



# **Code of Conduct**

KGH Group 2020

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## *“Facilitating trade for sustainable growth”*

That is our mission statement and the reason for our existence. We have been facilitating trade since 1963, and we are now a leading provider of Trade and Customs management in Europe with a global reach. We offer and deliver innovative strategy and compliance, operations and digital services ensuring optimised trade and customs management.

For our customers, i.e. manufacturer, traders, logistics providers and governments, we combine our services into value creating solutions. We create value through improved trade facilitation, compliance and risk management, duty optimisation and operational efficiency. This is our value proposition.

Trustworthiness is instrumental to our success. Being trustworthy to our customers and to the customs authorities all the time requires the highest standard of quality in our processes and that we as KGH professionals act ethically and with the highest integrity all the time. Trust takes time to earn, but could be instantly lost.

WE@KGH are fully committed to our Code of Conduct. We expect all our employees, as well as all contractors working for us, to be well informed of the requirements set out herein, and to make this Code of Conduct the standard. This is our commitment when serving our 27.000 customers.

If any local regulations include requirements beyond those set out in this Code of Conduct, then the local regulations must be observed.

By acting according to our core values and this Code of Conduct, we will continue building our trustworthiness.

Yours Sincerely



Lars Börjesson

CEO, KGH Group

## INTRODUCTION

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Our Code of Conduct is an integrated part of our formal governance at KGH. The Code of Conduct defines the core principles and ethical standards that provide the foundation of our corporate culture and forms the basis of how we establish value in our company. Such principles applies to how KGH and its subsidiaries perform and manage policies, standards and procedures. It also applies to our board directors, managers and employees.

Our Code of Conduct influences how we think about our actions, and guides what we should and should not do. It is fundamental to the way we conduct business and the way we create value for our customers, investors, staff and anyone else benefiting from the services we perform. Every employee is expected to understand how this Code of Conduct influences their daily work and to adhere to the applicable policies, standards and procedures.

We have developed a set of key performance indicators (KPIs) to monitor and report on key sustainability areas. These KPI's are reported on a regular basis, allowing us to monitor and track our progress in managing and addressing the issues.

KGH Customs Services is a signatory to the [United Nations Global Compact](#), and it supports the [Ten Principles](#) in the areas of Human Rights, Labour, Environment and Anti-Corruption. We promote equal opportunities for all employees to ensure decent and productive work under conditions of freedom, equity, security and dignity. Direct or indirect forms of discrimination are not tolerated at KGH.

We encourage employees to share their views and opinions, and to help each other by pointing out unacceptable behaviours and actions. If there are situations when advice or raising concerns is needed, the line organisation should be addressed. If, for any reason, that is not possible, you can also contact your HR or Risk & Compliance representative, or use the whistle blowing function.

KGH is reviewing this Code of Conduct every year.

## WE@KGH

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### EMPLOYEE ENGAGEMENT, HEALTH AND WELLBEING

KGH is a “people company” and we strongly believe in creating success through our dedicated and committed employees. We are convinced that employee engagement has a great impact in customer satisfaction and business performance. Every year, KGH conducts a confidential employee engagement survey called WE@KGH. The results are communicated transparently and potential improvements are suggested, prioritised and implemented. In addition, each manager initiates conversations to provide and receive feedback to and from employees for workplace improvements.

KGH is committed to protecting the health, safety and security of each employee. Potential risks shall be identified, mitigated and monitored to prevent accidents and occupational diseases. Each employee is, in cooperation with management, responsible for maintaining a safe and healthy workplace by ensuring that KGH’s health and safety rules and practices are followed. All accidents, unsafe practices and unsafe conditions shall be reported to management or the local HR representative. One part of the annual survey, is covering our employees’ experience of the psycho-social work environment and actions are taken based on the result.

### CORE VALUES

Our core values gives us direction on how to behave and should help us understand the difference between right and wrong, especially when the issue at hand is difficult and there are no policies, standards and guidelines to follow. All employees, in all parts and levels of the organisation, are expected to live our values and contribute in developing a strong and value based company culture.

### LEARNING AND PERSONAL DEVELOPMENT

Investing in learning and personal development are two key factors of success in our business. We have a professional growth process based on generic as well as behavioral and functional competencies. We have developed a four-step career model for our employees in operations, which is implemented throughout the organization. The development is supported by a comprehensive training resource at corporate level, as well as complementary local training.

In addition, there is an annual appraisal process for employees, which allows the manager, as well as the employee to evaluate performance and to discuss objectives as well as development plans for the coming year.

## CORPORATE SUSTAINABILITY

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KGH plays an important role in international trade and we are determined to continue contributing to sustainable growth – for our stakeholders, for ourselves and for the society we are a part of.

Economic growth based on increased international trade is a prerequisite for many of the UN's 17 Sustainable Development Goals (SDG). We do facilitate trade as our core business, and have done so since 1963. The solutions we provide help our customers prosper in a responsible way by aiding them in accessing new markets and improving performance in existing ones. As we grow, so does our ability to improve our services, to enable us to work together for sustainable growth.

WE@KGH believe everyone bears a responsibility to contribute towards a sustainable future. KGH has a legacy of being a facilitator in the world of international trade, and we know from experience how ideas, engagement and action have a domino effect. That is why all actions start with the individual.

However, engagement also creates a circle where societal change triggers individual engagement, which is why we see sustainability as a self-strengthening circle moving towards the future.

## KGH SUSTAINABILITY PROGRAM

Contributing to the UN goals through six focus areas. Based on our business, future direction and the key initiatives, WE@KGH are determined to support the following SDGs: Gender equality, Decent work and economic growth, Climate action, Peace, justice and strong institutions, and Partnerships for the goals. KGH pursues the sustainability work through six focus areas to reach set goals. Our program focuses external as well as internal efforts.

KGH Sustainability Foundation has been established to finance and govern non-commercial activities. Each year, an annual budget is allocated to the foundation to support employee initiatives and non-governmental organizations with free or heavily discounted trade and customs services. The Foundation could also give financial support for disaster relief aid during major humanitarian crises. KGH has supported UNICEF, an international charity that works to protect and nurture children around the world.

## OUR CUSTOMER PROMISE

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We are committed to treating our customers with respect and understanding, and we strive to fulfil the needs of our customers in the best way, while complying with all relevant laws, regulations and KGH's policies, standards and procedures.

KGH's ambition is to deliver 100 % quality, and we aim to ensure that any complaints are resolved quickly and fairly, and with appropriate documentation.

Given the nature of our work, we are often entrusted with confidential information. Confidentiality is therefore a key priority within our business, and it is each employee's duty to ensure that all information is handled in accordance with KGH's policies, standards and procedures.

## INTERNAL CONTROLS AND COMPLIANCE

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Internal controls are essential for ensuring that KGH carries out its day-to-day operations effectively, and achieves its business strategy and goals. These are particularly important when the potential risk is high to our operations, and it may be necessary to consider additional levels of controls and monitoring.

We perform internal audits to test the effectiveness of these controls. Our internal audit programme is therefore vital in order to provide management with feedback, whether we are managing our risks properly and continuously strive to improve our business.

Internal audits are the responsibility of our compliance organisations, whilst it is the responsibility of all employees to follow defined processes.

## ANTI-CORRUPTION, MONEY LAUNDERING AND BRIBERY

Corruption and bribery is unethical, immoral and distorts competition.

In compliance with KGH ethical standards, no employee shall ever offer, give, ask for, accept or receive any form of bribe. There can sometimes be a thin line between corruption and gifts given for business courtesy. If in doubt, our employees shall always consult the line manager, or report to our whistle-blower function. All KGH employees are required to comply with KGH ethical standards on corruption and bribery, together with United Nations Global Compact principles. All new employees are made aware of these when they join the company. On a yearly basis, a compliance awareness e-

learning is sent out which all employees need to conduct and sign off that they have read, understood and will comply with our policies, standards and procedures.

We will, to the best of our knowledge, only conduct business with suppliers and customers who follow the same ethical standards. Any expense must be supported by relevant documentation and registered in line with company procedures.

If we detect any form of illegal activities within our business, immediate actions will be taken.

## INTERNATIONAL LAWS AND REGULATIONS

KGH is by definition involved in international business, which means that we are bound by local as well as international laws and regulations. This requires our employees to be highly competent, and have an understanding of local customs, norms and regulations in each country. Employees need to adhere to local laws and regulations as well as to the requirements set out in this Code of Conduct, and shall adhere to the highest standards set between the two of them.

## PERSONAL DATA AND PRIVACY

We are committed to maintaining the privacy of our employees and contractual partners and treat all personal data in strict confidentiality.

KGH shall only collect, process, and store personal data for legitimate business purposes and keep such data no longer than necessary for the purposes for which it was collected.

The legal norms that are in force for the protection of personal data must be strictly upheld.

## CONFLICT OF INTEREST

Conflicts of interest shall, wherever possible, be avoided. KGH shall never take part in, or attempt to influence, a decision or settlement if there is a conflict of interest, or if other circumstances exist which could give grounds to question our impartiality. Since this also applies to private interest and activities, all employees are obliged to inform line manager if they discover a potential conflict of interest.

## KGH PROPERTY

Employees shall treat all property belonging to KGH with due care and respect.

When using IT resources and equipment, security requirements provided by the IT/Digital Department shall always be followed.

## REFERENCES

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Risk & Compliance Policy

Employee Relations Policy

KGH Sustainability Program

IT Security Standard

KGH Zone

Employee Privacy Standard

Integrity Policy