

# DFDS Supplier Code of Conduct

January 2022

## 1 INTRODUCTION

- 1.1 In DFDS A/S Group Procurement we are committed to pursuing a responsible and sustainable approach to procurement, based on recognized global standards such as ISO and HSE standards and the universally recognized ten principles of the United Nations Global Compact relative to Human Rights, Labour, Environment, Anti-corruption, Health & Safety, Anti Human Trafficking, UK Anti Bribery, Modern Slavery, Anti Money Laundering, Export Control, US/UN/EU member states/UK Global Sanctions, the EU Privacy Directive (GDPR) and general business ethics and on a strict and continuous observance of national and international rules (**hereinafter the "Rules"**).
- 1.2 As our suppliers are an extension of our business, we may cause adverse impacts through our purchasing practices too; thus, DFDS A/S expects all our suppliers to meet the expectations set forth in this Supplier Code of Conduct (the **"SCoC"**). Failure to establish systems to manage impacts on these four areas of fundamental responsibility may impact our suppliers' ability to do business with DFDS A/S in the future.
- 1.3 The terms of this SCoC apply to first-tier suppliers, parent, subsidiary or affiliate entities, as well as all others with whom they do business, including, suppliers, subcontractors, joint venture partners and other third parties. It shall be suppliers' responsibility to ensure that their business relationships also have processes to manage their adverse impacts on the Rules.
- 1.4 In the case of business relationships such as non-controlled joint ventures partnerships, etc., we endeavour to engage with such business partners to influence the implementation of principles and standards of this SCoC towards mitigating sustainability risks in supply chains.

## 2 REQUIREMENTS AND IMPLEMENTATION

- 2.1 This SCoC sets the minimum expectations from suppliers and is based on our commitment to recognized global standards such as ISO and HSE standards and to the United Nations Global Compact's principles, as derived from the International Bill of Human Rights, International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption, and made operational by the United Nations Guiding Principles on Business and Human Rights.
- 2.2 DFDS A/S expects suppliers to adhere to applicable laws of their areas of operation. Where national laws provide for better or lesser protection of the Rules, the higher standard shall apply. Where there is a conflict between national law and the provisions of this SCoC, the supplier shall report this to DFDS A/S and try - to the extent possible - to honour the SCoC's provisions while adhering to national regulation.
- 2.3 Our suppliers are required to acknowledge and commit to the adherence of responsible business principles of the SCoC. We assess our suppliers' compliance with the SCoC through a combination of audits, self-assessments and documentation reviews. Conducted directly or through our partners within our Responsible Procurement Programme. Suppliers are expected to cooperate in answering questions and to fully collaborate with DFDS A/S in improving their systems of managing adverse impacts on the Rules. Suppliers should address any gaps in the implementation of this SCoC by establishing and implementing a time-bound improvement plan in consultation with DFDS. Periodic reviews and follow-up audits as per our internal procedures can be conducted to monitor the compliance levels.

- 2.4 We expect suppliers to adopt a policy statement that is fully committed to the international principles and standards set forth in this SCoC. The policy statement shall be approved by the suppliers' senior management and made publicly available. It shall stipulate expectations regarding the Rules from personnel, business partners and other parties directly linked to suppliers' operations, products and/or services.
- 2.5 We expect and encourage our suppliers to develop and implement relevant management systems, appropriate for a company of their size and industry to ensure compliance with applicable laws and regulations and the requirements of the SCoC. As we are aware that the establishment of such processes takes time and resources, we are open to collaborate with our suppliers, share knowledge and experience, and ensure that our purchasing practices do not negatively impact their abilities to meet the requirements of the SCoC.

### **3 DUE DILIGENCE, REPORTING AND ACTIONS**

#### **3.1 The Due Diligence Process**

We expect suppliers to establish a process of continuous due diligence in relation to their actual and potential adverse impacts on the Rules. The process shall:

- a) regularly assess potential and actual impacts on the areas of fundamental responsibility,
- b) integrate impact assessment findings across relevant internal processes and functions, so as to ensure the prevention and mitigation of identified adverse impacts; and
- c) account for and report to DFDS A/S how impacts are being addressed.

#### **3.2 Reporting System**

- a) We expect our suppliers to have a reporting system to ensure that employees can voice grievances anonymously and without fear of reprisals on any aspect of this SCoC. All grievances should be investigated in a fair and timely manner.
- b) We expect that suppliers account for and report to DFDS any relevant impact or breach to the SCoC.
- c) We also welcome anyone within or outside of DFDS to report any potential or actual violations of this SCoC. We do not tolerate retaliation against persons making reports in good faith. Concerns can be reported directly to DFDS representative or managers or through the DFDS whistleblowing system.

#### **3.3 Actions**

The objective of this SCoC is to establish a basis for positive development of responsible procurement practices through regular dialogues and ongoing working relationships. However, in the incident of material breach of the SCoC, we reserve the right to take actions up to termination of contracts or in severe cases, to take legal actions against any first-tier suppliers, parent, subsidiary or affiliate entities, as well as all others with whom they do business, including, suppliers, subcontractors, joint venture partners and other third parties.

- 3.3.1 If a supplier discovers or is informed that it causes or contributes to an adverse impact, the supplier shall enable access to remedy through legitimate processes for those affected and/or inform the relevant authorities. The remediation process must be legitimate, accessible, predictable, equitable, transparent, aligned with international principles, continually updated and based around dialogue.
- 3.3.2 If a supplier did not cause nor contribute to an adverse impact, but is linked to it through its value chain, the supplier shall use its leverage to make the causing entity prevent reoccurrence, provide remedy for those affected and inform the relevant authorities.

## 4 SCOC PRINCIPLES AND STANDARDS

Suppliers' public policy statements, continuous due diligence processes and reporting systems shall cover the internationally endorsed principles of the Rules that are described below.

### 4.1 Health & Safety

Suppliers are expected to provide a safe, secure, and healthy working environment for all of their workforce. Suppliers are expected to:

1. Develop and implement effective health and safety management systems,
2. Evaluate consequence on health and safety of all relevant investment decisions,
3. Constantly seek ways to improve health & safety,
4. Ensure each employee shall have adequate training for the safe execution of assigned tasks and have sufficient knowledge of health & safety, appropriate to the position,
5. Monitor the effectiveness of the policy and associated management systems,
6. Annually review and set targets for health & safety,
7. Evaluate, control, and minimise risks associated with activities,
8. Have clear contingency plans for health, safety, and environmental damage in the event of incidents/accidents,
9. Report and investigate all incidents, accidents and near misses related to health, safety and environment and to implement preventative measures to avoid repetition,
10. Fulfil applicable compliance obligations and legal requirements on our operations.

### 4.2 Environmental Principles

Suppliers should establish processes that cover all impacts on the external environment, as stated in the Rio Declaration on Environment and Development. Emergency procedures to prevent and mitigate industrial accidents that can have an adverse environmental impact must be established. Suppliers must minimise their impact on the environment and comply with all relevant local and national environmental laws as well as international standards relevant to their activities' impacts. Compliance through training and monitoring must be ensured. Suppliers should manage impacts on:

1. Emissions to air,
2. Releases to water and land,
3. Use of raw materials, natural resources, energy,
4. Animal welfare,
5. Energy emitted, e.g. heat, waste, radiation, etc,
6. Physical attributes, e.g. noise, odour, colour, size, etc.

### 4.3 Human & Labour Rights

We are committed to creating a working environment where workers are treated with dignity and respect, and we require our suppliers to also adopt and enforce similar workplace practices. Suppliers are expected to manage adverse impacts on the below-listed human and labour rights, as stated in the International Bill of Human Rights and ILO's Declaration on Fundamental Principles and Rights at Work.

1. Right to self-determination (indigenous peoples),
2. Right to non-discrimination,
3. Right to work (training, contract and termination),
4. Right to equal pay for equal work, a living wage (minimum wage), safe and healthy working conditions, equal opportunity for promotion and rest, leisure, and paid holiday,
5. Right to form and join trade unions and to strike,
6. Right to social security, including social insurance,
7. Right to protection of mothers before and after childbirth, and of children & young people from exploitation (no child labour),
8. Right to adequate food and its fair distribution, adequate clothing and housing, water, and sanitation,
9. Right to health,
10. Right to education,
11. Right to take part in cultural life, benefit from scientific progress, material gains from inventions and protection of copyright,
12. Right to life,
13. Right not to be subjected to torture, cruel, inhumane, or degrading treatment or punishment, and right to free, prior and informed consent to medical/scientific experimentation,
14. Right not to be subjected to slavery, servitude, forced labour,
15. Right to liberty and security of person,
16. Right of detained persons to humane treatment,
17. Right not to be subjected to imprisonment for an inability to fulfil a contract,
18. Right to freedom of movement,
19. Right of aliens to due process when facing expulsion (seeking asylum),
20. Right to a fair trial,
21. Right to be free from retroactive criminal law,
22. Right to recognition as a person before the law,
23. Right to privacy,
24. Right to freedom of thought, conscience and religion,
25. Right to freedom of opinion, expression, information,
26. Right to freedom from war propaganda and from incitement of racial, religious, or national hatred,
27. Right to freedom of peaceful assembly,
28. Right to freedom of association,
29. Right to protection of the family and to marry,
30. Right to protection of the child and acquire a nationality,
31. Right to participate in public affairs,
32. Right to equality before the law, equal protection of the law and rights of non-discrimination,
33. Rights of minorities (culture, religious practice, language).

#### 4.4 Business Ethic

Suppliers should establish adequate processes to conduct their business with highest ethical standards. According to processes suppliers should:

1. Documenting, recording, and keeping income and expenditure data available for periods determined by law, or, if unregulated, for a minimum of three years,
2. Not permitting corruption of public officials or private-to-private corruption, including both 'active' and 'passive' corruption (also referred as 'extortion' or 'solicitation'),
3. Not permitting payment of bribes or trading in influence in relation to business partners, government officials or employees, including through the use of intermediaries,
4. Not hiring government employees to do work that conflicts in any manner with the former official obligations of that employee,
5. Not permitting political contributions, charitable donations, and sponsorships in expectation of undue advantages,
6. Not offering or accepting excessive gifts, hospitality, entertainment, customer travel and expenses if not previously approved by a senior officer and explicitly recorded in the books of the business, naming the recipient or giver,
7. Not permitting use of facilitation payments, unless you are subject to threats or other coercion,
8. Abstaining from nepotism and cronyism,
9. Not permitting or participating in money laundering,
10. adhere to anti-trust and other competition laws,
11. disclose any potential or actual conflict of interest to DFDS,
12. adhere to data privacy laws and comply to contractual requirements on confidentiality and information security.

#### 5 SIGNATURE

As supplier to DFDS A/S, please sign on the line and complete the details below:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_