



**Redefining Logistics**

**with a Unique Mix of Competencies.**

The deugro group redefines the one-stop-shop concept for complex logistics services and unifies the dedication, synergies, and competences of all group companies.

**UNGC Communication on Progress 2022**

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**Re: Confirmation of continued support**

To our valued stakeholders:

deugro group is proud to confirm our continued support for the ten principles of the United Nations Global Compact (UNGC). This is the 9<sup>th</sup> year that deugro group has been a signatory to the UNGC and worked hard to uphold the UNGC pillars of human rights, labor, environment, and anti-corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the UNGC and its principles into our business strategy, culture, and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,



[Thomas Press \(Feb 1, 2022 10:00 GMT+1\)](#)

Thomas C. Press  
deugro Group  
CEO

## Communication on Progress January 7, 2022

### **HUMAN RIGHTS**

deugro group is committed to embodying the principles 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 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.

Since 2018, deugro group made human rights related online training available to all employees, directors, and business partners. The modules are designed to teach individuals to identify and report potential human rights violations or risks of human trafficking in our day-to-day business. The training focuses 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 has taught them to recognize, communicate, and manage human trafficking risks. The online training is available in multiple languages to increase comprehension and impact.

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, but it is also a necessary foundation for a peaceful, prosperous, and sustainable world. In 2022, deugro group will establish its first Women's Network with a new commitment to support women's inclusion and empowerment initiatives within the company and in the communities in which we operate. This is a major step in the promotion of equal employment opportunities for women and a more balanced representation of women in senior positions.

### **Implementation**

deugro group has implemented a human rights policy to commit to the principles 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 labor 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). deugro group's Speak Up! is a new reporting channel by an external service provider whereby internal and external stakeholders can make a report 24 hours a day by phone, webform, or SMS (in North America).
- Human rights 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 and internal monthly updates.
- Online training is available to employees, directors and representatives focusing specifically on avoiding trafficked labor and how to manage human trafficking risks.
- A Local Ethics Officer is appointed in nearly every branch office to provide a secure whistleblowing channel to raise concerns relating to sexual harassment or discrimination.

- In the United States, deugro participated in the Truckers Against Trafficking certification program.
- Building up a new Women's Network throughout deugro group is our goal for 2022.
- deugro group will also establish a new, inclusive Recruitment Policy with gender equality being a priority to align with global equality.

## Measurement

Branch Managers are the responsible process owners and will ensure effective implementation locally. All compliance related incidents raised through the corporate reporting channels are tracked centrally by the Legal & Compliance Team. 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 may 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 stated in The United National Global Compact (UNGC Principles). Forced labor, child labor, or 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 workday.

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 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:

- A commitment to respect labor standards as set forth by the UNGC in both our employee and business partner 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 LEO. deugro group's Speak Up! is a new reporting channel managed by an external service provider whereby internal and external stakeholders can make a report by phone, webform, or SMS (in North America).
- 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.
- In 2022, deugro group will review a gap analysis of labor and human rights practices using criteria from ISO 26000 and address the identified gaps by implementing recommended remediation actions.

## Measurement

Branch Managers are the responsible process owners and will ensure effective implementation locally. 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. 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

At deugro group we are focused on conducting our business in a way that not only protects the environment but also drives environmental improvement. We are guided by science-based targets that will help to determine our future environmental sustainability goals and objectives for scope 1, 2 and 3.

### What does scope 1, 2 and 3 emissions mean?

**Scope 1** emissions are direct emissions from owned or controlled sources. This includes company facilities and company vehicles.

**Scope 2** emissions are indirect emissions from the generation of purchased electricity, steam, heat or cooling.

**Scope 3** emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. Such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity.

To identify the most effective and value adding environmental sustainability goals deugro group performed a comprehensive environmental baseline review. The purpose of the baseline review was to identify the environmental aspects, the impact that they have, and the significance of those impacts on the environment.

The baseline review identified the following 6 key areas that require the setting of environmental sustainability goals.

1. Workplaces
2. Waste Management
3. Energy & Water
4. Business Travel
5. Sustainable Procurement
6. Education & Training

## Workplaces

### Key Objective

To develop environmentally friendly and sustainable office/work environments across all deugro group workplaces.

### Supporting Objectives

1. All deugro group workplaces to complete environmental sustainability self-assessments.
2. Environmental sustainability self-assessments to be evaluated by the corporate QHSES department with opportunities for improvement identified and communicated to branch management.
  - a) Branch management in co-operation with the corporate QHSES department to develop a local environmental sustainability improvement plan.

- b) Local environmental sustainability improvement plan to be uploaded for central action tracking.

### **Targets**

1. All deugro group workplaces to return completed environmental sustainability self-assessments by no later than the end of Q4 2021.
2. Environmental sustainability opportunities for improvement to be communicated to branch management by no later than the beginning of Q1 2022.
3. Local environmental sustainability improvement plans to be uploaded centrally by no later than the end of Q1 2022.

### **Mitigation**

By performing environmental sustainability self-assessments for each workplace, it enables the business to identify environmental sustainability “opportunities for improvement” at a local level, embed environmental sustainability best practices across all deugro group workplaces, delivers a standardized global approach to environmental sustainability management.

### **Waste Management**

#### **Key Objective**

To ensure that, in accordance with legislation, waste will be managed in a sustainable manner following the waste hierarchy of Reduce, Reuse, Recycling and Disposal, thus reducing the amount of waste that is sent to landfill.

#### **Supporting Objectives**

1. To reduce the amount of waste generated as a result of deugro group activities.
2. To introduce measures that increases recycling activities performed by deugro group workplaces.
3. Increased visibility and management of waste by deugro group.

### **Targets**

1. Increase recycling activities at each deugro group workplace by 20% by no later than the end of Q2 2022.
2. As part of the environmental sustainability self-assessment all deugro group workplaces are to document local waste disposal arrangements for further evaluation.
3. Reduce waste generated by each deugro workplace by 20% by no later than the end of Q2 2022.
4. Waste and recycling metrics for each deugro group workplace to be tracked through monthly reporting.
5. Ensure that deugro group business partners have suitable and sufficient waste management procedures in place within their organisation.
6. Reduce paper consumption by 50% across all deugro group workplaces by no later than the end of Q4 2022.

### **Mitigation**

Responsible waste management by deugro group and its business partners will help to minimise the impact our work activities have on the environment, whilst also ensuring we are in complete compliance with current waste management legislation.

### **Energy & Water**

#### **Key Objective**

To not only reduce energy and water consumption across all deugro group global workplaces but also to seek out greener alternatives to help reduce deugro group’s carbon footprint.



## Supporting Objectives

1. Significant reduction in deugro group's carbon footprint by reducing the amount of energy consumed by each deugro group workplace.
2. Significant reduction in water consumption at each deugro group workplace.
3. Proactively seek out green energy suppliers for each deugro group workplace.

## Targets

1. Each deugro group workplace is to record their energy consumption centrally through monthly reporting.
2. Each deugro group workplace to record their water consumption centrally through monthly reporting.
3. Energy and water consumption reduction initiatives are to be communicated to branch management by the corporate QHSES department.
4. As part of the environmental sustainability self-assessment each workplace will be required to evaluate local options in respect of green energy suppliers.

## Mitigation

By proactively reducing energy and water consumption at every deugro group workplace, in addition to the sourcing and introduction of green energy suppliers we will witness a significant reduction in the carbon footprint of the company.

## Business Travel

### Key Objective

To further reduce the carbon footprint of deugro group by actively seeking out solutions to significantly reduce the amount of business travel carried out by deugro group employees and business partners.

## Supporting Objectives

1. To reduce the environmental impact of deugro group employees and business partner travel.
2. To optimize digital alternatives for meetings thereby negating the requirement to travel where possible.

## Targets

1. Reduction in business travel by deugro group employees and business partners by 50% by no later than Q2 2023.
2. Creation of a deugro group travel authorization process by no later than the end of Q3 2021.
3. All deugro group travel to be recorded centrally by no later than the end of Q4 2021.

## Mitigation

By reducing business travel by 50% for both deugro group employees and business partners it will significantly reduce the carbon footprint of the company.

## **Sustainable Procurement**

### **Key Objective**

To ensure that deugro group business partners act in a responsible manner and reduce the impact of their activities on the environment.

### **Supporting Objectives**

1. To reduce the environmental impact of deugro group work activities on the environment.
2. To evaluate deugro group subcontractors for environmental management and performance.
3. To proactively work with deugro group business partners to minimize the impact on the environment.

### **Targets**

1. Revision of deugro group subcontractor evaluation questionnaire to include section on environmental sustainability management.
2. Subcontractors whose activities are assessed to pose a “high risk” to the environment are to be subjected to increased scrutiny during the evaluation process.
3. Open and transparent reporting and communication on matters pertaining to the environment is to be established at the beginning of each contract and maintained throughout.

### **Mitigation**

Due to the nature of deugro group activities most work scopes are executed exclusively by subcontractors. By choosing to work with companies that have responsible environmental management in place we can make significantly reduce the impact our activities have on the environment.

## **Education & Training**

### **Key Objective**

To provide training and education to all deugro group employees on environmental sustainability topics.

### **Supporting Objectives**

1. All deugro group employees to be provided with sufficient knowledge in respect of environmental sustainability thus enabling them to play a proactive role in achieving the companies’ goals.

### **Targets**

1. Create online environmental sustainability training course by no later than the end of Q4 2022.
2. Roll out environmental sustainability training course to the business by no later than the beginning of Q1 2022.
3. All deugro group employees to complete environmental sustainability training course by no later than the end of Q1 2022.
4. QHSES department to communicate Greener Together initiatives on a quarterly basis.

### **Mitigation**

By providing all deugro group employees with environmental sustainability training we can ensure that all colleagues have the knowledge required to help deliver the companies environmental sustainability goals.

## **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 (CoEC), 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.

## 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.

In 2019 deugro group's Compliance Management System became ISO 37001:2016 Anti-Bribery Management Systems certified. In 2020 the deugro group governance structure was strengthened with the implementation of a new Compliance Committee comprised of functions heads, business managers, and executive management. The Compliance Committee is Chaired by the Head of Global Legal & Compliance and reports to the Executive Board.

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 of policies and procedures including the the CoEC 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. Quarterly LEO mini workshops were introduced in 2021 whereby LEOs are trained on a specific compliance topic of import to the group during a two-hour session. LEOs are then expected to share the knowledge they gained with the relevant colleagues in their respective offices.

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 several 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, and Branch Managers are the process owners responsible for effective implementation locally 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 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.

To make it easier to raise questions or concerns securely and confidentially about potentially unethical behavior or Code of Ethics and Compliance violations, deugro group has engaged a third-party solution provider to administer a new reporting channel called **Speak Up!** This resource is always available to all internal and external stakeholders in multiple languages by phone or Internet (SMS is available in North America).

### 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 Speak Up!, 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.

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.

