



SUPPLIER CODE OF CONDUCT (SCoC)

IMPA - RSCM

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1.0 Introduction

DFDS expects all our suppliers to follow this Supplier Code of Conduct (SCoC). This means establishing systems to manage adverse impacts on human rights including labour rights, environmental and anti-corruption principles and creating clear goals toward meeting the expectations set forth in this Code. Failure to do so may impact the future ability of a supplier to do business with DFDS.

DFDS is aware that the establishment of expected processes aimed at managing adverse impacts requires time and resources, and we are establishing similar processes in our operations. Thus, it is our intention that the implementation of outlined expectations can take place in a collaborative manner, where we can share knowledge and experiences.

Similarly, DFDS is aware, that DFDS can cause or contribute to adverse impacts on human rights including labour rights, environmental and anti-corruption principles by suppliers e.g. via purchasing practices. Therefore DFDS will routinely assess any adverse impacts it may cause or contribute to through its purchasing, compliance and other supply chain practices.

This includes ensuring that the following purchasing practices do not negatively impact supplier's ability to meet the requirements set forth in this SCoC: Lead time, order volume versus production capacity, product development process, pricing, order size fluctuation and consistency of orders.

The terms of this SCoC apply to first tier suppliers, parent entities and subsidiary or affiliate entities, as well as all others with whom they do business, including subcontractors and other third-parties. It shall be the responsibility of the supplier to ensure that its business relationships have adequate processes to manage their adverse impacts on human rights including labour rights, environmental and anti-corruption principles.

DFDS expects all suppliers at any time to be able to declare in writing its stage of implementation in relation to the expectations expressed in this SCoC. Suppliers are expected at any point to willingly cooperate in answering further questions, self- assessments and if deemed necessary cooperate with DFDS in improving systems to manage adverse impacts on human rights including labour rights, environmental and anti-corruption principles.

2.0 Legal compliance

The provisions as set forth in this SCoC provide the minimum expectations to suppliers. These minimum expectations are based on the general principles contained in the UN Global Compact as made operational with the UN Guiding Principles on Business and Human Rights, referencing the International Bill of Human Rights (IBHR), the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work (ILOD), the Rio Declaration on Environment and Development, the United Nations Convention against Corruption, and other relevant international principles.

In addition to this, DFDS expects suppliers to adhere to all applicable laws, rules and regulations, where they operate. If national regulations provide for better or lesser protection of human rights including labour rights, environmental protection or protection against corruption, than provided for by the minimum standards referenced in this

SCoC, the supplier shall apply the higher standard. If there is a conflict between national regulation and the minimum standards referenced in this SCoC, suppliers shall report this to DFDS and seek – to the extent possible - to honour the international principles and standards referenced in this SCoC, while adhering to national regulation.

3.0 Process requirements

The aim of this section is to provide suppliers with guidance on how to establish processes in order to manage adverse impacts on human rights including labour rights, environmental and anti-corruption principles and thereby meet the expectations set forth in this SCoC.

DFDS expects all suppliers to develop and implement the following:

1) policy statement, 2) due diligence and 3) remediation.

1. Policy Statement:

DFDS expects suppliers to adopt a policy statement committed to the international principles that this Supplier Code of Conduct is based on. The policy statement shall:

- Be approved by the most senior level of the business enterprise.
- Take into account relevant internal or external expertise on human rights including labour rights, environmental and anti-corruption principles.
- Stipulate expectations on human rights including labour rights, environmental and anti-corruption principles towards personnel, business partners and other parties directly linked to the suppliers' operations, products or services.
- Be publicly available and communicated both internally and externally.
- Be reflected in other operational policies and procedures necessary to embed the policy statement throughout the business enterprise.

2. Due Diligence:

DFDS expects suppliers to establish a process of continuous due diligence in relation to the supplier's adverse impacts on human rights including labour rights, environmental and anti-corruption principles. The due diligence process should cover potential and actual adverse impacts that the supplier may cause or contribute to through its own activities as well as adverse impacts, which the supplier may be directly linked to through the various operations of its business relationships.

The due diligence process shall, as a minimum, contain the following elements for managing potential and actual adverse impacts:

• Identification:

Firstly, an assessment of potential and actual adverse impacts on human rights including labour rights, environmental and anti-corruption principles shall be conducted on a regular basis.

• Prevention and mitigation:

If potential or actual adverse impacts are identified, suppliers must effectively integrate their impact assessment findings across relevant internal functions and processes. This should be done in order to ensure that such adverse impacts are prevented or appropriate action for their mitigation is taken.

• Accounting:

The process of addressing adverse impacts has to be closely tracked. Suppliers are expected to account for how they address their potential and actual adverse impacts by communicating their findings and actions to DFDS.

3. Remediation:

DFDS recognises the possibility of actual adverse impacts, even when the best policies and processes are in place.

If a supplier discovers or is informed that it causes or contributes to an actual adverse impact on human rights including labour rights, environmental or anti-corruption principles, the supplier shall enable access to remedy for those affected or inform the proper authorities. If the supplier did not cause or contribute to such adverse impact, but is directly linked to it as it occurs in the supplier's value chain or in other relations, the supplier commits to use its leverage to make the causing or contributing entity prevent and mitigate reoccurrence and enable access to effective remedy for those affected or ensure that the proper authorities are informed.

According to international principles, companies have an explicit responsibility to provide remedy to victims of actual adverse human rights

impacts that the companies cause or contribute to. Therefore, if such actual adverse human rights impacts are identified, DFDS expects suppliers to provide for or cooperate in their remediation through legitimate processes.

To make it possible for adverse impacts on human rights including labour rights, environmental and anti-corruption principles to be addressed early and remediated directly, suppliers could establish or participate in effective operational-level or sector-based grievance mechanisms accessible for other business enterprises, individuals and communities, who may be adversely impacted or otherwise have identified adverse impacts.

The supplier's remediation process should have the following characteristics:

• Legitimate:

The remediation process should enable trust and be accountable for fair conduct;

• Accessible:

The remediation process should be known to all intended users (such as employees and the local community) and provide adequate assistance for those who may face particular barriers to access;

• Predictable:

The remediation process should provide a clear timeframe, clarity on the types of process and

outcomes available, as well as the implementation possibilities;

• Equitable:

The remediation process should provide reasonable access to sources of information, advice and expertise necessary to engage in the process on fair, informed and respectful terms;

• Transparent:

The remediation process should keep parties informed about progress, and provide sufficient information about its performance to build confidence in its effectiveness and meet public interests at stake;

• Rights-compatible:

The remediation process should ensure that outcomes and remedies are in line with internationally recognised human rights including labour rights, and environmental and anti-corruption principles;

• A source of continuous learning:

The remediation process should draw on relevant measures to identify lessons for improving the mechanism and preventing future adverse impacts; and

• Based on engagement and dialogue:

The remediation process should consult the persons for whose use it is intended on its design and performance, and focus on dialogue as the means to address and resolve adverse impacts.

4.0 Principles and standards

Suppliers' policy statement, due diligence and remediation processes should cover internationally agreed principles in relation human rights including labour rights, environmental and anti-corruption principles. The principles and standards that DFDS expects all suppliers to manage adverse impacts upon are described in the three sub-sections below.

1. Human rights including labour rights

Suppliers are expected to manage adverse impacts on international recognised human rights including labour rights as stated in the International Bill of Human Rights (IBHR) and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work (ILOD). A list of human rights including labour rights can be found in the table below.

Manage potential and actual adverse impacts on:

1. Right to self-determination (indigenous peoples rights)
2. Right to non-discrimination
3. Right to work (training, contract and termination)
4. Right to enjoy just and favourable conditions of work (including equal pay for equal work, a living wage (minimum wage), safe and healthy working conditions, equal opportunities for everyone to be promoted, and rest, leisure and paid holidays)
5. Right to form and join trade unions and the right to strike
6. Right to social security, including social insurance
7. Right to family life (including protection of mothers before and after childbirth and children's and young people's protection from exploitation (no child labour))
8. Right to adequate standard of living (including adequate food and its fair distribution, adequate clothing, adequate housing, and water and sanitation)
9. Right to health
10. Right to education
11. Right to take part in cultural life, to benefit from scientific progress, material gains from inventions, and moral rights of authors (protection of copyrights)

- 12 Right to life
- 13 Right not to be subjected to torture, cruel, inhuman and/or degrading treatment or punishment (including free, prior and informed consent to medical or scientific experimentation)
- 14 Right not to be subjected to slavery, servitude or forced labour
- 15 Right to liberty and security of person
- 16 Right of detained persons to human treatment
- 17 Right not to be subjected to imprisonment for an inability to fulfil a contract
- 18 Right to freedom of movement
- 19 Right to 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 and expression (including freedom of information)
- 26 Right to freedom from war propaganda, and freedom 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 the right to marry
- 30 Right to protection of the child and right to 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 and language)

3. Anti-corruption principles

Suppliers should establish adequate processes to counter corrupt practices. Such processes should support and be in line with the United Nations Convention against Corruption.

The anti-corruption aspects listed in the table below should as a minimum be managed.

Manage potential and actual adverse impacts on:

1. Documenting, recording and keeping income and expenditure data available for periods determined by law, and if not regulated 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 permitting use of facilitation payments, unless you are subject to threats or other coercion;
5. Not hiring government employees to do work that conflicts in any manner with the former official obligations of that employee;
6. Not permitting political contributions, charitable donations and sponsorships in expectation of undue advantages;
7. 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 approved by a senior officer and explicitly recorded in the books of the business, naming the recipient or giver);
8. Abstaining from nepotism and cronyism;
9. Not permitting or participating in money laundering.



5.0 Signature

As supplier to DFDS please sign here:

Date, name, title and company name

6.0 Appendix 1: Selected examples on human rights including labour rights

You are expected to manage potential and actual adverse impacts on the full range of human rights including labour rights. Below we provide you with examples of the more concrete expectations under a few specific human rights to enable an understanding of what the processes could address and include.

If you need further information concerning other human rights not exemplified below, please engage in dialogue with us.

The right to non-discrimination

In respecting this right, the supplier should see the following as essential steps:

- a) Not discriminating on the basis of race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status such as ethnic origin, disability, age, health status, parental or marital status or sexual orientation, except when justified by reasons intrinsic to specific work requirements, and in particular:
- b) Providing a work environment free from any form of harassment, particularly sexual harassment, intimidation or bullying;
- c) Ensuring that promotion and termination are based on legitimate non-discriminatory business reasons, such as experience and competence;

- d) Ensuring equal pay for equal work is paid without distinction based on grounds mentioned above, taking into account differences in wages by country and region;
- e) Not viewing affirmative action policies as discriminatory.

The right to form and join trade unions and the right to strike

In respecting this right, the supplier should see the following as essential steps:

- a) Recognising the right of workers to join, form or not to join trade unions of their choice without fear of intimidation, reprisal or harassment;
- b) Engaging in collective bargaining with legally recognised employee representative organisations to conduct negotiations on terms and conditions of employment;
- c) Respecting workers' rights to organise peaceful and properly authorised strikes.

The right to enjoy just and favourable conditions of work including: a living wage (minimum wage)

In respecting this right, the supplier should see the following as essential steps:

- a) Paying employees wages in accordance with the local and national applicable wage statutes, whether or not they are enforced;
- b) Seeking to understand the minimum wage requirement for basic needs to be met in the area of operation and seeking to ensure workers are provided with remuneration at or above such amount;
- c) Paying full-time employees regularly and at intervals not exceeding one month;
- d) Providing employees with a wage statement including information on the pay period concerned, the gross amount of wages earned, any deduction which may have been made and the reasons therefore, and the net amount of wages due;
- e) Not making deductions from wages as a disciplinary measure if those wages have already been earned;

The right to enjoy just and favourable conditions of work including: safe and healthy working conditions

In respecting this right, the supplier should see the following as essential steps:

- a) Minimising the risk of accidents, injury, death and exposure to health risks in the workplace;
- b) Identifying hazards and unsafe behaviours and delivering necessary improvements through an effective health and safety management system;
- c) Providing adequate sanitary facilities in the workplace;
- d) Ensuring workers have the skills, knowledge and resources necessary to maintain a safe and healthy working environment, enabling them to raise safety concerns;
- e) Providing details on the effects of potentially harmful substances and the measures to be taken to protect workers' health and safety in their use;
- f) Providing necessary personal protective equipment at no cost and ensuring workers are trained in its use;
- g) Investigating work-related accidents, keeping records of incidents, stating their cause and taking remedial measures to prevent similar accidents;
- h) Providing measures to deal with emergencies and accidents, including first-aid arrangements;
- i) Allowing workers to remove themselves from potentially unsafe or unhealthy work situations, not subjecting them to adverse consequences as a result and not requiring them to return to work as long as the condition(s) continues.

The right to enjoy just and favourable conditions of work including: rest, leisure and paid holidays

In respecting this right, the supplier should see the following as essential steps:

- a) Maintaining a maximum of 6 days of work every 7 days, not to regularly exceed 48 hours of work per week with overtime not exceeding 12 hours per week. In situations where the business is under extraordinary pressure and only for short periods of time, strive to limit work hours to 80 hours every 6 days if agreed to by the worker;
- b) Allowing workers in certain work environments (such as construction, utilities and exploration), to voluntarily work additional hours beyond those referenced above;
- c) Compensating for overtime at a rate higher than the normal hourly wage rate or providing time off in lieu thereof where permitted;
- d) Striving to provide employees with at least three weeks of paid leave per year, subject to requisite seniority, collective bargaining and other relevant considerations.

The right to family life: children’s and young people’s protection from exploitation (no child labour)

In respecting this right, the supplier should see the following as essential steps:

Not engaging children under the age of 15 in work (or 14 if the state in question has received an exemption);

- a) Not engaging children under the age of 18 for work which is likely to harm their health, safety or morals;
- b) Not engaging children between the ages of 15 and 18 for work that may hinder their education or compromise their health (with the exception that in some countries the age limit may be reduced to 14, provided that the state in question has received an exemption);
- c) Consider the best interests of the child as they transition out of work, in cases in which unauthorised child labour is discovered.

The right not to be subjected to slavery, servitude, or forced labour

In respecting this right, the supplier should see the following as essential steps:

- a) Not making use of slave, forced or compulsory labour in any form;
- b) Ensuring that employees are free to resign;
- c) Ensuring that all feasible measures are taken to prevent workers from falling into debt bondage through company loans or otherwise.