



Supplier Code of Conduct (SCoC)

Version 003 / January 2019



1 INTRODUCTION

- 1.1 DFDS A/S (“we” or “us”) has committed to building a sustainable practice by establishing systems and processes to manage our adverse impacts on human and labour rights, environment and anti-corruption (the “three areas of fundamental responsibility”). 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 three areas of fundamental responsibility may impact our suppliers’ ability to do business with DFDS A/S in the future.
- 1.2 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 subcontractors and other third parties. It shall be suppliers’ responsibility to ensure that their business relationships also have processes to manage their adverse impacts on human and labour rights, environment and anti-corruption.
- 1.3 As we are aware that the establishment of such processes takes time and resources, we intend 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.
- 1.4 DFDS A/S expects all our suppliers, at any time, to be able to declare in writing their stage of implementation in relation to this SCoC’s provisions. 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 human and labour rights, environment and anti-corruption.

2 LEGAL COMPLIANCE

- 2.1 This SCoC sets the minimum expectations from suppliers and is based on 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 human and labour rights, environment and anti-corruption, 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.

3 PROCESS REQUIREMENTS

DFDS A/S expects our suppliers to develop and implement a policy statement, a continuous due diligence process and a remediation system to manage their actual and potential adverse impacts on human and labour rights, environment and anti-corruption.

3.1 The Policy Statement

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 human and labour rights, environment and anti-corruption from personnel, business partners and other parties directly linked to suppliers' operations, products and/or services.

3.2 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 human and labour rights, environment and anti-corruption. The process shall:

- a) regularly assess potential and actual impacts on the three 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.

3.3 The Remediation System

Even with the best policies and processes in place, actual adverse impacts on human and labour rights, environment and anti-corruption can occur, and companies have a responsibility to provide remedy to victims of the impacts caused or contributed to by the company.

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.

To address adverse impacts early, suppliers could establish and participate in operational-level or sector-based grievance mechanisms accessible to businesses, individuals and/or communities.

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 PRINCIPLES AND STANDARDS

Suppliers' public policy statements, continuous due diligence processes and remediation systems shall cover the internationally-endorsed principles on human and labour rights, environment and anti-corruption that are described below.

4.1 Human and Labour Rights

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.

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| <ol style="list-style-type: none"> 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; | <ol style="list-style-type: none"> 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). |
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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 maintain awareness of the legislative requirements relevant to their activities' impacts. Compliance through training and monitoring must be ensured. Suppliers should manage impacts on:

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| <ol style="list-style-type: none"> 1. Emissions to air; 2. Releases to water and land; 3. Use of raw materials, natural resources, energy; | <ol style="list-style-type: none"> 4. Animal welfare; 5. Energy emitted, e.g. heat, waste, radiation, etc; 6. Physical attributes, e.g. noise, odour, colour, size, etc. |
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4.3 Anti-Corruption Principles

Suppliers should establish adequate processes to counter corrupt practices. Such processes should support and be in line with the UN Convention against Corruption, as listed below:

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 to, at times, 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 (e.g. above the cumulative value of the equivalent of USD 200 per person/relationship in any twelve-month period) 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.

5 SIGNATURE

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

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Name:

Title:

Date:

Company: