

## **HUMAN RIGHTS**

The deugro group is committed to embodying the principals of the Universal Declaration of Human Rights and to influencing our business partners to do the same. Given the nature of our business, we know that in order to address human rights risk we must clearly communicate our values and standards to both our employees and business partners.

Based on this analysis, our commitment to human rights is included in the deugro group Ethics & Compliance Policy and published on our website for all stakeholders to read. Additionally, we have incorporated our commitment to respecting human rights into our Code of Ethics and Compliance (“CoEC”) for both employees and business partners. Our human rights policy drives the implementation actions that further our commitment to human rights.

In 2018, deugro group made human rights related online training available to all employees, directors, and business partners. The module, entitled Avoiding Trafficked Labor, focused on complying with trafficking-related statutes including the UK Modern Slavery Act and US FAR requirements. By making the online training available, deugro Group raised the visibility and importance of human rights to its primary stakeholders and taught them to recognize, communicate, and manage human trafficking risks. The online training was available in multiple languages in order to increase comprehension and impact. This online training is an effective, low-cost tool to spread a uniform and strong message to important stakeholders around the world.

In addition, deugro group is committed to supporting the UN Sustainable Development Goal (SDG) of achieving gender equality and empowering all women and girls. Not only is gender equality a fundamental human right, it is also a necessary foundation for a peaceful, prosperous and sustainable world. With a Women’s Representative appointed in nearly every deugro group branch, and a new commitment to continue developing a global women’s network to support inclusion and empowerment initiatives within the company and in the communities in which we operate.

### **Implementation**

deugro group has implemented a human rights policy to commit to the principals of the Universal Declaration of Human Rights and to influence our global business partners to do the same, by taking the following actions:

- deugro group included a commitment to respect human rights and the international standards of labour ethics as set forth by the United Nations Global Compact (UNGC) in both our employee and business partner Code of Ethics and Compliance (“CoEC”). The CoEC is acknowledged yearly by every employee and upon conclusion of the compliance due diligence process when on-boarding new business partners.
- Several reporting channels are available to employees and external stakeholders to raise red flags or report concerns. The Legal & Compliance department can be contacted directly via phone, email, social media, or by talking to a local ombudsperson called a Local Ethics Officer (“LEO”).
- Human rights topics have been included in compliance communication initiatives in order to raise awareness and sensitivity to this topic. This includes face-to-face and online training about the various commitments made in the CoEC and internal monthly updates.
- Online training is available to employees, directors and representatives focusing specifically on avoiding trafficked labour and how to manage human trafficking risks.
- A Women’s Representative is appointed in nearly every branch office in order to provide a secure whistleblowing channel to raise concerns relating to sexual harassment or discrimination.
- Building up the Women’s Representative network throughout deugro group is our goal for 2019.

## **Measurement**

All compliance related incidents raised through the reporting channels are tracked centrally by the Head of Global Legal & Compliance. Any alleged contravention of human rights is investigated and documented. There is a zero-tolerance policy for violations of the Code of Ethics and Compliance by employees. Such conduct will be met with disciplinary action up to, and including, termination of employment. Business partners will be audited and evaluated against our human rights policy. Any contravention will be investigated, documented, and the responsible partner will be placed on probation and given a timeframe to address and resolve the issue. Continued non-compliance will result in the partner relationship being terminated. Business partners may be subject to spot audits to ensure compliance with human rights guidelines.

## **LABOR**

deugro group upholds the labor principles as stated in The United National Global Compact (UNGC Principles). Forced labor, child labor, or a combination of both, together with employment discrimination is strictly forbidden. Included in the deugro group Code of Ethics and Compliance is a commitment to ensure freedom of association and recognize the right to collective bargaining, eliminate child labor, promote a fair and equitable workplace, and abide by all legal standards regulating healthy work environment and reasonable work day.

In addition, deugro group promotes the SDG to achieve inclusive and sustainable economic growth, full and productive employment and fair work for all. Job opportunities and decent working conditions are required for the entire working age population in order to achieve this goal. To that end, deugro group has committed to a zero-tolerance policy against age discrimination, promotes market access for developing countries, and promotes local employment and increased local management in countries in which we operate.

## **Implementation**

To reduce labor risks and to uphold the UNGC Principles on labor standards, deugro group has implemented various actions including:

- Including a commitment to respect labor standards and ethics as set forth by the UNGC in both our employee and business partner Code of Ethics and Compliance. The CoEC is acknowledged yearly by every employee and upon conclusion of the compliance due diligence process when on-boarding new business partners.
- Several reporting channels are available to employees and external stakeholders to raise red flags or report concerns. The Legal & Compliance department can be contacted by phone, email, social media, or by talking to a Local Ethics Officer.
- Labor topics have been included in compliance communication initiatives to raise awareness and sensitivity to this topic. This includes face-to-face and online training about the various commitments made in the CoEC, as well as internal monthly updates. An entire case study during management training is dedicated to promoting diversity and ensuring a safe, equitable, and secure work environment for all our employees.
- Increasing local content in emerging markets is a goal for 2019.

## **Measurement**

All compliance related incidents reported through the reporting channels are tracked centrally by the Head of Global Legal & Compliance. Any alleged contravention of labor policies is investigated and documented. There is a zero tolerance policy for violations of the Code of Ethics and Compliance by employees. Such conduct will be met with disciplinary action up to, and including, termination of employment. Business partners will be audited and evaluated against our labor standards. Any contravention will be investigated, documented, and the responsible partner will be placed on probation and given a timeframe to address and resolve the issue. Continued non-compliance will result in the partner relationship being terminated. Business partners may be subject to spot audits to ensure compliance with labor standards.

## **ENVIRONMENT**

deugro group is committed to protecting and preserving the environment, whether in our own location or in offsite locations where we provide services. deugro group understands that environmental protection and preservation are not merely limited to reducing our carbon footprint and implementing green programs. We must also be committed to environmental protection by working with our customers and subcontractors to identify all risks involved in providing services and implementing solutions to eliminate and/or reduce these risks.

It is our conviction that this can only be successfully accomplished if we are good custodians of the trust granted to us by our customers and of the surrounding environment. We aim to continually improve the quality of our services and strive towards our ultimate goals:

- ZERO environmental incidents; and
- Increased energy efficiency by investing in energy efficient products and services.

deugro group also promotes the SDG to conserve and sustainably use the oceans, seas and marine resources. Oceans and seas are vital conduits for trade and transportation, and careful management of these essential global resources is important for a sustainable future given that our global climate, food, and drinking water are regulated by the seas.

### **Implementation**

Branch managers and their deputy on work sites are the responsible process owners. The QHSES manager is responsible for collecting, investigating and reviewing data which may affect deugro group's site performance for environmental improvements on a regular basis.

#### **Environmental aspects:**

As a freight forwarder, deugro group operates offices and subcontracts the transport and warehousing process. The environmental aspects are typically focused on:

- Facilities (work environment, material usage);
- Logistic services (packaging, transportation, warehousing, waste disposal);
- Energy consumption (electricity, fuel, gas and oil); and
- Water consumption.

Identification of environmental aspects:

All sites must check the environmental aspects for applicability. If applicable, a risk assessment is carried out. Once a year, branch management reviews all relevant topics like energy consumption, emissions (to air, ground and water), equipment substances and hazardous goods, waste disposal, water consumption, and work environment for any changes or new aspects related to legislation.

Risk assessment of environmental aspects:

Based on the environmental impacts, the evaluation of aspects covers:

- the processes as intended
- the processes as not intended (disorder)
- the processes as not intended (worst case scenarios like fire, leakages...)

and results in a

- compliance check
- justification/feasibility check

- relevance check.

#### Environmental programs:

The most relevant environmental issues, which have passed the justification / feasibility check are targeted and monitored. Where possible the decisions are based on performance data like energy consumption, information and resources for investing in energy efficient products and services.

#### Environmental performance:

Performance data is collected by each deugro group branch (where applicable).

#### Occurrence Reporting:

deugro group has implemented a reporting system for occurrences including:

- Accidents
- Incidents
- Fatalities
- Near misses
- Nonconformities
- Spillages

After the reporting, deugro group conducts an investigation in order to identify the root cause of the occurrence. The outcome of the investigation could result in immediate, preventive and/or corrective actions, as well as dissemination of "lessons learned" to increase awareness and avoid recurrences.

#### **Measurement**

Environmental performance based on energy consumption (electricity, fuel, gas and oil), waste disposal and water consumption are measured and monitored in every deugro group branch by way of deugro group's monthly reporting system.

In addition to consumption, deugro group's monthly reporting system, the occurrence management system and the investigation of incidents will be analyzed. Once corrective measures have been identified, a so called "lessons learned" will be distributed to the group via deugro group's intranet (d.net) and via training sequences and/or audits in all locations. deugro group has three different categories of "lessons learned":

- Immediate actions
- Corrective actions
- Proactive actions

Specific actions are shared via:

- Safety Moments
- Safety Alerts
- Safety Directives
- Training Sequences
- Internal Audits

In the annual corporate management review deugro group evaluates the collected figures, consumption, incidents, reports and KPI's and set an action plan for the upcoming year.

#### **ANTI-CORRUPTION**

At deugro group, we are committed to conducting business lawfully, with integrity and with respect for all people. Together, these values comprise the foundation for the way we work, our reputation, and the trust of

our stakeholders. deugro group 's commitment to fostering a culture of ethics and integrity is lived top down from our owners, executive board, senior management, to all our employees worldwide.

This commitment is codified in the Ethics & Compliance Policy, the Code of Ethics and Compliance, and the Anti-Corruption Compliance Policy (“ACCP”) for employees and business partners. deugro group has a zero-tolerance approach to corruption. Any kind of bribery or facilitation payment is strictly forbidden.

We understand that our commitment to anti-corruption and working with integrity furthers the SDG to promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable institutions at all levels. According to the UN, corruption, bribery, theft and tax evasion cost some US\$1.26 trillion for developing countries per year.

### **Implementation**

To implement our commitment to conducting business lawfully, with integrity and with respect for all people and the law, deugro group has implemented a Compliance Management System (CMS) led by the Head of Global Legal & Compliance, reporting directly to the CEO.

Using a combination of effective governance and executive management oversight, a strong compliance program incorporating training, communications, and risk management, and on-going compliance monitoring, the CMS is designed to prevent, detect, and resolve any bribery and corruption related issues within the deugro group. A suite of compliance policies and procedures to support our commitment to working with the highest standards of business ethics have been established, including:

- D-POL-0007 deugro group Ethics & Compliance Policy
- D-POL-0010 Gifts & Hospitality Policy
- D-SYS-0013 Code of Ethics & Compliance
- D-SYS-0014 Anti-Corruption Compliance Policy
- D-SYS-0016 Compliance Risk Evaluation

The policies and procedures are announced and promoted on the intranet to raise awareness about compliance. Every deugro group employee completes a yearly commitment and acknowledgment form to abide by the Code and all associated policies.

Proper training for all levels of management and staff is essential to maintaining an effective CMS. deugro group has established a risk based, systematic training system which takes the individual risk classification of each employee into account, while combining it with the respective inherent country risk. Every employee at deugro group participates in e-learning and, depending on the risk analysis, additional face-to-face training. All senior managers within the company are trained in person by the Head of Legal & Compliance every two years at the Global Management Meeting. The LEOs are trained in person by the Head of Legal & Compliance every two years at Regional LEO Workshops.

The gifts and hospitality review process has been designed to address gaps that had been identified through on-going monitoring and review. The new framework provides thresholds regarding gifts and hospitality, which vary depending on the counterpart and limited to a number of occasions per year. Strict rules apply when working with public officials or representatives of state owned entities. The process applies to all branches and companies throughout deugro group, with the Compliance team serving as a controlling function.

To address corruption concerns related to business partners, all third parties are expected to adhere to the same strict standards as provided by deugro group's compliance program. Business partners are subject to designated policies for third parties, including the Code of Ethics and Compliance – Business Partners and the ACCP – Business Partners. All agents are vetted through a strict compliance due diligence process. In the coming year, deugro group plans to further improve its subcontractor management system.

deugro group understands the importance of having healthy and functioning communities in which it operates in order to ensure a sustainable business into the future. To that end, deugro group participates in various

collective action programs as a member of TRACE International and the Association of Corporate Counsel Compliance Committee.

The goal in 2019 is to complete the ISO 37001 certification process with external auditors. This initiative was started in 2018, with Stage One audits successfully completed.

### **Measurement**

Whistleblowing by employees or business partners is facilitated by providing access to various channels to raise their concerns. deugro group 's various whistleblowing channels include email, phone call, or by contacting the LEO, Deputy Compliance Officer, or Head of Legal & Compliance directly. Concerns can be raised by any internal or external party. A clear non-retaliation policy is in place.

All alleged occurrences are investigated, and all investigations are managed by the Head of Legal & Compliance. Each occurrence is classified according to a pre-defined standard and escalated internally and/or externally as required.

Investigations may result in disciplinary action including formal warnings, extra trainings, regular reporting, or termination of employment or business contracts, depending on the severity of the circumstance. Because of deugro group's zero tolerance policy, any potential violation of our compliance policies is addressed with utmost care and time-sensitive action. All cases are monitored and documented.