



NEN-ISO 26000:2010

Self-Declaration

BORDERLESS LOGISTICS. SINCE 1918.

KLG
EUROPE

Contents

About KLG	3
CSR-principles	4
Identifying our stakeholders	6
CSR-themes	8
Integration of CSR in our organization	10

About KLG

KLG Europe is a worldwide logistics service provider headquartered in The Netherlands. The organization has 15 establishments in three countries, forming a dense and reliable network. Transports take place mainly by road, rail and sea and is supplemented by value added services such as (re)packaging, assembly, labeling and invoicing. KLG Europe is able to process returns and exchange goods within the supply chain and returned goods can be returned to the place of production, repacked or replaced as stock. Additionally, KLG Europe provides complete customs clearance: import and customs clearance, bonded warehousing and/or fiscal representation. As an logistics service provider with AEO F license, KLG Europe ensures that less time is spent at border control, providing borderless logistics.

History

The organization has been established by Cornelis Kuijken in 1918, just after the end of World War I. Initially the organization was called Kuijken Transport. In 1947 Kuijken Transport provided its first international transport. And in the 1980's the company specialized in container transport and groupage transport. In the following years Kuijken Transport acquired multiple businesses, realizing steady growth. In 2005 Kuijken Transport changed its name to KLG Europe. The Kuijken name is still present as KLG Europe stands for Kuijken Logistics Group. In the next years KLG Europe made multiple acquisitions in The Netherlands and started new establishments in Romania and China. In 2019, KLG Europe was acquired by Sinotrans Limited, becoming part of the largest logistics service provider in China and the entire Far East economic region. In present time, KLG Europe is a leading logistics partner providing complete logistics services.

Mission

To relieve customers by offering a total package of logistics solutions.

Vision

KLG Europe wants to offer maximum service at minimal cost. We achieve this by adopting a proactive attitude and by investing in the best technology. We create a financially healthy and stable environment for the people that share our passion, and we offer our customers practical, efficient and specific logistics solutions.

We continuously implement improvements and innovations to guarantee high customer satisfaction. We require our people to be flexible and to provide clear and careful communication.

Core values

The core values of KLG Europe are entrepreneurship and ownership, solution-oriented and pro-activity, cooperation, reliability, customer focus and result driven.

The focus is on entrepreneurial spirit, measurable results, quality, being a reliable partner, openness of our processes, taking a proactive approach, putting safety above all, being an active player in the sector, making sure sustainability counts and addressing social responsibility.

CSR-principles

In the light of Corporate Social Responsibility, seven CSR-principles can be distinguished. These principles form a base for good governance of a company. KLG Europe respects and endorses the seven CSR-principles. These principles are:

To be accountable for impacts on society, the economy and the environment

KLG Europe is accountable for impacts from its business operations. The main channels used are the annual financial statements, annual report, management review, CSR-report, EED-report, Lean & Green, and dialogue with stakeholders.

To be transparent about decisions and activities which impact the environment

KLG Europe is transparent about its decisions and activities. It publishes an annual report including financial statement and key facts. These documents are deposited at the Chamber of Commerce (Kamer van Koophandel). The environmental impact is published in the annual CSR-report of Sinotrans. On the website of KLG Europe (www.KLGEurope.com) a section is dedicated to Corporate Social Responsibility and sustainability. A dedicated section ('News') keeps up to date with the latest developments. Social media such as Facebook and LinkedIn are used to publish relevant information about KLG Europe and its operations.

To demonstrate ethical behavior

KLG Europe composed a Business Code of Conduct which is published on the company's website. The code of conduct offers a frame of reference for our way of conducting business. KLG Europe is committed to the highest standards of services and business integrity and ensuring that working conditions in our supply chain are safe, that workers are treated with respect and dignity, and that business processes are environmentally and socially responsible.

In selecting qualified suppliers, KLG Europe gives preference to those that are socially and environmentally progressive. In addition, failure to comply with the standards and provisions set forth in our Code may result in supplier disqualification. Fundamental to adopting our Code is the understanding that a business, in all its activities, must operate in full compliance with the laws, rules and regulations of the countries in which it operates. This Code encourages suppliers to go beyond legal compliance, drawing upon internationally recognized standards, to advance social and environmental responsibility.

KLG Europe is committed to pursuing a sound integrity policy. Part of this policy is the whistleblower policy. An employee can consult an independent consultant in confidence about a suspicion of any wrongdoing. The employer will never disadvantage the reporter in connection with reporting a suspected wrongdoing or irregularity to the employer.

KLG Europe handles privacy and personal data with due care, in accordance with legislation and regulations. This applies to data from employees, customers and relations.

To respect the interests of stakeholders

KLG Europe respects the interests of its stakeholders and is known for close relationships with its stakeholders. A personal approach is used in order to stay aware

of individual needs and wishes. Staying connected and entering dialogue is of great importance. By doing so KLG Europe learns from its stakeholders and is able to deliver the best services and stay a trusted business partner.

To respecting the legal order (the applicable laws and regulations)

KLG Europe under all conditions respects the legal order and applicable laws and regulations. The company understands this is a basic requirement for conducting business. Since KLG Europe is an internationally oriented organization, international law is as relevant as domestic law. A specialized Quality & Legal department within the organization ensures to keep up with developments concerning legal order, laws and regulations. The Quality & Legal department is also concerned with compliance of current laws and regulations. Compliance with current laws and regulations as well as keeping up with developments on this subject is part of the Risk Assessment & Evaluation as well. When conducting business KLG Europe ensures to include relevant legal measures in its contracts.

To respect international standards of conduct

KLG Europe respects international standards of conduct at all times. The company is aware that conforming to these standards is of great importance.

To respect universal human rights

KLG Europe endorses the universal human rights and demands this from its employees, customers, partners and other relations.



Identifying our stakeholders

Our stakeholders have an interest in our organization's activities and decisions. Involving stakeholders in conducting our business is important for implementing Corporate Social Responsibility successfully. We identified our stakeholders using the Project Sigma Guidelines. Our stakeholders are summed up below.

Employees

The most important asset of KLG Europe are its employees. Every day they make the difference and define what KLG Europe stands for. Teamwork, a solid foundation of trust, mutual respect and passion have always been the foundation of our organization.

We encourage our employees to continue their professional development. We facilitate this through education and training in which equality, compliance and safety are important aspects.

Our vision concerning our employees is: if we are good to our people, our people will be good to us. Many of our employees stay with us for long periods of time.

Furthermore, good working conditions for our people contribute to our high quality services and efficient transportation. Our drivers have access to modern and fully equipped trucks and strictly adhere to all European drivers' hours rules. In our warehouses, extensive safety requirements are in place, and we choose ergonomic solutions to create a pleasant and safe environment for our staff.

Managing board

The managing board of KLG Europe is responsible for good governance and steering the organization in the right direction in order to achieve its short and long term goals.

Customers

KLG Europe's way of conducting business revolves around their customers. Personal and close

relationships are of key importance to deliver the best fitting solution.

We strive, as company, to efficiently contribute to our customer's business objectives. We achieve this by offering high-quality and continuity of improvement proposals, optimization and possibilities. Offering intermodal transport is an example of this.

Suppliers

KLG Europe has multiple suppliers in order to conduct its business. The organization attaches great importance to high-quality suppliers. In selecting qualified suppliers, KLG Europe gives preference to those that are socially and environmentally progressive. Failing to comply with the standards and provisions set forth in the Business Code of Conduct may result in supplier disqualification. By doing this, KLG Europe sets a high standard for its suppliers.

Government

The government is another important stakeholder. At all times, KLG Europe adheres to the applicable laws and regulations as this is a basic requirement. Furthermore, KLG Europe keeps a close eye on the governmental climate policy and developments concerning this policy. By doing this the organization keeps up to date with important and relevant information.

Partners

With dedication to our partners and investments in partner networks, we know how to touch both the ecological and the economic plane. KLG Europe reduces a large part of its footprint by optimizing utilization rates. The

economic aspect is based on the mutual (business) interests, whereby development and growth are part of the future.

Local residents & community

KLG Europe attaches great importance to the well-being of the local residents. A good relationship is maintained by proactively maintaining contact.

Safety is one of the aspects in which KLG Europe makes no concessions. We take the safety and health aspects of

parties involved in our daily business into account in our decisions. We take a proactive approach when it becomes about risks that affect people, society or the environment. For example, we invest in the development of the knowledge and skills of our employees of tomorrow. We are closely involved in study programs of various educational institutions with subjects like safety, health, development and innovation. KLG Europe also has a responsibility to provide charity in cases of emergency.



CSR-themes

In context of ISO 26000 seven CSR-themes can be distinguished. These themes consist of a total of 37 CSR-subjects which contribute to social, environmental and economic sustainability. KLG Europe recognizes the importance of the CSR-themes and is committed to improving its performances.

Management of the organization

The management of the organization is laid down in the statutes and the internal regulations. Management is focused on the mission and vision of the organization.

Human rights

KLG Europe respects human rights and ensures all employees do this as well for all its operations.

Labor practice

KLG Europe ensures safe and healthy working conditions for all of its employees. For example, standing desks are available for office staff and our drivers have access to modern and fully equipped trucks. KLG Europe ensures that truck drivers adhere to the European drivers' hours rules.

The good working conditions are expressed in the low absent rates which are well below the average in The Netherlands.

KLG Europe stimulates its employees to eat healthy by offering free fruit at their workplace.

Periodic risk assessment is conducted and audited by independent reviewers.

The environment

Our organization is committed to contributing to a more sustainable world. We do this in multiple ways. An overview of some of our efforts:

Eliminate paper use by printing as little as possible and when printing we use double sided prints.

Eliminate use of plastic cups for drinks.

Use of water cooler instead of water bottles.

Use of LED lighting in our business locations.

Purchase of Fairtrade, BIO and UTZ of Rainforest Alliance label coffee.

Separation of waste flows.

Partaking in Lean & Green program aimed at reducing emissions.

Conducting fair business

KLG Europe ensures that it conducts fair business. We make clear agreements with our stakeholders and focus on mutual gain. This is part of our Business Code of Conduct.

Customer and consumer matters

We are a logistics partner who thinks along with their customers. At KLG Europe we like to explore the challenges of our customers. We then propose tailor-made solutions for maximum customer satisfaction.

We like to work on optimizing our customers' supply chain, in close collaboration with our customers. This is done by providing quick and easy transport, but also by offering various value added services.

KLG Europe offers its customers a user-friendly online solution via the KLG Customer Portal to book shipments 24/7 quickly and easily. When booking via the portal, documents such as packing lists can be uploaded. Customers can also access our Track & Trace system through the portal.

Our services are supplemented by value added services such as (re)packaging, assembly, labeling and invoicing. We are able to process returns and exchange goods within the supply chain and returned goods can be returned to the place of production, repacked or replaced as stock. Additionally, KLG Europe provides complete customs clearance: import and customs clearance, bonded warehousing and/or fiscal representation.

KLG offers full EDI support. EDI is an acronym for Electronic Data Interchange. It refers to the exchange of digital information between our customer's systems and ours. This orders, status messages of shipments and invoices. This type of information exchange is reliable, reduces risk of errors and considerably cuts down on administration proceedings.

In 2020 KLG Europe introduced Simplify in Romania. This is a service that offers online companies the opportunity to transfer their logistics and transport

processes to a single supplier. For example, KLG provides transport, storage, product packaging, return logistics, but also flexibility by integrating and optimizing existing courier services.

Community involvement and development

KLG Europe actively collaborates with universities and educational institutions in various projects. For us this is a way of keeping up with the latest developments and staying connected with the young generation and potential future employees. By staying connected we continuously expand our network and are able to acquire the best employees.

In return we offer students internships which are aimed at mutual gain. We offer multiple internships every year. During internship it is important for us that the students are able to develop themselves and gain a feel for our organization and our business sector.



Integration of CSR in our organization

KLG Europe implements sustainability in various ways. It takes part in multiple initiatives, possesses certifications and received various rewards. These will be discussed further below.

Code of Conduct

Our Business Code of Conduct comprises sections dedicated to Labor, Health and Safety, Environment, Management System and Ethics. The following subject are addressed. The full Code of Conduct is available on our website (<https://www.klgeurope.com/business-code-of-conduct>).

✦ Labor

- No Child Labor
- Freely Chosen Employment
- Minimum Wages
- No Discrimination
- No Harsh or Inhumane Treatment
- Working Hours
- Freedom of Association

✦ Health and Safety

- Machine Safeguarding
- Industrial Hygiene
- Safety
- Emergency Plans
- Occupational Injury and Illness
- Physically Demanding Work

✦ Environment

- Product Content Restrictions
- Chemical and Hazardous Materials
- Wastewater and Solid Waste
- Air Emissions
- Pollution Prevention and Resource Reduction
- Environmental Permits and Reporting

✦ Management System

- Company Commitment
- Management Accountability and Responsibility
- Legal and Customer Requirements
- Training
- Risk Assessment and Risk Management
- Performance Objectives with Implementation Plan and Measures
- Communication
- Employee Feedback and Participation
- Audits and Assessments
- Corrective Action Process
- Documentation and Records

✦ Ethics

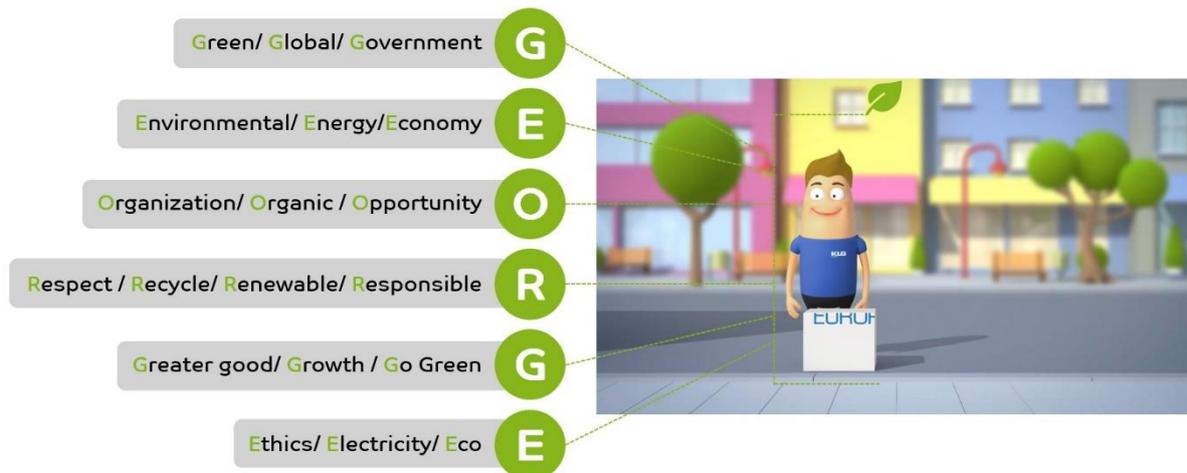
- No Corruption, Extortion, or Embezzlement
- Disclosure and Privacy of Information
- No Improper Advantage
- Gifts and Gratuities

Sustainability & Innovation project group

KLG Europe has a dedicated project group called Sustainability & Innovation. This group continuously develops a plan of approach to take steps with regards to sustainability and innovation and explores various initiatives. By doing this KLG Europe keeps working towards a more sustainable world.

GEORGE

KLG Europe uses programs where quality, safety, security and the environment are main topics, including the GEORGE program. This allows us to maintain and safeguard topics such as ethics and our responsibility to the environment.



SILL & JOI

In 2018 KLG Europe took part in the SILL pilot project. The goal of Social Innovators Logistics Limburg was to get Social Innovation higher on the agendas of companies. During this project 10 logistic companies engaged in the creation of social innovation within their companies. Our motivation for participating in this project is that we continuously want to prepare for the future. We are aware that our employees are the biggest, most tangible, but also the most fragile capital within our organization. We want to involve our employees and listen to their ideas. This doesn't just realize higher employee satisfaction, but also stimulates innovation, higher productivity and profitability.

The successor of SILL is JOI which stands for Jointly Organizations Innovate. JOI is a learning community. We share our knowledge and experience with other logistics companies and engage in discussions. Subjects that have been discussed among others are 'developing entrepreneurship in the organization', 'Internal communications' and 'Sustainable Employability'.

Most attractive employer

KLG Europe was awarded as Most Attractive Employer of Limburg (District in The Netherlands) In 2019/2020. 135 organizations participated in the election and we are proud to have been chosen. Being elected as most attractive employer combined with our low staff turnover rate confirms high employer satisfaction and our position as a good employer.

Best Managed Company Gold Member

KLG Europe is one of the best managed companies of The Netherlands, according to Deloitte. This means that KLG Europe is a financially healthy and ambitious organization. We can proudly say that we are officially a Gold Member as we have been declared as Best Managed Company for the sixth time in a row.

New SilkWay Logistics

In addition to transport by boat and by plane KLG Europe offers transport by train. This is a more sustainable way of transportation. KLG Europe is one of the two leading companies in the joint venture called New Silk Way Logistics (NSWL). The collaboration provides a complete package of logistics services before, after and during transport. NSWL has a higher load factor, is able to perform temperature controlled transport between -23 degrees Celsius and +30 degrees Celsius and is a Green Coldchain Solution. The transport containers have been developed with a focus on sustainability and the cooling containers consume fossil-free fuel. New SilkWay Logistics is an innovative and sustainable way of transport and offers first class door-to-door intermodal rail and logistic solutions between Europe and China.



Lean & Green program

The Lean & Green program is market leader in CO₂ reduction programs for the logistics sector. With the help of sustainable measures and best practices proposed by the community, we save operating costs and at the same time reduce CO₂ emissions. In 2020 we made the first steps in this program towards sustainable mobility. Our ultimate aim is to deliver emission-free logistical solutions to our customers.

EcoVadis

EcoVadis is the world's largest and most trusted provider of business sustainability ratings. The company has created a global network of more than 65,000 rated companies. KLG Europe is currently rated as a Bronze level company. This means that KLG Europe belongs to the top 50% of the rated companies. We continuously explore ways to improve and aim to achieve an even higher rating in the future.

ISO 9001:2015

KLG Europe is ISO 9001:2015 certified which demonstrates that our organization meets the requirements of quality management systems. ISO 9001 provides a tool in developing, implementing and improving the effectiveness of a quality management system. This standard specifies the requirements to safeguard and improve processes that are important for increasing customer satisfaction. Customer satisfaction is increased by meeting and exceeding the requirements of customers, the requirements of our organization itself, legislation and regulations and by continuously improving the effectiveness of the quality management system. ISO 9001:2015 can be used to assess whether a properly functioning quality management system is in place.

ISO 22000:2018

With the ISO 22000:2018 certification KLG Europe shows that it meets requirements for management systems for food safety. Our organization demonstrates its ability to control food safety hazards to ensure that food is safe during the time it is in our custody.



GMP + B3

KLG Europe is GMP + B3 certified for Feed Safety Assurance. GMP+ Feed Safety Assurance is a complete module with standards for the assurance of feed safety in all the links of the feed chain.

AEO

KLG Europe has AEO F license. This license is issued by Customs. This means that KLG Europe works together closely with Customs Authorities in order to increase safety of the international logistics chain. This relationship is based on mutual transparency, correctness, fairness and responsibility. As an AEO organization we enjoy benefits such as needing to go through fewer border checks and when we are selected for a check the process is significantly faster. As a result we are able to provide fast services for our customers.

TAPA A

The Transported Asset Protection Association (TAPA) is a forum that unites manufacturers, logistics providers, freight carriers, law enforcements agencies and other stakeholders with the goal of reducing losses from international supply chains. The crossdock of KLG Europe is TAPA-A certified which means that we conform to the highest security requirements of TAPA. Being TAPA-A certified means the highest security level is met, in order to keep our clients goods safe and secure.

SQAS

SQAS (Safety & Quality Assessment for Sustainability) is a system of assessments to evaluate the performance of logistics service providers and chemical distributors. As our organization arranges transport of chemicals it is important to us to manifest that we deliver quality services in a safe way. Hence KLG Europe is SQAS-certified and shows that it is a solid business partner.