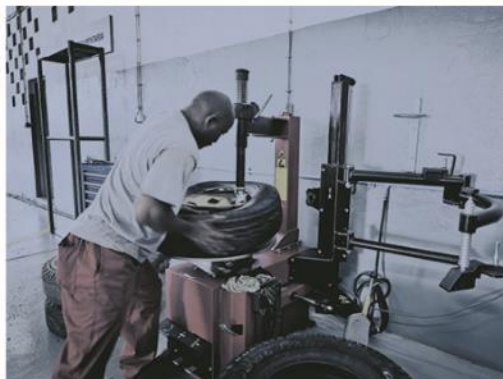




UNITED NATIONS GLOBAL COMPACT
COMMUNICATION ON PROGRESS (COP) 2018





MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

KJAER GROUP A/S is committed to the principles articulated in the United Nations Global Compact (UNGC), which we joined in November 2003. In 2007, KJAER GROUP A/S further confirmed our support for a cleaner environment by joining UN's environmental initiative, Caring for the Climate. By supporting eco-friendly initiatives, KJAER GROUP shows how much we care for the world we share with our customers. The UN's principles for sustainability (the UN Global Compact) are an important point of reference for all activities and are incorporated into the company's governance framework: The KJAER GROUP Way of Management (KWOM).

The KJAER GROUP Way of Management, which was introduced in 2008, presented the principles of the "Triple Bottom Line", whereby social and environmental targets and results are pursued in the same way as financial targets. While we constantly adapt our business to meet the market's needs, the "Triple Bottom Line" ensures that we only promote responsible business practices. KJAER GROUP's business culture has always been a touchstone for honesty, integrity and transparency. That's why we're motivated to achieve success in all endeavors, especially those that benefit our environment.

In 2012, we began to pursue ISO 9001 Quality Management, ISO 14001 Environmental and OHSAS 18001 Occupational Health & Safety Management Certification. Since our certification in 2014, the annual surveillance audit has been passed. Therefore, it was not a surprise that also the re-certification in 2017 were successfully passed in all branches in Mozambique and Uganda. However, in management we are still grateful to all the team members, who made this possible and have greeted the HSEQ process as a natural part of our business culture.

The benefits are also known for the employees, as it reduces the risk and creates a healthy work environment, while supporting the values of the Global Compact Principles. Also for the customers and other stakeholders, with whom we cooperate, taking ownership of the environmental issues we all face today shows that we have a personal stake in the wellbeing of the world we all share. Promoting this business culture also reflects company goodwill to the national and international market.

KJAER GROUP has raised awareness on corruption through various channels in the past by trying to establish a professional climate of honesty, transparency and accountability in every aspect of the company. Together with our anti-corruption policy, we have in the past four years been supporting the Anti-corruption initiative set out by the UN in order to curb corruption that hinders Millennium Development Goals. We used this opportunity globally to increase awareness and remind ourselves this very important subject to our business, our employees and the local society where we operate.

The PEOPLE survey 2018 measures areas that are essential drivers for developing the organization and the people; therefore it is closely connected with the Group's activities concerning CSR and the UN Global Compact commitment.

On behalf of KJAER GROUP's employees, I reaffirm our commitment to comply with the 10 Principles of the Global Compact. These principles will continue to be an important guidance for KJAER GROUP in the process of maintaining positive and honest business practices. By acting with honesty, transparency and integrity in all our endeavors, we illustrate to our customers that we can be trusted.

Mads Kjær, CEO
KJAER GROUP A/S



HUMAN RIGHTS

COMMITMENT: KJAER GROUP BASES ITS ACTIONS ON THE VALUES OF PROFESSIONALISM, RESPECT, HONESTY AND DEDICATION. UNDERSTANDING AND ACCEPTING DIFFERENT CULTURES IS A KEY ELEMENT IN OUR ORGANIZATION AS IS COMPLYING WITH LOCAL AND INTERNATIONAL LAWS. FOR FURTHER INFORMATION, PLEASE SEE THE KJAER GROUP WAY OF MANAGEMENT.				
Principle 1:		Businesses should support and respect the protection of internationally proclaimed human rights		
Principle 2:		Businesses should make sure that they are not complicit in human rights abuses		
PROCESSES	TARGETS 2018	ACTIONS 2018	PERFORMANCE 2018	TARGETS 2019
KJAER GROUP Way of Management (KWOM)	Min. 80% of employees believes strongly in and support the company's future direction	Employee survey action plans in all branches	94% (90% in 2017) of employees believes strongly in and support the company's future direction (92% participated in survey)	Min. 80% of employees believes strongly in and support the company's future direction
PEOPLE SURVEY	Min. 80% positive responses when asked "All employees in my team are treated fairly regardless of age, gender, family status, race, national origin, disability, personality, thinking, status or sexual orientation."	Employee survey action plans in all branches	80% (78% in 2017) positive responses when asked "All employees in my team are treated fairly regardless of age, gender, family status, race, national origin, disability, personality, thinking, status or sexual orientation."	Min. 100% positive responses when asked "All employees in my team are treated fairly regardless of age, gender, family status, race, national origin, disability, personality, thinking, status or sexual orientation."
Health, Safety, Environment & Quality (HSEQ) Policy	Continuous improvement and ensuring continuing Certification in OHSAS 18001 and ISO 14001 standard in all branches in MOZ & UGA	Action plan implemented and monthly follow-up	Annual surveillance audit passed OHSAS 18001 and ISO 14001 standards (newest version 2015) in all branches in Mozambique and Uganda	Continuous improvement and ensuring continuing Certification in OHSAS 18001 and ISO 14001 standard in all branches in MOZ & UGA
	Ensuring HSEQ compliance and progress	Quarterly management report	Management reviews done on a quarterly basis.	Ensuring HSEQ compliance and progress
SIGNIFICANT AREAS OF RISK WITHIN HUMAN RIGHTS FOR OUR BUSINESS: It is our view that the most significant human rights risks relate to our employees' rights to an inclusive work environment that respects the individual's needs and rights to dignity, rest, and privacy. Failure to manage this risk may harm our employees, damage our reputation and may affect our business performance.				



LABOUR RIGHTS

COMMITMENT: KJAER GROUP A/S IS COMMITTED TO SECURE COMPLIANCE WITH ALL RELEVANT LABOUR LAWS AND REGULATIONS IN ORDER TO SECURE A FAIR AND NON-DISCRIMINATIVE WORKPLACE FOR ALL EMPLOYEES. KJAER GROUP EXERCISES THE RIGHT TO FREEDOM OF ASSOCIATION AND WE DO NOT CONDUCT OR CONDONE FORCED, COMPULSORY OR CHILD LABOUR.				
Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining			
Principle 4:	Businesses should uphold the elimination of all forms of forced and compulsory labor			
Principle 5:	Businesses should uphold the effective abolition of child labor			
Principle 6:	Businesses should uphold the elimination of discrimination in respect of employment and occupation			
PROCESSES	TARGETS 2018	ACTIONS 2018	PERFORMANCE 2018	TARGETS 2019
Remuneration Policy	Remuneration Policy compliance	Remuneration review in March/April	Remuneration process is compliant with policy	Remuneration Policy compliance
Performance & Development Appraisal	100% compliance with performance & development appraisal BSC processes in all entities	Local management responsible for the process	66% compliance with performance & development appraisal BSC processes in all entities (68% in 2017).	100% compliance with performance & development appraisal BSC processes in all entities
PEOPLE survey	Min. 80% of the employees are satisfied with their employment	Employee survey action plans in all branches.	79% are satisfied with their employment (79% in 2017)	Min. 80% are satisfied with their employment
Gender diversity in management bodies	Minimum 30% target for the underrepresented gender in Board of Directors in KJAER GROUP A/S.	New board members recruited.	0%. No qualified candidate of underrepresented gender found.	Minimum 30% target for the underrepresented gender in Board of Directors in KJAER GROUP A/S.
SIGNIFICANT AREAS OF RISK WITHIN LABOUR RIGHTS FOR OUR BUSINESS: It is the view of the company that the most significant risk pertaining to Labor Rights is workplace accidents, which can cause injury to employees, fines to our business and may affect our business performance.				



ENVIRONMENT

COMMITMENT: KJAER GROUP IS COMMITTED TO OPERATE WITH THE LOWEST POSSIBLE IMPACT ON THE ENVIRONMENT. (KJAER GROUP HSEQ POLICY)				
Principle 7: Business should support a precautionary approach to environmental challenges Principle 8: Business should undertake initiatives to promote greater environmental responsibility Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies				
PROCESSES	TARGETS 2018	ACTIONS 2018	PERFORMANCE 2018	TARGETS 2019
Health, Safety, Environment & Quality (HSEQ) Policy	Continuous improvement and ensuring continuing Certification in ISO 14001 standard in all branches in MOZ & UGA	Action plan implemented and monthly follow-up	Annual surveillance audit passed for ISO 14001 standards (newest version 2015) in all branches in Mozambique and Uganda	Continuous improvement and ensuring continuing Certification for ISO 14001 standard in all branches in MOZ & UGA
	Ensuring HSEQ compliance and progress	Quarterly management report	Management reviews done on a quarterly basis.	Ensuring HSEQ compliance and progress
SIGNIFICANT AREAS OF RISK WITHIN ENVIRONMENT FOR OUR BUSINESS: It is the company's view that a significant risk pertaining to the environment and climate arises from how safely our facilities handle waste, chemicals and spills. If we fail to do so, we may negatively impact the surrounding environment and damage our reputation.				



ANTI-CORRUPTION

COMMITMENT: KJAER GROUP HAS A “ZERO TOLERANCE” APPROACH TOWARDS CORRUPTION				
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery				
PROCESSES	TARGETS 2018	ACTIONS 2018	PERFORMANCE 2018	TARGETS 2019
KJAER GROUP Way of Management (KWOM)	Min. 80% of employees believes strongly in and support the company’s future direction	Employee survey action plans in all entities	94% (90% in 2017) of employees believes strongly in and support the company’s future direction (92% participated in survey)	Min. 80% of employees believes strongly in and support the company’s future direction
Risk Management Policy	Update Policy	Implementation rescheduled for 2018	Implementation rescheduled for 2019	Update Policy
Anti-corruption Policy	Organize internal campaign in line with UN anti-corruption day	Organize internal campaign in line with UN anti-corruption day	Global awareness campaign held locally, including information in staff magazine, handing out an anti-corruption bag filled with information and corporate meetings.	Organize internal campaign in line with UN anti-corruption day
SIGNIFICANT AREAS OF RISK OF CORRUPTION FOR OUR BUSINESS: We consider corruption risk to be present across all our operations, where employees may make or receive payments or other means to illegally influence an outcome. Aside from the negative societal consequences of corruption and bribery, this could also potentially lead to fines, damage our reputation and affect our business performance.				

ABOUT KJAER GROUP

In 1962, KJAER GROUP was established in Svendborg as a car-dealership company by Mr. Christian Kjaer. Today the Group provides automotive mobility solutions internationally and employs 270 people.

The Group holds a leading position within its business segments in Mozambique and Uganda where we operate distribution, fully owned workshops and service facilities under the name of MOTORCARE.

Globally, KJAER & KJAER deliver vehicles, motorcycles, parts and accessories to customers in the International Aid and Development sector (NGOs, the UN, the EU, etc.).

KJAER GROUP's ambition and way of Management is to develop the business in a profitable and responsible way, and it is the company's objective that social and environmental goals are prioritized in the same manner as the financial targets. The "Triple Bottom Line" principle is an part of the "KJAER GROUP way of Management" and the UN's principles for sustainability (the UN Global Compact), which KJAER GROUP endorsed in 2003, are an important point of reference for all activities as well as our commitment and support to UN's Sustainable Development Goals (SDG) 2030.



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MOTORCARE Ltd.

Provide automotive mobility solutions which are tailor-made to organizations operating in the International Aid and Development sector, delivering high quality vehicles, motorcycles, parts, accessories as well as a number of supporting services such as worldwide logistical support, insurance and financing. Through an extensive network of local dealers and service partners, customers receive quality after-sale, logistics and customer care services.

KJAER & KJAER A/S

Provide automotive mobility solutions which are tailor-made to organizations operating in the International Aid and Development sector, delivering high quality vehicles, motorcycles, parts, accessories as well as a number of supporting services such as worldwide logistical support, insurance and financing. Through an extensive network of local dealers and service partners, customers receive quality after-sale, logistics and customer care services.