

ALL THE WAY

A.P. MOLLER - MAERSK

SUPPLIER CODE OF CONDUCT

Guidelines for successful implementation



MAERSK

Content

RESPONSIBLE PROCUREMENT PROGRAMME	4
GUIDELINES FOR IMPLEMENTATION	6
Business ethics	
Health and safety	
Environment	
Working conditions and employment practices	

This document is an integral component of A.P. Moller - Maersk's Supplier Code of Conduct (the Code). Its purpose is to support suppliers to successfully implement the principles and standards set forth in the Code by providing specific guidelines that we expect our suppliers to follow.

SUPPLIER CODE OF CONDUCT GUIDELINES

Responsible procurement programme



Responsible procurement programme

This programme is established to promote continuous improvements in Maersk's supply chain and to avoid terminating valued supplier relations. Some suppliers may be in a better position to follow good business practices in the areas of business ethics, health and safety, working and employment conditions, environment and management systems. What is important to us is that our suppliers show commitment towards embedding the main principles of the Code into their workplace and supply chain, to the benefit of their workers, the environment and society at large.

However, in cases of a severe violation of the Code, we will contact the supplier within 24 hours of the discovery of the incident and subject to prevailing contractual provisions, we will direct the supplier to terminate the practice and set up a dialogue around prevention of the same in the future. We will take action, including and up to termination of the business relationships, with suppliers who repeatedly and knowingly violate the Code and refuse to collaborate with us in implementing improvement plans. In certain cases, depending on the severity of the violation, termination may be with immediate effect.



References:

- [Maersk Responsible Procurement Programme](#)
- [UN Global Compact](#)
- [The Ethical Trading Initiative](#)



SUPPLIER CODE OF CONDUCT GUIDELINES

Guidelines for implementation



SUPPLIER CODE OF CONDUCT GUIDELINES

Business ethics

We require our suppliers to conduct their business by adopting the highest standards of ethical behaviour.

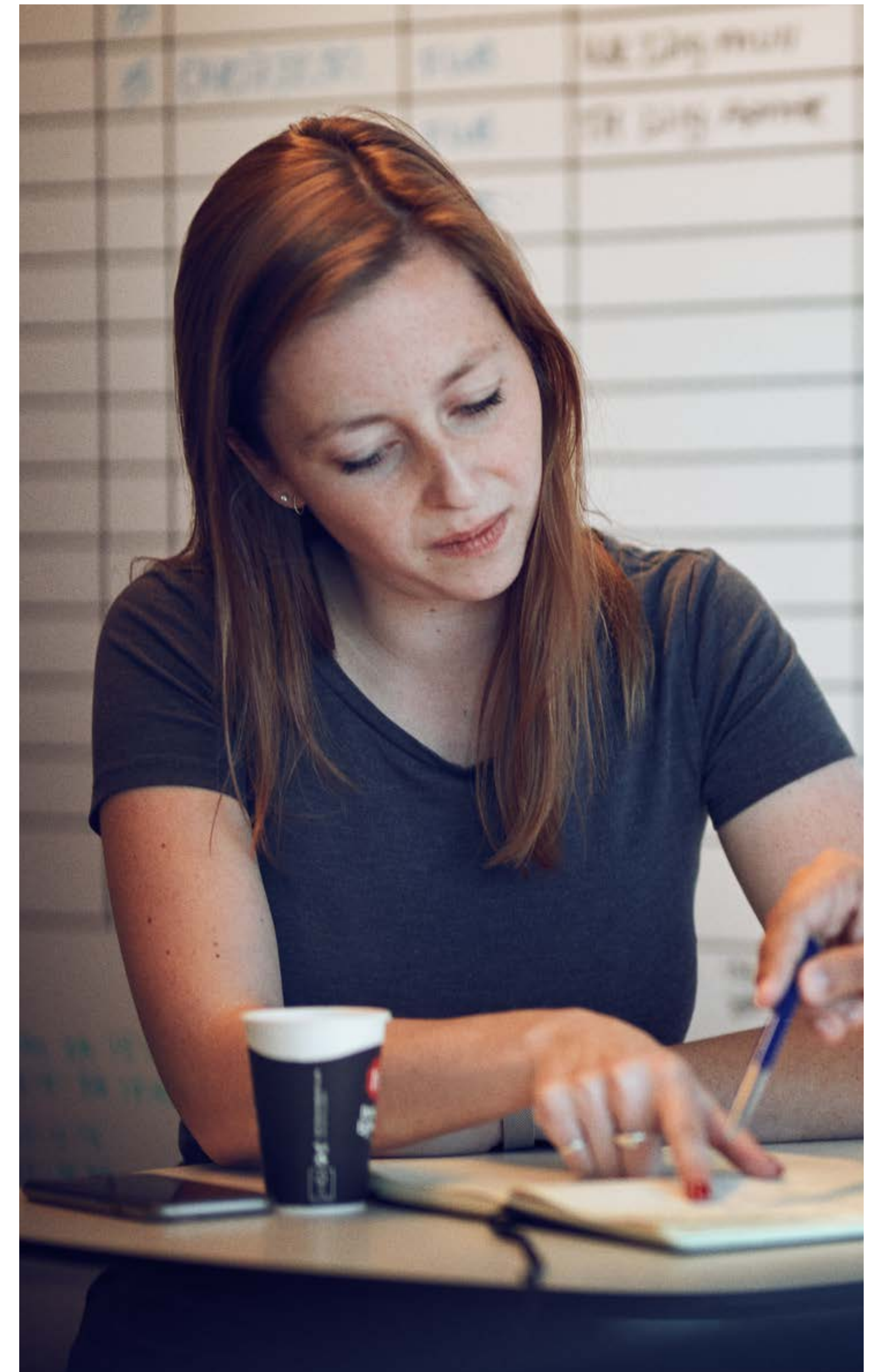
Good business practices:

1. Supplier has established and enforced a written policy against illegally influencing and/or bribing public/government owned entity officials, business partners or customers.
2. Supplier promotes employee awareness of the company's policy against bribery, through appropriate dissemination of the policy, conducting training programs and taking disciplinary procedures against employees who violate this policy.
3. Supplier is transparent about commercial, financial or any other significant direct or indirect links to government agencies or departments, political parties and public/government owned entity officials.

4. Supplier has established a policy or statement of commitment, to ensure that the principles of fair competition are respected by all parties concerned.
5. If required by law, Supplier has a valid basic registration/license to operate and complies with the terms stated therein.
6. Supplier has not in the past 12 months, been subject to any regulatory action or experienced any business interruption (strike, lock-out, temporary closure or similar) resulting from non-compliance in the areas including, but not limited to, anti-fraud, anti-corruption, anti-trust law, sanctions, tax, social conditions, immigration, health & safety or the environment, but if so supplier discloses the same to Maersk (responsible.procurement@maersk.com) indicating all necessary precautions taken to prevent reoccurrence.
7. Supplier should exercise due diligence when designing, manufacturing, and testing products to protect against product defects which could harm the life, health or safety of people, likely to be affected by the defective product, or have an adverse impact on the environment.
8. Supplier should protect all documents, records, correspondence, information and transactions in any form, concerning the operation or business of Maersk, obtained during business activities. Supplier is required to comply with all applicable data protection and information security laws and regulatory requirements regarding the processing, transmission, or disclosure of such data and information. Supplier must safeguard the proprietary and confidential information from unauthorised access, avoid its disclosure in public and social media and the information should only be used for the agreed business purpose. In addition, Supplier must also adhere to Maersk's requirements on confidentiality and data protection and cyber security as per the agreement.

**References:**

- [*OECD Convention on Combatting Bribery of Foreign Public Officials in International Business Transactions*](#)
- [*United Nations Convention Against Corruption*](#)



SUPPLIER CODE OF CONDUCT GUIDELINES

Health and safety

We require our suppliers to provide a safe and healthy working environment for all of their workforce.

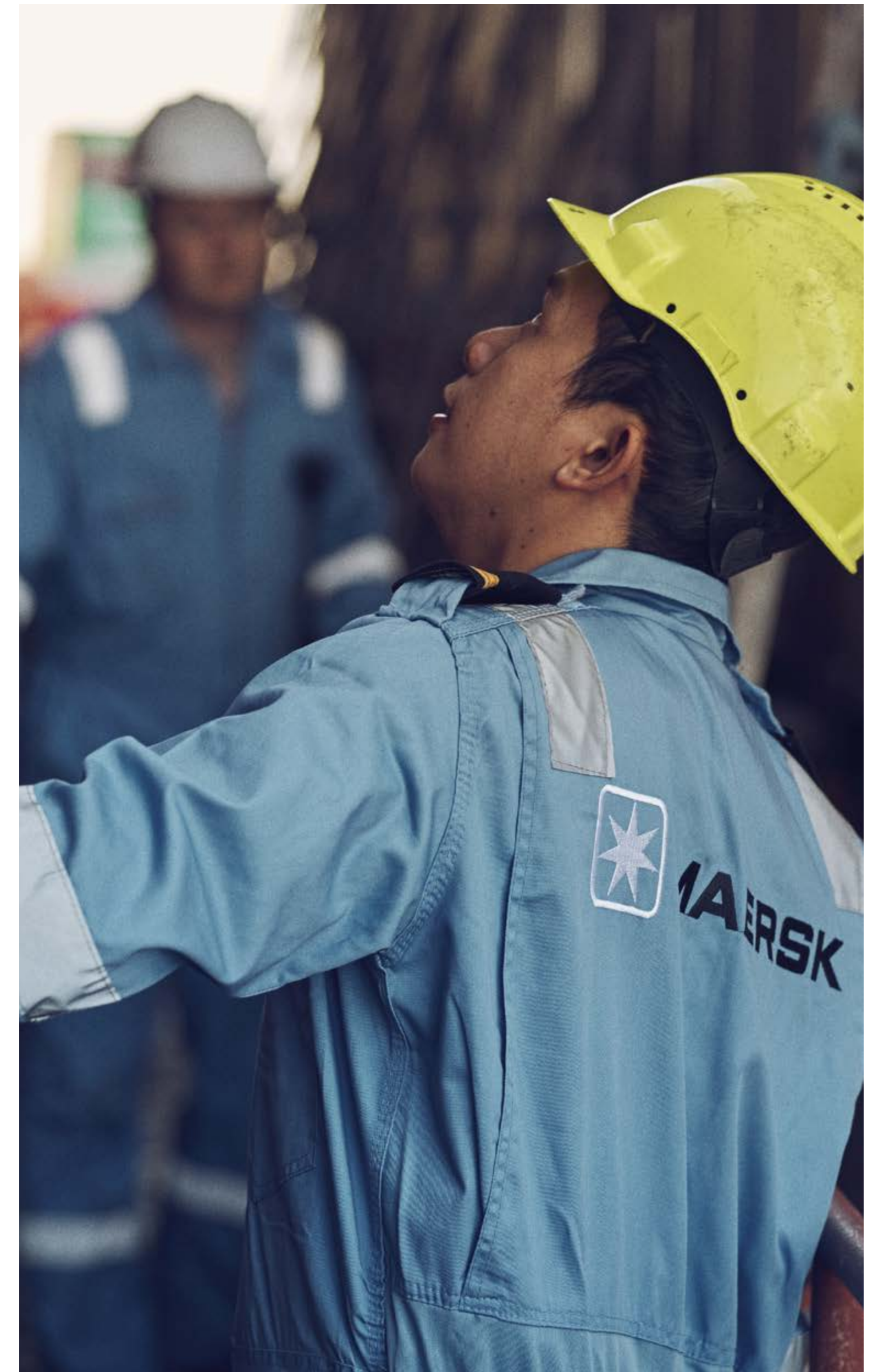
Good business practices:

1. Supplier ensures that its workforce is offered a safe, secure and healthy working environment, including, but not limited to, protection from fire, accidents and processes, substances and techniques, which are unsafe, unhealthy, toxic or harmful.
2. Supplier has established and enforced a written health and safety policy and relevant procedures in a language that all workers understand and in accordance with industry, national and international standards, and customer requirements.
3. Supplier has appointed a senior management representative(s) with the responsibility for health and safety in the workplace.

4. Supplier ensures that its workforce is given access to adequate and relevant health and safety information.
5. Supplier ensures that its workforce is provided with Personal Protective Equipment (PPE) and training, necessary to safely perform functions in their position.
6. Company-provided accommodation conforms to minimum basic requirements, such as the general health and safety provisions listed above and is safe and of a quality in line with applicable local & national laws and international standards.
7. Supplier documents incidents and accidents and adjusts its processes to effectively prevent recurring problems. Supplier facilitates reporting of unsafe acts without fear of reprisal.
8. Supplier is expected to work towards using ISO 45001 (previously OHSAS 18001) or a similar framework to monitor its performance on health and safety.
9. Supplier ensures compliance with applicable laws and regulations pertaining to fire protection. This includes compliance with inspections by the fire authorities and required corrective actions from such inspections must be documented and completed within the stipulated time.
10. Supplier establishes a Business Continuity Plan (BCP) that includes risk assessments of threats e.g. disease, earthquakes, floods and fires.
11. Supplier fosters continuous improvement of its health and safety performance by establishing health and safety objectives and promoting best practices.

**References:**

- *ISO 45001 Occupational Health & Safety (OH & S) Management System standard*



SUPPLIER CODE OF CONDUCT GUIDELINES

Environment

We require our suppliers to integrate environmental considerations in their operations and strive for continuous improvements to mitigate or minimise any adverse impacts on the environment.

Good business practices:

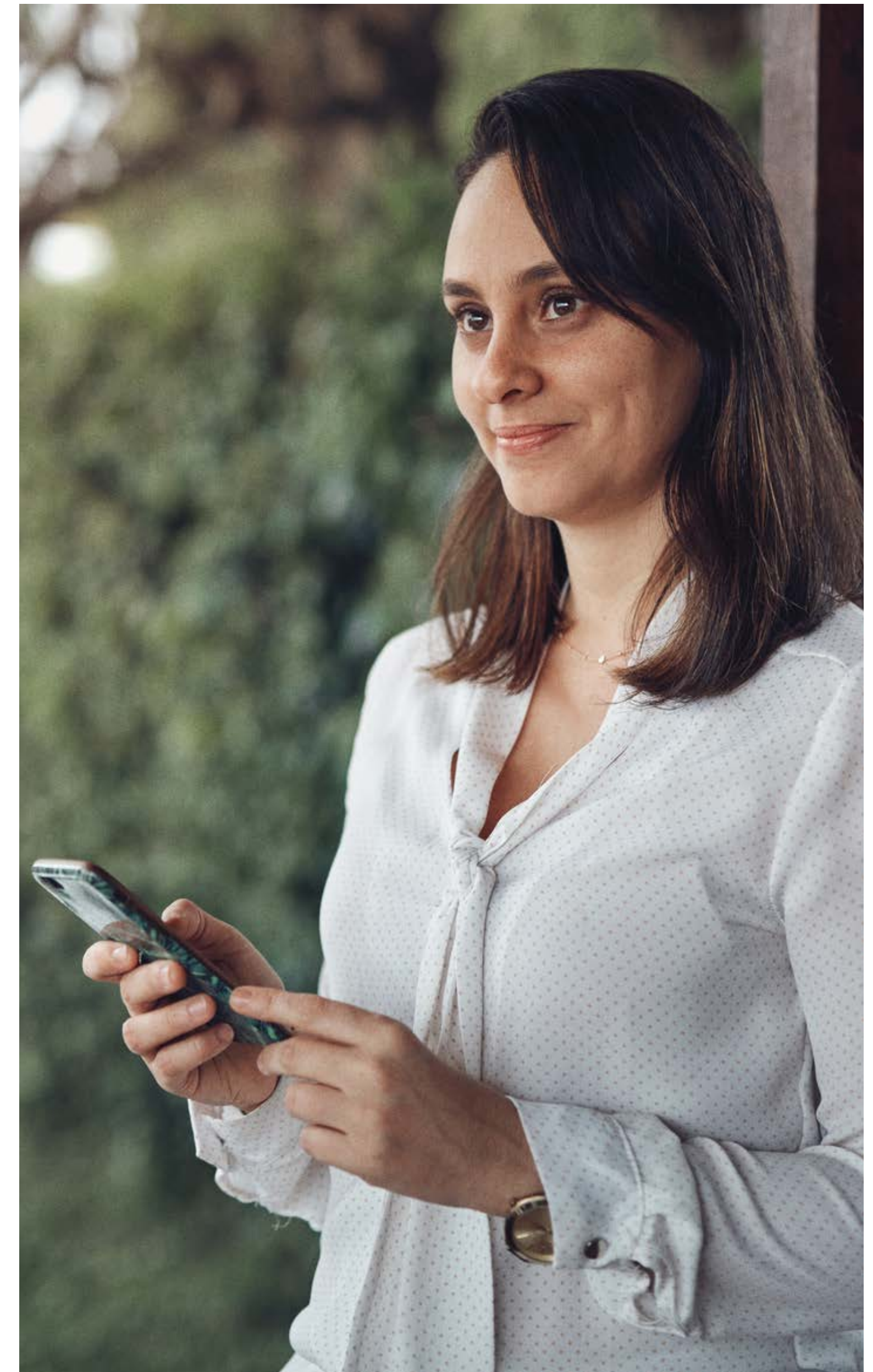
1. Supplier takes steps in the application of a precautionary approach:
 - a. Supplier has established and enforced a policy or practice for its operations and products, which confirms commitment to safeguard the environment and guidelines on the consistent application of this approach throughout its facilities.
 - b. Supplier's policies and practices comply with any applicable local and national laws, and international standards.
2. Supplier takes steps to promote environmental responsibility:
 - a. Supplier ensures legal compliance with all relevant environmental legislative requirements through training and awareness, operational control and monitoring significant environmental impacts.
 - b. Supplier maintains appropriate environmental records to demonstrate compliance with all requirements for environmental licenses and permits, including, but not limited to, data from the monitoring of significant environmental impacts.

- c. Supplier works with its own suppliers to improve their environmental performance, extending responsibility up the product chain and down the supply chain.
3. The Supplier is expected to establish a process for:
 - a. Hazardous substance and waste management:

Supplier must identify and manage substances that pose a hazard if released to the environment and comply with applicable labelling laws and regulations for recycling and disposal in an environmentally sound manner. Supplier must display Material Safety Data Sheets (MSDS) for any hazardous or toxic substances used in its facilities and provide sufficient training to employees handling such substances.
 - b. Wastewater and solid waste:

Wastewater and solid waste generated from operations, industrial processes, and sanitation facilities must be monitored, controlled and treated as required by applicable local and national laws, and international standards before discharge or disposal, and records of effluent monitoring should be maintained.
 - c. Air emissions:

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals, and combustion by-products generated from operations must be identified, monitored, controlled and treated before discharge through regular air sampling as required by applicable local and national laws, and international standards.



d. Noise management:

Supplier should measure, minimise and manage noise generated from the operations and should comply with applicable noise pollution regulations.

e. Environmental permits and reporting:

Supplier must obtain, maintain and keep current, all required environmental permits (e.g. discharge monitoring) and registrations, and follow the operational and reporting requirements of such permits.

f. Pollution prevention and resource reduction:

Supplier must endeavour to make optimal use of resources and reduce or eliminate wastes of all types, by implementing appropriate conservation measures in its maintenance and production processes, and through recycling, reusing, or substituting materials. Supplier should have systems in place to prevent and mitigate accidental spills and releases into the environment.

**References:**

- [ISO 14000 Family - Environmental Management](#)



SUPPLIER CODE OF CONDUCT GUIDELINES

Working conditions and employment practices

We are committed to creating and sustaining a working environment where workers are treated with dignity and respect. We require our suppliers to also adopt and enforce similar workplace code of conduct. Where local laws dictate any additional requirements, those will be applicable along with the requirements mentioned herewith.

Respectful treatment and equal opportunity

Supplier should not engage in or support discrimination of any form. Supplier should commit to a workplace free of harassment and abuse. Supplier should establish fair disciplinary, grievance and termination procedures.

Good business practices:

1. Supplier does not engage in or support discrimination of any form based on factors including but not limited to age, gender identity, race, colour, disability, religion or belief, language, national or social origin, trade union membership, marital or family status, sexual orientation, political affiliation or any other status recognised by national laws and international standards.
2. Supplier protects its employees from acts of physical, verbal, sexual or psychological coercion, harassment, abuse or threats in the workplace, whether committed by managers or fellow employees, including when they are determining and implementing disciplinary measures.
3. Supplier has a procedure for receiving reports of workplace violence, harassment, threats and all other types of workplace misconduct.
4. Supplier expediently investigates all complaints of workplace misconduct and takes appropriate preventive, corrective and disciplinary actions in a fair and timely manner. No reprisal or retaliatory action is taken against any employee who raises a concern relating to workplace misconduct.
5. Supplier has established and enforced a written policy in a language that all employees understand, ensuring that all employment-related decisions including recruitment and termination are based on relevant and objective criteria.
6. Supplier does not ask applicants or employees questions relating to their marital status, intent to have children, or number of dependents with an intent to discriminate.



Child labour

The supplier should not employ workers under the age of 15 years or below the age of 16 for work at sea or the locally applicable minimum legal age, whichever is more stringent. Supplier ensures that employees, including trainees, under the age of 18 do not undertake night work or work overtime or carry out work that is hazardous or harmful to their physical or mental development.

Good business practices:

1. Supplier has established and enforced a clear policy regarding the minimum age of employment, which complies with national laws and regulations, and this Code.
2. Supplier requests candidates to provide copies of birth certificates or other official forms of identification to verify their age prior to employment.
3. Supplier has established and enforced a clear written policy or guidelines defining what tasks at supplier's operations are prohibited as hazardous or harmful to the health, safety or morals of employees under the age of 18.
4. If supplier becomes aware that it is employing children of school age, the ways to remedy this could include:
 - a. Supplier offers to enrol the child in a remediation/education programme in consultation with the child and his/her parents or legal guardians, rather than the child being summarily terminated from employment.
 - b. Supplier offers to hire the parents, guardians, elder siblings or other adult members of the extended family of any child, found to be working for supplier, while concurrently providing practical and reasonable financial support.

Freely chosen employment

The supplier should not use or benefit from any kind of forced or involuntary labour.

Good business practices:

1. Supplier has a written contract (or letter) of employment with each employee in a language they understand.
2. Supplier (or its recruiting agencies) does not charge employees recruiting or hiring fees which gives rise to the risk of employees being indebted to suppliers or work for suppliers to pay off the debt.
3. Supplier does not use prison labour.
4. Supplier ensures that all employees are free to leave supplier's premises at the end of their shifts or rotation and accommodation provided, if any.
5. Supplier does not require employees to lodge money deposits with the supplier, nor does supplier instruct its personnel or agents to retain employees' travel documents or identity cards.



Freedom of association and collective bargaining

Supplier should respect the rights of its employees to associate freely, join or not join trade unions and/or workers' councils in accordance with national laws and international conventions.

Good business practices:

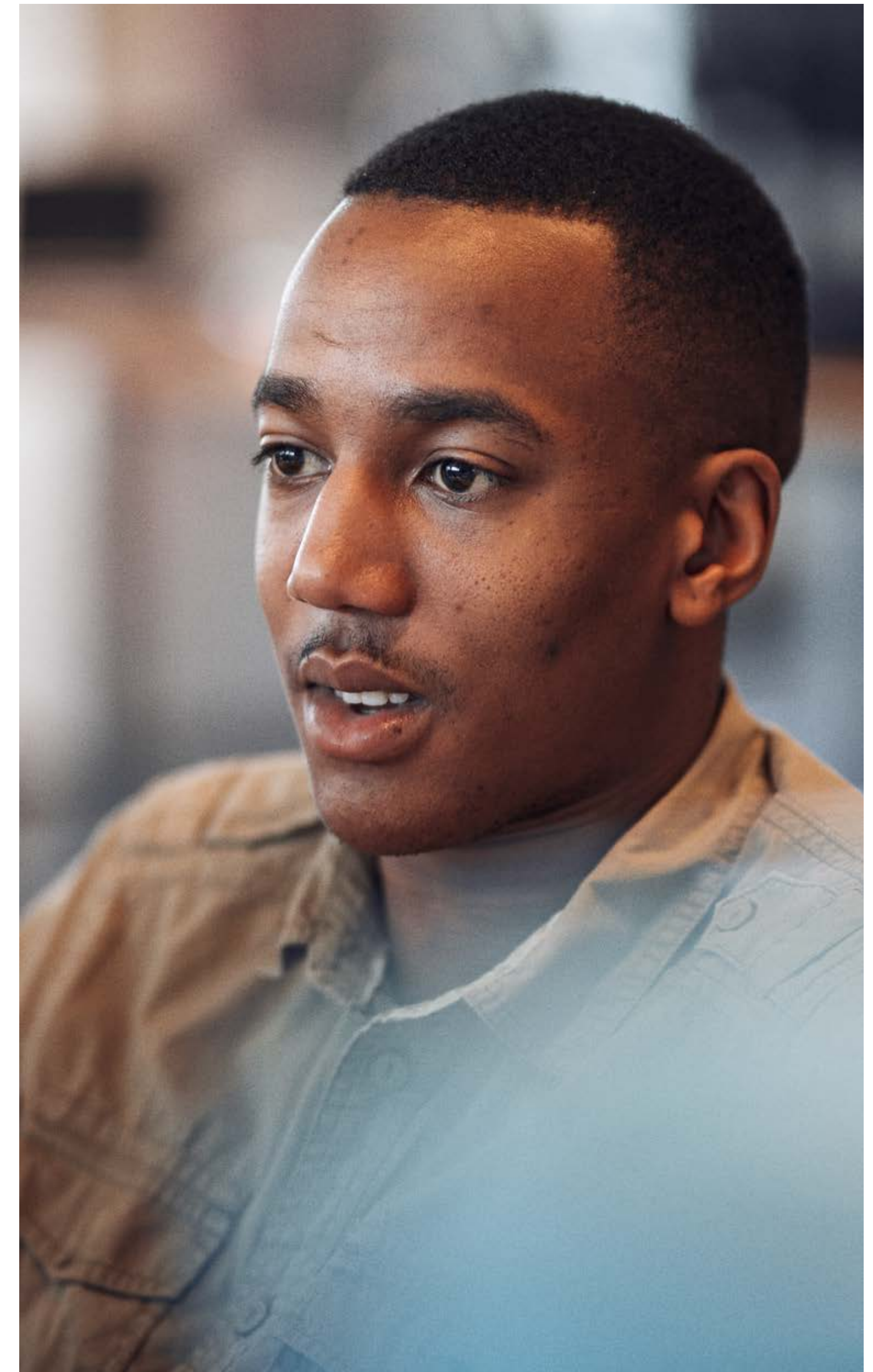
1. Supplier respects its employees' right to associate freely, form or join organisations of their choosing and to bargain collectively in accordance with local laws and regulations, and international standards, in full freedom and without fear of reprisal, intimidation or harassment.
2. Supplier also recognises its employees right to refrain from collective representation.
3. Supplier is committed to constructive engagement and collective bargaining in good faith, with freely chosen employee representatives of a legally recognised union.
4. Supplier does not discriminate or take adverse actions against employees, in retaliation for exercising employee rights, or participating in union activities.
5. Supplier has established a clear written policy in a language that all employees understand, recognising the freedom of association rights of its employees.
6. Where local laws regulate, restrict or prohibit the right to collective bargaining, Supplier does not hinder alternative forms of independent and free workers' negotiations.

Working hours

Supplier should comply with appropriate working hour requirements including overtime, breaks, and rest periods – as established by national law, relevant collective agreements and international standards.

Good business practices:

1. Supplier ensures by policy and practice that the maximum working hours in a week should not - on a regular basis - exceed 48 hours, with a maximum of 60 hours per week, including overtime, unless it is permitted as per applicable laws and regulations, and relevant collective agreements.
2. Overtime hours must be reasonable, follow applicable regulations and be used on an exceptional basis rather than as a normal working practice.
3. Overtime must be planned in a way that it ensures safe and humane working conditions and must be appropriately compensated.
4. Workers are entitled to at least one day off per week and are given reasonable breaks while working with sufficient rest periods between shifts. For off-shore workers, leave and rest periods should follow applicable regulations and relevant collective agreements.



Compensation

Supplier should comply with all applicable wage laws, including those relating to minimum wages, overtime wages, and legally mandated benefits

Good business practices:

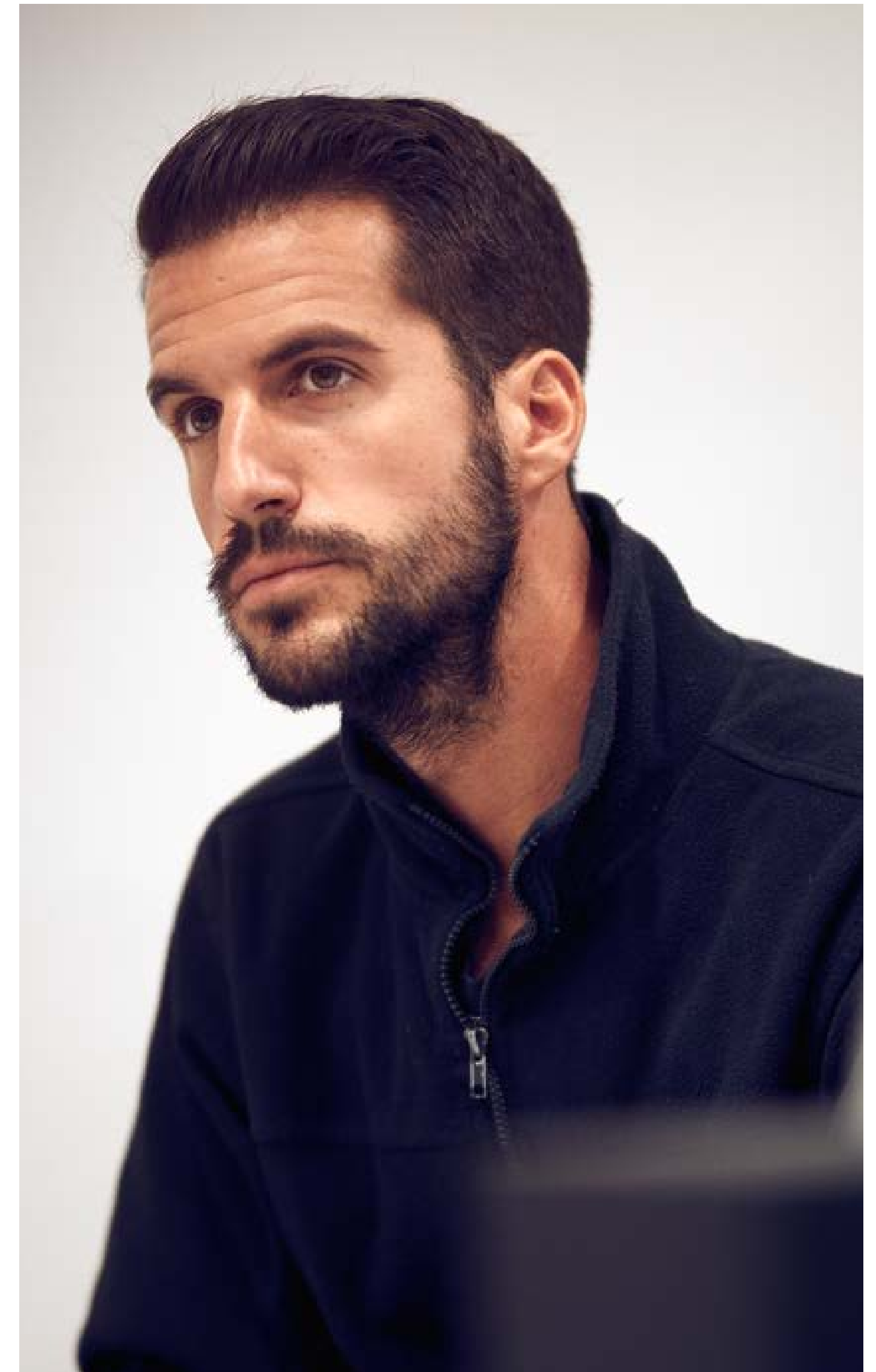
1. Supplier pays wages on a regular basis and in a timely manner.
2. Base wages, excluding overtime payment and bonuses, and employment benefits are provided on a competitive basis for employees to cover the basic needs of themselves and their direct dependants, and at the least adhere to minimum wages and legally mandated benefits.
3. Prior to employment, supplier informs employees of its policy on remuneration, including overtime compensation.
4. Supplier ensures that wage and benefits composition are detailed clearly and regularly, for employees and they are rendered in full compliance with relevant national laws, industry standards and international standards and in a manner convenient to the employees.
5. Piece-rate payment systems are monitored to ensure that the total salary paid meets agreed terms and minimum wage requirements.
6. Supplier pays compensation regularly and does not make deductions from wages for disciplinary measures, and deductions which are not authorised by national law without the free consent of its employees. All wage deductions should be recorded.

Use of security forces

Supplier should ensure that security guards operating at supplier's premises act in accordance with universally recognised human rights standards.

Good business practices:

1. Supplier conducts verifiable vetting during the selection of its own security guards or private security providers.
2. Supplier provides the necessary training to security guards operating at its premises, including public and private security providers, on when to intervene in security-related situations and how to use the minimal force necessary, including keeping in mind gender considerations as women often have different experiences and interactions with security personnel.
3. Supplier should have a procedure for recording security-related incidents, including a mechanism for handling complaints from staff or local communities related to the conduct of security personnel and execute corrective actions including forwarding credible allegations of human rights abuses to the relevant authorities.



Employee privacy

Supplier should ensure collection and further processing of employees' personal data are done in compliance with the applicable data privacy legislation and best practices.

Good business practices:

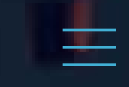
1. Supplier should observe the data privacy principles and requirements for data subject rights, lawfulness or the processing, including for cross-border personal data transfer, transparency, data minimisation, purpose and storage limitation.
2. Supplier should not collect special categories of personal data or sensitive personal data prior to securing the afferent legal basis for such a collection and provided that the supplier notifies the data subjects accordingly. The same standard of care applies to monitoring activities conducted by the supplier on employees and third parties.



References:

- [The Universal Declaration of Human Rights](#)
- [The International Labour Organisation \(ILO\)](#)
- [The International Programme on the Elimination of Child Labour \(IPEC\)](#)
- [Social Accountability International \(SAI\)](#)
- [ISO 26000 Social Responsibility](#)
- [The Danish Institute for Human Rights](#)





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