

■ Xplor ApS

Tåstrupvej 7A
DK 4370 St. Merløse

Tel: +45 51365677
Tel: +45 70200399

To whom it may concern:

Our company is committed to avoiding and addressing adverse impacts on the basic principles for social, environmental, and economic development that we cause, contribute, or are linked to via our business relationships.

Therefore, we seek to ensure that our own company as well as our suppliers operate in accordance with the requirements of the enclosed Code of Conduct and thereby work towards alignment with the internationally recognised principles for sustainable development.

We recognise that establishing the required processes outlined in this Code of Conduct requires both time and resources; especially in the initial phases. We are implementing and maintaining similar processes in our operations. This Code of Conduct should therefore be understood as a tool for cooperation and dialogue about improving systems to manage adverse impacts on human rights, including labour rights, the environment, and anti-corruption.

We focus on our suppliers' ability and willingness to demonstrate continuous improvements in meeting the requirements of this Code of Conduct. We feel confident that cooperation and dialogue can result in a more efficient partnership, from which both parties will benefit.

Please refer to the enclosed Code of Conduct for more information about the specific requirements. If you have any questions regarding this letter, our Code of Conduct, or our responsible supply chain management programme in general, please do not hesitate to contact our office.

Kind regards,

Xplor ApS

I. Introduction

The purpose of this Code of Conduct (Code) is to ensure that our suppliers demonstrate responsible business conduct. The Code follows globally agreed minimum standards and asks our suppliers to manage adverse impacts on:

- human rights, including labour rights,
- the environment,
- anti-corruption, and
- animal welfare (despite the lack of internationally endorsed principles on animal welfare)

The scope of minimum requirements is based on the ten general principles of the UN Global Compact. The required management of potential and actual adverse impacts on the scope is aligned with the UN Guiding Principles on Business and Human Rights (the UNGPs). Managing adverse impacts is distinct from legal compliance. As a precondition, suppliers are expected to comply with national law.

Xplor reserves the right to put forward additional or more specific requirements and conditions related to sustainable development; e.g. on use of chemicals.

II. Process Requirements

Xplor expects all suppliers to develop and implement the following:

1. Adopt Policy Statement:

Which must:

- Be approved by the most senior level of the supplier.
- Be informed by experts on human rights including labour rights, environmental, and anti-corruption principles.
- Stipulate the supplier's expectations of employees and business relations on human rights, including labour rights, environment, and anti-corruption.
- 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 supplier's operations.

2. Carry through Due Diligence:

That – as a minimum – includes the following elements:

Identification: On a regular basis, the supplier must identify potential and actual adverse impacts on human rights including labour rights, environmental, and anti-corruption principles.

Prevention and mitigation: When potential or actual adverse impacts are identified, suppliers must take action to prevent or mitigate such adverse impacts.

Accounting: Actions to prevent or mitigate identified adverse impacts, must be closely tracked to ensure effectiveness. Suppliers are expected to communicate their findings, actions, and tracking to relevant stakeholders including Xplor.

3. Provide for access to remedy:

- Where the supplier identifies that it causes or contributes to actual adverse impacts on human rights including labour rights, environmental, and anti-corruption principles, the supplier must enable access to remedy for those affected and/or inform relevant authorities.
- The supplier must provide access to remedy through legitimate processes (grievance mechanisms) to victims of actual adverse human rights impacts that the supplier causes or contributes to.
- If the supplier is merely linked to actual adverse impacts, the supplier must use its leverage to make the causing or contributing entity address the impacts.

III. Sustainability Requirements

Through the establishment of the processes outlined above, the principles that Xplor expects suppliers to manage adverse impacts upon are described in the four following subsections:

1. Human rights, including labour rights

Suppliers should – as a minimum – manage their adverse impacts on the human rights stated in the International Bill of Human Rights that includes the core labour rights from the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work.

2. Environmental principles

Suppliers should manage all significant potential and actual impacts on the external environment in relation to the areas of impacts addressed by the principles in the Rio Declaration on Environment and Development.

3. Anti-corruption principles

Suppliers should establish adequate processes to counter corrupt practices. Such processes should address the scope outlined by the United Nations Convention against Corruption.

4. Animal welfare

Suppliers should manage all significant potential and actual adverse impacts on animal welfare.

IV. Implementation and Collaboration

1. Scope of Application

This Code applies to Xplor's first-tier suppliers. Suppliers shall ensure that its first-tier suppliers have adequate processes in place to manage their adverse impacts on human rights including labour rights, environmental, and anti-corruption principles. As part of this obligation, suppliers must:

- Make their first-tier suppliers aware of the scope and processes outlined in the Code and pose similar requirements to such suppliers as featured in this Code;
- If adverse impacts are discovered, use their leverage with their suppliers to make such suppliers adequately address such impacts; and
- Undertake reasonable efforts to ensure that their suppliers operate in accordance with this Code.

2. Records and Documentation

Suppliers must maintain appropriate records to demonstrate compliance with the requirements of this Code. Appropriate records include, but are not limited to:

- Policy Commitment(s);
- Documentation of due diligence processes, including impact assessments and records from the tracking process on specific actions;
- Information on grievance mechanisms.

3. Continuous Collaboration

The aim of this Code is to form the basis for collaboration between Xplor and suppliers for continuous improvements in managing adverse impacts on principles for sustainable development.

Xplor expects all suppliers at any time to be able to declare in writing their stage of implementation in relation to the requirements contained in this Code. Suppliers shall cooperate in answering further questions, self-assessments, and if deemed necessary cooperate with Xplor in improving management systems and addressing specific impacts. If necessary, suppliers must accommodate visits from Xplor to assert compliance, including providing for physical access to any representative from Xplor or independent third parties.

By non-compliance, suppliers must self-correct within a fixed period. Failure to self-correct or if suppliers fail to demonstrate willingness to improve systems or address identified adverse impacts, Xplor reserves the right to end the business relationship immediately.