



WE SUPPORT

THE UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS 2012

HUMAN RIGHTS

LABOUR RIGHTS

ENVIRONMENT

ANTI-CORRUPTION





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 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.

The UN's principles for sustainability (the UN Global Compact) are an important point of reference for all activities and are incorporated in the company's governance framework: The Kjaer Group Way of Management (KWOM).

The Kjaer Group Way of Management was introduced in 2008, and hereby also the principles of the "Triple Bottom Line" whereby social and environmental targets and results are pursued in the same way as financial targets.

In 2012, the main focus was the implementation of international HSEQ standards and subsequent certification of business-critical areas.

Further, a new external assessment was conducted: The HiPO (High Performance Organization) survey. The survey measures areas that are essential drivers for developing the organization and the people and it is therefore closely connected with the Group's activities in the area of CSR and the UN Global Compact commitment.

Thus, on behalf of Kjaer Group's 300 employees, I reaffirm our commitment to compliance with the 10 Principles of the Global Compact. I hope you will find this Communication on Progress informative and I invite you to view the Kjaer Group website www.kjaergroup.com and our Annual Report 2012.

Per S. Lundgren,
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	Performance 2011	Targets 2012	Actions 2012	Performance 2012	Targets 2013
Kjaer Group Way of Management (KWOM)	75% answered positive when asked <i>“People in my entity live the Kjaer Group values”</i> (87% participated in survey)	80% answer positive when asked <i>“People in my entity live the Kjaer Group values”</i>	IMM 2012 – management meeting to align and communicate understanding of KWOM in the whole Group New employee survey and change of measurement	87% of employees believes strongly in and support the company’s direction	Min. 80% of employees believes strongly in and support the company’s direction
High Performance Organization Survey	12% negative responses when asked <i>“People here are treated fairly regardless of age, race/ethnic origin/religion, sex, sexual orientation and disability”</i>	0% negative responses when asked <i>“People here are treated fairly regardless of age, race/ethnic origin/religion, sex, sexual orientation and disability”</i>	HiPO survey introduced Remuneration policy and system approved in all Business Units and communicated locally Global HR Planning and follow-up Employee survey action plans	NA (changed) 70% positive responses when asked <i>“All employees in my team are treated fairly regardless of age, gender, family status, race, national origin, disability, personality, thinking, status or sexual orientation.”</i>	Min. 80% positive responses when asked <i>“All employees in my team are treated fairly regardless of age, gender, family status, race, national origin, disability, personality, thinking, status or sexual orientation.”</i>
Health, Safety & Environmental (HSE) Policy	100% of local level policies developed and communicated and action plans in place	Implementation of OHSAS 18001 standard	Gap Plan towards OHSAS 18001 standard for implementation	Gap Plan for OHSAS 18001 standard implemented	Ready for certification in OHSAS 18001 and ISO 14001 standards in distributions and GAP Plan for DK



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 labour
- Principle 5: Businesses should uphold the effective abolition of child labour
- Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation

<i>Processes</i>	<i>Performance 2011</i>	<i>Targets 2012</i>	<i>Actions 2012</i>	<i>Performance 2012</i>	<i>Targets 2013</i>
Remuneration Policy	Pending final approval and communication	Remuneration policy & system approved in all business units and communicated locally	Remuneration policy and system approved in all Business Units and communicated locally	Remuneration policy and system approved in all Business Units and communicated locally	Remuneration Policy compliance
Performance & Development Appraisal	Group Compliance: 54%	100% compliance with performance & development appraisal PDA processes in all entities	Close follow-up during the process.	95% compliance with performance & development appraisal PDA processes in all entities	100% compliance with performance & development appraisal PDA processes in all entities
High Performance Organization Survey	82% Staff Satisfaction rate	80% Staff Satisfaction rate	Employee survey action plans	N/A	Min. 80% HIPO (High Performance Organization) rate



ENVIRONMENT

Commitment: Kjaer Group is committed to operate with the lowest possible impact on the environment. (Kjaer Group HSE 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					
<i>Processes</i>	<i>Performance 2011</i>	<i>Targets 2012</i>	<i>Actions 2012</i>	<i>Performance 2012</i>	<i>Targets 2013</i>
Health, Safety & Environmental Policy	100% of local level policies developed and communicated and action plans in place	Implementation of ISO 14001 standard	Gap Plan towards ISO 14001 standard for implementation	Gap Plan for ISO 14001 standard implemented	Ready for certification in OHSAS 18001 and ISO 14001 standards in distributions and GAP Plan for DK



ANTI-CORRUPTION

Commitment: Kjaer Group does not accept corruption of any kind.					
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery					
Processes	Performance 2011	Targets 2012	Actions 2012	Performance 2012	Targets 2013
Kjaer Group Way of Management (KWOM)	75% answered positive when asked "People in my entity live the Kjaer Group values" (87% participated in survey)	80% answer positive when asked "People in my entity live the Kjaer Group values"	IMM 2012 – management meeting to align and communicate understanding of KWOM in the whole Group New employee survey and change of measurement	87% of employees believes strongly in and support the company's direction	Min. 80% of employees believes strongly in and support the company's direction
Risk Management Policy	Risk Management Policy compliance 50-70%	Risk Management Policy compliance 80-90% GAP plan for anti-corruption	Policy reviews done according to plan GAP plan for anti-corruption made	Risk Management policy compliance 80-90% GAP plan for anti-corruption	Risk Management policy compliance 80-90% Anti-corruption policy
Employment Procedure	KWOM included in employee contracts in Mozambique, Uganda, Denmark and in induction plans in Uganda, Sierra Leone and Denmark	KWOM to be included in all employee contract templates and in the induction program for new employees in the group	HR responsible in all entities	KWOM included in all employee contracts	Discontinued



MOTORCARE

PART OF **KJAER GROUP**