



KILROY

POLICIES ADOPTED APRIL 6, 2020

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CORPORATE SOCIAL RESPONSIBILITY (CSR)



By its very nature, the KILROY Group's business promotes understanding and respect among cultures. Our ambition, through responsible behaviour, is to contribute positively to the people we serve and the societies in which we operate. We believe we can create long-term, sustainable value for our customers, staff, suppliers, authorities and other stakeholders.

CSR GUIDANCE

We focus our efforts on areas where we're certain we can make a difference. We also want to send the signal that actions speak louder than words. That's why we call our CSR guidance "Walk-the-Talk."

We seek inspiration for our CSR development in the network of government and industry organisations, multinational companies and non-governmental organisations (NGOs) that all impact the general definition of responsible and sustainable behaviour.

Of course, there are some important CSR areas where the Group cannot exert direct influence, such as human rights and anti-corruption in certain parts of the world. But we accept the fact that our customers, employees and other stakeholders demand that a company like the KILROY Group takes a stand on social and ethical responsibilities by acting as a responsible corporate citizen. Thus, we do our best to align expectations between the Group and our stakeholders.

CORPORATE SOCIAL RESPONSIBILITY (CSR)



CSR POLICY

Our Walk-the-Talk approach shapes our CSR policy.

This policy, in turn, defines the Group's short-term goals in selected areas and determines how we integrate CSR into our daily operations. It also addresses the obligations placed on us by the authorities and internationally acclaimed organisations.

CSR subjects constantly change and progress. New focus areas arise, and others recede. All employees and other stakeholders can contribute to an up-to-date and relevant CSR policy.

OBJECTIVES

The objectives of our CSR policy are:

- to be, and to be known as, a good corporate citizen.
- to create value for our main stakeholders: customers, employees, suppliers and shareholders.
- to reduce negative impact on the environment.
- to make ourselves, our customers and suppliers aware of the impact we have on the places and the people we visit.
- to provide a safe and fair work environment for employees.

CORPORATE SOCIAL RESPONSIBILITY (CSR)



FOCUS AREAS

In 2019, the Group planned to focus on:

- Climate and Environment – formulating a bold response with short-term actions to address climate change. Revising the systematic measurement of energy consumption in all entities of the group. Supporting all resource savings and improvements that promise a rapid return.
- Ethics and Integrity – developing a Code of Conduct to include guidelines for anti-corruption, anti-bribery, and respect for other cultures and lifestyles.
- Sourcing - establishing minimum requirements for suppliers; persuading them to share our approach to ethics, human rights and protecting the environment.
- Human rights – communicating the Group’s view on fundamental human rights.
- Social Inclusion – preserving our commitment to equal opportunity for all, regardless of gender, race, religion, age or other personal convictions. Strengthening our ability to develop and utilise people’s talents.

CORPORATE SOCIAL RESPONSIBILITY (CSR)



FOCUS AREAS CONTINUED

Following up on 2019 – and looking ahead to 2020:

- Climate and Environment

The KILROY Group believes in the impact of travelling and the power it holds. We believe that this power is best put to use if each person acts responsibly when they explore the world and meet the people living in it. As a company, we also have a responsibility to help make the world a better place to live for future generations. We want to act responsibly, too!

So we have embarked on an important journey. Our initiative on carbon offsetting is a first step.

Our approach takes a broader view of responsibility than climate alone. We will engage in projects that work within carbon offsetting, but to the extent possible, that also embrace other of the United Nations' Sustainability Goals (SDG's).

Throughout most of 2019 we consulted a number of independent, internationally acclaimed advisors within this area. We have now entered a partnership with myclimate.org which, in our view, best meet our requirements and understand our nature as a company.

Our main requirements were:

1. A calculation that makes your flight travel carbon neutral, and
2. Full transparency and project identification, so we can tell our customers how the money is spent.

2020 will be dedicated to implementation of the agreements and the setup developed during 2019.

- Ethics and Integrity

Completion and implementation of a new Code of Conduct including guidelines for anti-corruption, anti-bribery, and respect for other cultures and lifestyles remain focus areas in 2020.

CORPORATE SOCIAL RESPONSIBILITY (CSR)



FOCUS AREAS CONTINUED

Following up on 2019 – and looking ahead to 2020:

- Sourcing

Definition of minimum requirements for our main travel product suppliers, such as their approach to ethics, human rights and protecting the environment, remains a focus area in 2020.

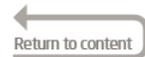
- Human rights

Communication of the Group's fundamental view on human rights remains a focus area in 2020.

- Social Inclusion

Preserving equal opportunity for all, regardless of gender, race, religion, age or other personal convictions will always be a focus area, along with personal development and utilisation of talents.

CORPORATE SOCIAL RESPONSIBILITY (CSR)



CLIMATE AND ENVIRONMENT

Through transparency and alternative travel options, we want to give our customers enough information about their environmental footprint to make a satisfactory travel decision. Internally, we will be diligent in consideration of business, climate and environmental sustainability.

Tangible climate changes and their mitigation will have an extreme impact on the travel industry. The effects will probably be even more pervasive than those caused by the emergence of the Internet.

The Group's business involves air travel, almost exclusively. The innovation required to reduce airplanes' emissions is obviously beyond our influence.

To do our utmost in mitigating the effects that our industry poses on the environment, we should take a bolder position with both short-term climate-related activities, where we can exert direct influence, and with long-term plans. In 2020, our focus will be on implementing our recent engagement in carbon offsetting.

This work will be guided by:

- **Transparency.** Our customers should be offered the most complete information possible about a particular type of travel's impact on the environment.
- **Alternative options.** Our customers should be offered choices whenever possible for their desired travel experience.

For some time, we have focused on areas where we can make a difference, such as our own consumption of natural resources at our offices and outlets. Among other things, we have encouraged climate-friendly investments in technology and amenities. This focus will continue.

CLIMATE AND ENVIRONMENT

CORPORATE SOCIAL RESPONSIBILITY (CSR)



ETHICS AND INTEGRITY

Operating in every corner of the globe - across cultures, traditions and legal regimes, some even being less embracing than others - we must accept the potential risks that all our stakeholders directly or indirectly pose on our business. Previously, these risks have not been addressed explicitly. But we are committed to being a good corporate citizen by working in a fair and lawful manner. Thus, all our staff will serve as ambassadors in their communication with customers, suppliers and other stakeholders.

We should always treat others as we expect to be treated ourselves. We should use all company assets responsibly and legally, according to their intended purposes.

To ensure compliance, the Group works on establishing a Code of Conduct that will define principles and guidelines for the Group's daily business operations. It will ensure that the Group's companies and employees act as good corporate citizens, and prevent corruption, bribery or other violations of accepted industry principles.

All managers in the Group will be central in implementing and ensuring adherence to the Code of Conduct.

ETHICS AND INTEGRITY

CORPORATE SOCIAL RESPONSIBILITY (CSR)



SOURCING

The KILROY Group sources products and services from hundreds of suppliers all over the world. This mirrors our wish to help our curious travellers meet them in all their diversity. But it is also a challenge, as suppliers may perceive values, rights and other conditions differently than we do. This can be due to differences in culture, history, economy and other factors.

Another dilemma is that a supplier may be best-in-class in one territory but less progressive in others. Are labour conditions more important than environmental impact – or vice versa? It's seldom that the best of all choices comes in “one package.”

Our past attempts to integrate CSR in sourcing have not been particularly successful. From 2020 we will communicate our priorities more clearly and build a more systematic rating of all existing and new suppliers. Considering the vast number of these suppliers, we expect this process to continue beyond 2020.

Among other things, this new rating system will:

- enhance our own perception of a given supplier.
- improve suppliers' understanding of our CSR priorities.
- exclude suppliers that fail to achieve a minimum score.

SOURCING

CORPORATE SOCIAL RESPONSIBILITY (CSR)



HUMAN RIGHTS

The KILROY Group respects human and labour rights. We promote these principles within our own companies, and encourage them among our customers, suppliers and stakeholders.

Infringement of human rights occurs in most countries to some degree, and we must continuously assess how our own companies perform in this regard. Until now we have not encountered nor been made aware of any violations of human rights.

We will evaluate our suppliers regularly, and if any negative impact on human rights comes to our attention, we will try to mitigate it and advise the supplier on how to improve. If no improvement is seen, we will re-evaluate our relationship with the supplier in question.

When adverse impact on human rights does take place in the supply chain, it can put the Group in a dilemma. Termination of a supplier may potentially have other negative effects on a local community and indirectly place further burdens on human rights. In such situations, we can only act on a case-by-case basis.

During 2020-21, we will determine whether the United Nations' guiding principles for business and human rights can benefit our, and our region's, approach to these issues. It will remain a long-term target to develop a policy for all KILROY Group managers in accordance with UN minimum standards for business conduct.

HUMAN RIGHTS

CORPORATE SOCIAL RESPONSIBILITY (CSR)



SOCIAL INCLUSION

The Group aims to be an attractive employer by guaranteeing equal opportunity at all levels. However, we are aware of the challenges in attracting and retaining talented people. Thus, it is important for the KILROY Group to embrace diversity in the widest possible meaning as we consider personal qualifications over gender, origin and other background factors.

The travel industry is a people business and as such, diversity and inclusion are essential for success. We have a genuine interest in being seen as an inclusive company. Training and personal development must always be in focus to ensure the proper match of skills and competences for the customers being served.

We are conducting employee surveys locally to gauge our progress and implement remedies. We are considering whether to make these standard throughout the Group.

Our management principles support:

- openness and well-being at work.
- choosing the "best person for the job."
- delegation of responsibility and authority wherever possible.
- team-orientation.
- competence development.
- target-setting.
- a "Keep it simple – make it happen" attitude.

These principles contribute to the positive development of the whole company by providing employees on all levels with opportunities, job satisfaction and a safe, healthy work environment.

We use and take advantage of personal talents. Age is not considered a limiting factor, but we know that the human lifecycle sometimes dictates changes, either self-determined or mutually agreed. We profit from the knowledge and experience that the company's senior employees have accumulated.

SOCIAL INCLUSION

CORPORATE SOCIAL RESPONSIBILITY (CSR)



GENDER COMPOSITION AND EQUAL PAY

OBJECTIVES

Staff and Management

In accordance with our strategy for equality and diversity, we pursue gender balance at all management positions. Temporary imbalances do occur, but we then turn our attention to restoring the proper balance..

Board of Directors

The total number Board of Directors in the Group (parent company 6 and subsidiaries) should have at least 1/3 women appointed by the general assemblies by 2023.

Equal pay

Differences in salary between genders carrying out the same type of work, or similar work, is not accepted.

AS OF DECEMBER 31, 2019

Staff and Management

The current gender mix is such that men are underrepresented among staff in non-management positions 65% (63%). For management positions, the gender mix is more balanced with 48% (48%) women and 52% (52%) men.

Staff managers are all managerial positions ranging from team leaders to registered directors.

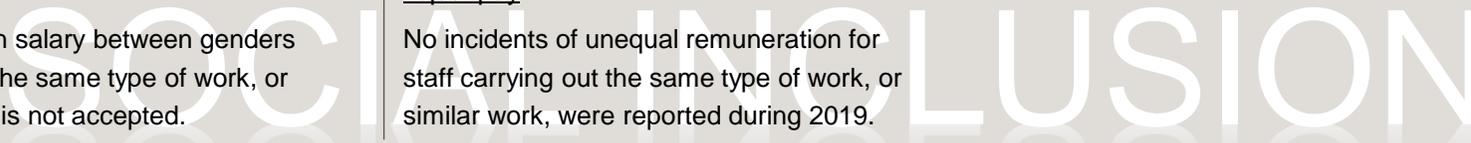
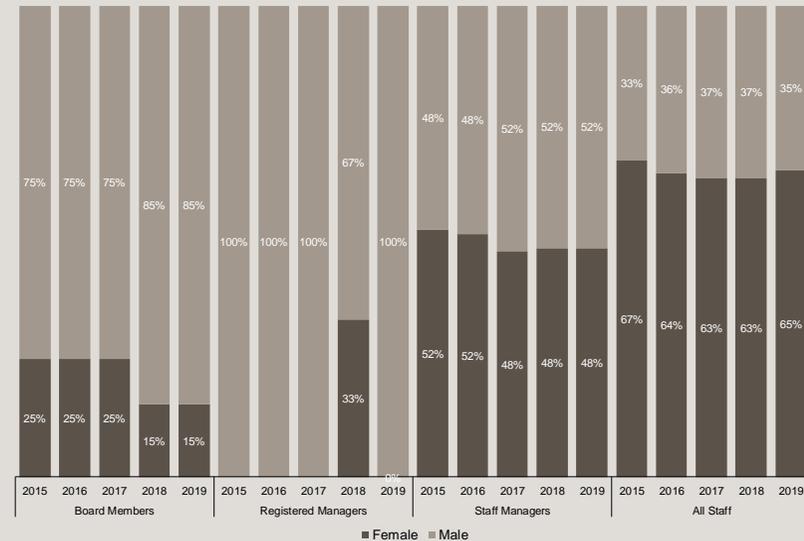
Board of Directors

Women at the level of Board of Directors in the parent company and in the subsidiaries are underrepresented.

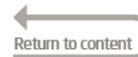
The owners of the Group are individual investors who are directly represented on the Board of Directors of the parent company. There are no women among these investors.

Equal pay

No incidents of unequal remuneration for staff carrying out the same type of work, or similar work, were reported during 2019.



ANIMAL WELFARE



GUIDELINE

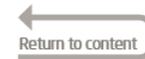
Being a good corporate citizen also extends to the complex area of animal welfare. It's complex because the treatment of animals is relative to the various cultures of the world. On the one hand, we readily accept the keeping of household pets such as a family dog or cat, but we strongly protest if they are treated cruelly. The same applies to wild animals in captivity.

Wherever possible, the Group avoids selling travel products that include the use of wild animals that are abused or do unnatural things for the purpose of human entertainment. In the current absence of universally accepted international rules on protection of animals, we can only approach animal welfare in the broad sense and evaluate our suppliers on a case-by-case basis.

Our actions alone cannot change a foreign culture's practices regarding animal treatment. However, the Group is actively committed to contributing, through our own conduct, to improvements in animal welfare. We aim, through our own leverage, to identify, prevent and mitigate the mistreatment of animals in our business and our chain of supply.

ANIMAL WELFARE

POLICIES



TARGET GROUP, UPDATING AND REPORTING

The Group Policies are applicable to companies that are fully controlled by KILROY International A/S and shall be known by all staff. Compliance with the Policies is the responsibility of all managers.

We try to involve all relevant stakeholders when identifying and developing new policies via informal dialogue, surveys and strategic partnerships.

In the Group's annual report, we report on progress in our selected focus areas and on any substantial changes to the policies.

Monitoring and reporting are based on data available in the companies of the Group. Data related to the Group policies and contained in the annual report is not subject to external audit.

ADOPTION

The Policies are adopted by the Board of Directors in KILROY International A/S and are revised annually, as required. Feedback and other input should be conveyed to the Group's CFO.

This document is prepared in accordance with the Danish Financial Statements Act §99a and §99b.