



COMMUNICATION ON PROGRESS 2018

UN GLOBAL COMPACT



COPENHAGEN GROUP

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FOREWORD BY THE CEO



Year 2018 constituted a year in limbo for us with regard to our long-term agreement for the supply of IVECO trucks and spare parts to an international organisation, since we awaited the outcome of the evaluation result for the new tender for almost 18 months; hence, no big orders for trucks were made during the second half of 2018, thus impacting our revenue for the year.

On the positive side, 2018 marked the year in which we made our first sale of United States Marine Inc.'s (USMI) 11mtr Naval Special Warfare (NSW) Rigid Inflatable Boats (RIB) to the Danish Defence. This is a big milestone for us, and we hope to be able to sell more units to customers in Europe in the years to come.

Our business model is and always will be that of a facilitator and broker – bridging the gap between reputable manufacturers and customers. By being able and skilled to work in remote and hostile locations, we add value to both our business partners and customers. We go anywhere and see opportunities in the difficult.

Supporting international organisations and national governmental bodies worldwide with products and services from cradle to grave remains our core business focus.

A handwritten signature in blue ink, which appears to read 'Jeppe Handwerk'. The signature is fluid and cursive, written over a light grey background.

Jeppe Handwerk
President & CEO

ABOUT US



Servicing and Training of MAGIRUS Tank Pumpers, Somalia

Copenhagen Group A/S manages projects and contracts awarded through direct tendering for the supply of goods and services to international organisations, national governments and agencies.

Copenhagen Group A/S' business model is based on recognising and realising opportunities in the difficult – be it urgent requirements for humanitarian missions worldwide or critical infrastructure support to deployed international forces in conflict countries and/or regions.

Copenhagen Group has offices in Denmark and Kuwait.

Copenhagen Group currently employs 31 people on a permanent contract basis but makes extensive use of project-based employments to fit the scale and scope of work undertaken for customers.

Copenhagen Group is solely owned by Handwerk Holding A/S, a family-owned company.

Copenhagen Group A/S has five core businesses:

- **Copenhagen Contractors A/S:** Facility Management, Mortuary Services, Wash-Down Services, Unmanned Aerial Systems (UAS) and Counter-UAS Solutions
- **Copenhagen Global A/S:** Vehicle and Boat Fleet Management Solutions, Engines and Generators
- **Copenhagen Election A/S:** Electoral Support Products
- **Copenhagen Arctic A/S:** Camp Services and Equipment for Arctic Region
- **HDD:** Horizontal Directional Drilling Services

FACTS

Revenue:

DKK 145 M

Profit (EBIT):

DKK -1.2 M

Employees:

31 FTEs

Offices:

**Denmark
Kuwait**

OUR COMMITMENTS

Throughout all aspects of our operations – from tendering to buy-back and disposal of goods – we are committed to conduct our business in a responsible and lawful manner with respect for the wider economic, social and environmental impacts of our activities.

We strive to promote the same principles and values underlying our business in our relationships with customers, suppliers and business partners.

We will conduct our operations and business activities in a manner that protects the health and safety of the employees working under our control and supervision. Our aim is always zero accidents by means of establishing a strong safety and security culture throughout our organisation.

We are fully committed to reducing the impacts of our operations and business activities on the environment through the mitigation of natural resource depletion and pollution.

We will respect internationally recognised human rights and work to ensure that we do not contribute to human rights violations as a result of our global business activities.

We will work against all forms of corruption in accordance with the law and the fundamental values of our company. We are committed to working effectively towards the elimination of facilitation payments in line with relevant international standards.

We will exercise constant care to prevent breaches of security and we will cooperate actively and openly with pertinent authorities to this end.

Zero Accidents

**Honest and Responsible
Conduct**

UN SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABLE DEVELOPMENT GOALS

As a major supplier of goods and services to various UN agencies, the UN's Sustainable Development Goals (SDGs) are very important to us and we do our best to contribute to the fulfilment of the SDGs most relevant to our businesses.

Of the 17 SDGs established and agreed upon globally, we currently aim to help fulfil the following SDGs through our business conduct:



OUR COMMUNICATION ON PROGRESS IN 2018

This Communication on Progress accounts for Copenhagen Group A/S' activities during 2018 towards the UN's policies for sustainable and socially responsible business practices.

Copenhagen Group has been an active subscriber to the UNGC since 2009.

In 2018, we made progress on most of the UNGC's ten principles, further implementing these principles in our business activities:

Human Rights

Treating all people with respect and honouring national and international laws and regulations for the protection of human rights remain our top priorities and guiding principles in all our business relations.

By supporting national election commissions worldwide with our electoral products, we aim to promote democracy through free and fair elections.

We continue to support military veterans and their relatives by sponsoring different events and initiatives, such as the Anders Lassen Foundation, to help them overcome and constructively deal with post-traumatic stress symptoms and issues.

Equal opportunities for all employees irrespective of gender or ethnicity continue to be a focus area of ours. We hire, remunerate and promote employees based on skills, competences and performance – not according to gender, religion or race.

Labour

We aim to take good care of our employees no matter the geographical location. We would rather forego profit than risking the lives and well-being of our employees. It is of paramount importance to us that all our employees feel safe and secure both during and outside working hours.

We offer employees flexible working hours to accommodate and respect employees' family life. Our IT set-up makes it easy and convenient for employees to work remotely thereby further enhancing flexibility in work.

We also continuously aim to improve our working environment, both physically and psychologically.

Environment

We care deeply for the environment and always strive to reduce the environmental impact of our operations to the greatest extent possible.

By optimising our own operations and working closely with our partners we aim to ship the vast majority of our goods by sea to reduce our carbon footprint.

Supporting NGOs

Focus on Occupational Health and Safety

Reduce Our Carbon Footprint

By collaborating with partners on the correct management, transport and disposal of hazardous material, such as our indelible ink products, we help our customers protect the environment. To this end, we have also developed an indelible ink product without silver nitrate.

Anti-Corruption

We continue to practice our “Open Book” policy with both business partners and customers. We act with integrity and are accountable to stakeholders for our actions and relationships. We undertake due diligence of our new business partners and screen them according to the UNGC’s ten principles.

OUR GOALS AND OBJECTIVES FOR 2019

Our goals and objectives for our corporate responsibilities activities for 2019 comprise:

General

- Participation in UNGC Networks: Attend workshops by the Danish Chapter on UNGC to gain more knowledge and explore opportunities for collaboration with customers and business partners on sustainability issues.
- Tracking and Reporting on KPIs: Further develop and improve monitoring system to track and report on KPIs across areas for compliance with UNGC.
- Supplier Declaration and Guidelines: Implement developed declaration and guidelines for our suppliers on UNGC's ten principles.
- Supplier Screening: Continue to implement a screening tool for assessing business partners according to the UNGC's ten principles.
- SDG: Revisit choice of SDGs.

Implement Supplier Declaration and Guidelines

Human Rights

- UN Guiding Principles on Business and Human Rights: Implement UN's Guiding Principles on Business and Human Rights in our corporate policies and processes.

Labour

- Employee Satisfaction: Focus on work-life balance to further improve employee satisfaction.
- Employee Wellbeing: Better plan work to effectively utilise resources and avoid stress among employees.
- Employee Development: Establish plans and goals for developing employees' skills and competences.
- Lost-Time Injuries: Assess lost-time injuries and revise safety procedures accordingly.

Further Improve Work-Life Balance

Environment

- Impact Assessments of Production: Conduct environmental impact assessment for core production/manufacturing processes, in particular for our electoral support products.
- Development of Green Solutions: Develop and conceptualise sustainable (green) products and services to further reduce the impact on the environment and society.
- Efficient Supply Chains: Promote and facilitate efficient supply chains for goods procured and sold to reduce negative impacts on environment, such as shortening the distance from production to market.
- Reduce Waste and Energy Consumption: Reduce food waste in office by encouraging employees to bring home leftovers from lunch. Reduce energy consumption by using LED light bulbs and turning off light in rooms not occupied. Aim for a paperless office and reduce amount of paper printed.

Anti-Corruption

- Business Ethics Training: Conduct business ethics training for employees.

MEASUREMENTS

The following social, environmental and economic measurements are used to show the outcome of our corporate responsibility efforts.

Employee Satisfaction

MEASUREMENT | EMPLOYEE SATISFACTION SURVEY RESULTS

Overall Score*	2018	2017	2016	2015	2014
Satisfied	60%	63%	65%	60%	50%
Partly Satisfied/Dissatisfied	30%	30%	30%	30%	33%
Dissatisfied	10%	7%	5%	10%	17%

*Physical Conditions, Ergonomic Conditions, Psychological Working Conditions and Sick Absence Surveyed

Health and Safety

MEASUREMENT | OHSAS 18001 CERTIFICATION

Country (Offices)	Certified	Implemented
Denmark	YES	YES
Kuwait	NO	YES

Diversity

MEASUREMENT | GENDER REPRESENTATION (MEN AND WOMEN)

Gender Representation	2018	2017	2016	2015	2014
Men	84%	77%	82%	84%	85%
Women	16%	23%	18%	16%	15%

MEASUREMENT | NON-DANISH EMPLOYEES

Nationality	2018	2017	2016	2015	2014
Danish	29%	35%	39%	30%	25%
Non-Danish	71%	65%	61%	70%	75%

MEASUREMENT | AGE DISTRIBUTION

Age	2018	2017	2016	2015	2014
<20	0	0	0	2	2
20-29	0	1	3	7	8
30-39	20	20	16	20	21
40-49	11	10	15	18	17
50-59	0	0	10	8	7
60+	0	0	1	1	0
Total	31	31	45	56	55

Safety

MEASUREMENT | NUMBER OF FATAL INCIDENTS AT WORK

Country	2018	2017	2016	2015	2014
Denmark	0	0	0	0	0
Afghanistan	-	-	0	0	0
Kuwait	0	0	0	0	0
Jordan	-	-	0	0	0
Total	0	0	0	0	0

MEASUREMENT | LOST-TIME INJURIES

Country	2018	2017	2016	2015	2014
Denmark	0	0	0	0	0
Afghanistan	-	-	0	0	12
Kuwait	0	0	0	1	2
Jordan	-	-	0	0	0
Total	0	0	0	1	14

Environmental Management System

MEASUREMENT | ISO 14001 CERTIFICATION

Country (Offices)	Certified	Implemented
Denmark	YES	YES
Kuwait	NO	YES

CO2 Emission

MEASUREMENT | CO2 EMISSION PER EMPLOYEE

CO2 Emission (Air Travel)	2018	2017	2016	2015	2014
Copenhagen Group A/S	40 Tons	40 Tons	45 Tons	60 Tons	65 Tons
Overall					
Per Employee	1.29Tons	1.29Tons	1.02 Tons	1.07 Tons	1.18 Tons

Corporation Income Tax

MEASUREMENT | CONSOLIDATED TAX ON PROFIT

Legal Business Entity (DKK)	2018	2017	2016	2015	2014
Copenhagen Group A/S	-1,340,600	1,494,459	1,598,620	249,705	3,509,074