contingency plan in place. The contingency plan delegates responsibilities between staff for dealing with the emergency situation in the best way.
- We have a 24-hour emergency phone service for our tour leaders. Should an emergency situation arise on one of our tours, tour leaders can always get hold of the Copenhagen office where our experienced staff provides support.

Accounting

As mentioned above it is our goal to let all adverse impact reporting go through the CSR manager in order for him to identify trends and patterns in adverse impacts, initiate preventative and mitigating actions and to track their effectiveness. Internally, the human resources department takes care of the function of collecting and reporting all accidents and staff grievances, identifying trends and initiating mitigating actions.

When specific adverse impact correcting actions are initiated an appropriate indicator will be developed which addresses the cause of the adverse impacts. This will be done in order to follow the effectiveness of our response. Wherever possible, affected stakeholders will be heard.

We will make this tracking available to relevant stakeholders in a form and frequency appropriate for its purpose as described in Guiding Principle 21.

KPI's for tracking the effectiveness of our Identification Process	
Hours of CSR training per employee	1,7
Number of potential adverse impacts on human rights identified by customers in 2012	4
Number of potential adverse impacts on human rights identified by tour leaders in 2012	3
Number of new products screened for potential adverse impacts on human rights per number of new products	0

KPI's for tracking the effectiveness of our prevention and mitigation processes	
Employee turnover	4,6%
Overall gender distribution	Female 62% Male 38%
Management gender distribution	Female 24% Male 76%
Staff satisfied with further training options	68%
Sick days per employee	5,8
Number of prevention and mitigation initiatives established on the basis of identified adverse human rights impacts	4*

*As no trends were identified in any of the identified adverse human rights impacts only informal inquiries were made to suppliers in order to make sure the adverse impact would not occur again. The remaining three identified potential adverse impacts we did not consider serious enough to take action unless they would occur again.

KPI for measuring the degree of implementation of UNGP	
Number of employee job descriptions with specific human rights due diligence functions	1/156
Number of offices with due diligence process in place per number of offices globally	0/7

Processes for remediation

Should we cause an adverse impact to occur directly through our business we will provide a timely and effective remedy and give the affected stakeholder direct access to our CSR Manager in order to establish and maintain a close dialogue with the affected stakeholder which should prevent any adverse impacts reoccurring.

Planet

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Policy Commitment

As a service provider Albatros Travel has only a small direct environmental impact, but a more significant indirect footprint from our supply chains. We will be preparing our environmental identification process in the first quarter of 2013, and will be able to put some specific numbers on our CO² emissions, energy and water consumption. Our most significant environmental impacts are those from the use of flights and cruise ships. These are impacts we cause through our suppliers mainly. We are responsible for this impact because we choose to produce tours with flights and cruise ships, but we have very little opportunity to affect the environmental performance of these suppliers.

With this said, we do trust that our suppliers do their best to improve their environmental performance. Fuel is a growing financial burden, meaning that any reduction in its consumption leads to an improvement in both the environmental and financial bottom lines.

What we can more easily affect is the environmental performance of our offices and how our clients act while travelling with us. Thus our initial environmental efforts have been on improving environmental performance in offices and raising awareness with our customers to follow the towel saving guidance in hotels, use less plastic while travelling and to leave nothing but footprints in fragile environments. It is our goal however to improve our overall environmental performance by formalising the criteria for the environmental performance of our suppliers.

In 2013 we will measure our footprint, evaluate where we have the largest negative impact and the best opportunities for improvement, and from there, plan our actions accordingly. Our CSR policy, which includes our environmental commitments, will be published in the first quarter of 2013.

Our overall Environmental Goals		
	Compliance	Beyond compliance
Internal	Making sure we do not pose a barrier to sustainable environmental development	Contribute proactively to environmental diversity
External	Making sure our business relations do not pose a barrier to sustainable environmental development	Contribute proactively to environmental diversity

Specific Environmental Goals for 2013

	Compliance	Time	Beyond	Time
Internal	Formulate and communicate our environmental policy	Q1	Own energy consumption from sustainable energy sources	ongoing
	Identify our adverse environmental impacts	Q1		
	Plan prevention and improvements strategy	Q1		
	Environmental questions for tour leader and customer evaluation questionnaires	Q2		
External	Pilot on supplier demands with one selected 1 st tier suppliers	Q3	Planning of climate adaptation pilot project for local community at destination	Q1

Implementation

The due diligence processes described under “People” covers all three bottom lines and thus includes the identification, prevention and mitigation of adverse environmental impacts in offices and supply chains. We will integrate environmental parameters in our due diligence processes by asking tour leaders and guest to report any negative environmental impacts they encounter that are related to our products. This will be done primarily through the tour leader and customer electronic evaluation sheets

The CSR manager has the overall responsibility of handling this feedback, identifying trends, assessing the significance of the identified negative environmental impacts and initiating preventative and mitigating actions. As with adverse human rights impacts the product managers will be responsible for supply chain management.

Awareness raising and training

All employees have participated in an initial round of awareness making on potential negative environmental impacts and our goals to improve our environmental performance both in our offices and products. The CSR workgroup has been through further training and has taken part in the formulation of our environmental goals in our CSR vision.

Waste reduction initiatives

In our Copenhagen office we use only recycled paper for all purposes. Our brochures are printed on recycled paper, and we sort paper, cardboard, glass and aluminium from the conventional waste. This level of sorting is what the Copenhagen municipal waste infrastructure allows for at present.

Improving the energy efficiency

In our Copenhagen office we are striving to lower our energy consumption. We have:

- Replaced conventional light bulbs with energy saving ones and LED ones.
- Put a timer on our ventilation system to ensure it runs only during office hours.

Diffusion of environmentally friendly technologies

Albatros Travel is a Climate Partner with DONG Energy. This means that we buy all our electricity with RECS (Renewable Energy Certificate System) certification from Dong Energy’s wind turbines. In return DONG Energy has helped us with mapping our potential for saving energy in our Copenhagen office.

In 2012 we acquired our first electric car, which we use for our daily trips to embassies to collect visas for our guests and similar short errands in the city area. In this way we eliminate particle pollution in the city from these daily errands.

Raise awareness among suppliers

We have initiated our first pilot on the life cycle analysis of one of our best selling travel products. So far we have received positive feedback from our first tier supplier and mixed responses from the hotels in second tier. We are still awaiting feedback regarding environmental data from bus companies. The aim of the pilot is to develop an efficient and relatively simple tool for calculating carbon footprints from our products, which we can apply to all our products. Our largest obstacle at present is getting our sub suppliers to deliver the necessary data, since this is not common practice in our industry yet and it seems there is some reluctance in delivering the data necessary for us to calculate the carbon footprint of our products. We are currently considering qualitative follow up interviews with the suppliers to understand their hesitance and improve communication for future data collection.

Accounting

We are in the process of establishing our environmental management procedures and performance indicators, and we therefore we have only a little data to show so far. The KPI's shown below will be our general performance indicators. When specific adverse impacts are identified we will set up appropriate indicators to track the performance of our preventing and mitigating actions.

KPIs on environmental performance (own consumption)	
Energy consumption per employee	85kWh
Achieved energy reduction per employee in 2012	30%

KPIs on environmental performance (products)	
CO ² -footprint from products per traveller	NA
Water consumption pr traveller	NA
Number of people reached with climate adaptation initiative	0

KPIs on environmental due diligence process	
Number of negative environmental impacts identified by guests	4*
Number of negative environmental impacts identified by tour leaders	1*
Number of mitigation procedures established on the basis of identified negative environmental impacts	0
Number of new products screened for potential negative environmental impacts per number of new products	0

*The five identified adverse environmental impacts were all standalones and therefore we didn't find it necessary or appropriate to follow up on them.

Karen Blixen Camp – towards sustainable tourism

In 2007 Albatros Travel opened the Karen Blixen Camp in Masai Mara, Kenya, which developed more and more into a comprehensive sustainability project with focus both on environmental improvements, nature conservation and protection of wild animals, education and improvement of work conditions for the local employees.

Different environmental initiatives have been established in the camp. A large solar system now provides energy to the camp, all wastewater is cleaned to water the trees and waste from the camp is being sorted. To ensure better work conditions for the employees everyone is employed on permanent contracts until they wish to retire, everyone is ensured through national social- and health insurances and the camp pays 5% of the turnover to employees and ensures them access to low cost loans.

In respect to the local community surrounding the camp, the camp pays a tax per bed so each time a guests stays at the camp a tax is paid to the community. At the same time the camp supports the local Masai-women by selling their jewelry in the shop at the camp.

Besides from supporting the local community financially the camp has in 2012 started up two schools as a part of Danida's funding program, "Education for Life". A chef school and a forest school teaching the local people in sustainable foresting.

From the beginning of building the camp the overall purpose was to explore if it is was possible to build up a camp that could live up to today's modern standards and at the same time be close to 100 % responsible. By proving that sustainable economy was possible it was also a way of saying that it could be done in other places.

In 2012 Albatros Travel decided that the camp, the school project and the Masai Mara Conservancy had grown to a size where it took too much focus from our main business and therefore we sold the camp to a new investor.

Profit

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Policy Commitment

Albatros has identified no major adverse impacts on anti-corruption. However as a travel agent which provides services all over the world, we operate in countries where there are significant risks of unregistered workers, kickbacks, local ticket sharks and corrupt border police. Much of these relate to informal practices that are hard to change and require a long term industry initiative to do so.

As stated above, our CSR policy will cover all three bottom lines including anti-corruption. The publication of our CSR policy will be followed up by training of relevant staff in the enforcement of the policy. The primary target groups for this training are the product managers who handle the supply chains and our tour leaders, who may come up against corrupt institutions in the regulated countries.

Our Overall Goals on Economical Responsibility

	Compliance	Beyond compliance
Internal	Making sure we do not pose a barrier to sustainable economic development	Fair and legal tax payment
External	Making sure our business relations do not pose a barrier to sustainable economic development	Maximisation of economic profit for locals at destinations

Specific Goals on Economical Responsibility 2013

	Compliance	Time	Beyond	Time
Internal	Formulate and communicate anti-corruption policy	Q1		
	Formulate and communicate protocol to guide staff in situations where they are confronted with extortion or bribery	Q2		
	Establish whistle blower mechanism	Q3		
External	Communicate our anti-corruption policy to our business relations	Q2		

Implementation

We are able to show data on income and expenditure for the last six years upon request and maintain accurate books and records, available for inspection, which properly and fairly document all financial transactions. We do not maintain off-the-books accounts, and any contribution to bribery and corruption is unacceptable. Internal controls are in place in order to prevent this. Furthermore we do not offer or accept gifts, besides normal gifts related to anniversaries, birthdays etc. and will include this in our anti-corruption policy. We do not yet have a written policy on anti-corruption, but will develop one in the first quarter of 2013

Training and due diligence

To follow up on the publication of our anti-corruption policy we will conduct training for relevant employees on our anti-corruption policy, including how to react to adverse impacts on anti-corruption.

To enable continuous feedback of our anti-corruption performance we will implement anti-corruption in our due diligence processes. The goal is to enable staff, tour leaders, and business partners to direct complaints regarding adverse impacts on anti-corruption to us anonymously.

The responsibility for implementing the anti-corruption policy lies with the executive finance officer and the executive production officer, who is responsible for procurement and contracts.

Accounting

We are in the process of establishing our anti-corruption management procedures and performance indicators, and we therefore have only a little data to show so far. The KPI's shown below will be our general performance indicators. When specific adverse impacts are identified we will set up appropriate indicators to track the performance of our preventing and mitigating actions

KPIs on economic responsibility	
Percentage of employees trained in our anti-corruption policy	0
Number of reported adverse impacts on anti-corruption	0
Actions taken to mitigate adverse impacts on anti-corruption	0

The Prospect for 2013 on all three bottom lines

Summing up on the lessons we have learned through 2012 and the pledges we have made for 2013 in this report, 2013 will be the year where we:

- Build further capacity through staff training.
- Develop our action plans on all three bottom lines
- Engage our staff further through the alignment of daily practices with the UN Guiding Principles on business and human rights.
- Formalize our demands and expectations to employees and business partners
- Start communicating our work with CSR

We are looking forward to a year of action and to learn how our stakeholders will receive our CSR efforts.