



Code of Conduct for Business Relationships



1 INTRODUCTION

- 1.1** STÖDIG SHIP MANAGEMENT has committed to building a sustainable practice by establishing systems and processes to manage our adverse impacts on human (including labour) rights, environment (including climate) and anti-corruption (the “three areas of fundamental responsibility”). Part of this commitment involves recognising that we may also cause such adverse impacts through our business relationships; thus, STÖDIG SHIP MANAGEMENT expects all our business partners to meet the expectations set forth in this Code of Conduct for Business Relationships (the “Code”). Failure to establish systems to manage impacts on these three areas of fundamental responsibility may impact our partners’ ability to do business with STÖDIG SHIP MANAGEMENT in the future.
- 1.2** The terms of this Code apply to our customers, partners, and all 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 our business relationships’ responsibility to ensure that their own business relationships also have processes to manage their adverse impacts on human (including labour) rights, environment (including climate) 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 business relationships, in particular suppliers, share knowledge and experience, and ensure that our purchasing practices do not negatively impact their abilities to meet the requirements of this Code.
- 1.4** STÖDIG SHIP MANAGEMENT expects all our business relationships, at any time, to be able to declare in writing their stage of implementation in relation to this Code’s provisions. Business relationships are expected to cooperate in answering questions and collaborate with STÖDIG SHIP MANAGEMENT in improving their systems of managing adverse impacts on human (including labour) rights, environment, and anti-corruption.

2 LEGAL COMPLIANCE

- 2.1** This Code sets the minimum expectations from our business relationships 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 UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.
- 2.2** STÖDIG SHIP MANAGEMENT expects business relationships to adhere to applicable laws of their areas of operation. Where national laws provide for better or lesser protection of human (including labour) rights, environment, and anti-corruption, the higher standard shall apply. Where there is a conflict between national law and the provisions of this Code, the business relationship shall report this to STÖDIG SHIP MANAGEMENT and try, to the extent possible, to honour the Code’s provisions while adhering to national regulation.



3 PROCESS REQUIREMENTS

STÖDIG SHIP MANAGEMENT expects our business relationships 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 (including labour) rights, environment (including climate) and anti-corruption.

3.1 The Policy Statement

We expect business relationships to adopt a policy statement that is fully committed to the international principles and standards set forth in this Code. The policy statement shall be approved by the business relationship's senior management and made publicly available. It shall stipulate expectations regarding human (including labour) rights, environment (including climate) and anti-corruption from personnel, business partners and other parties directly linked to the business relationship's operations, products and/or services.

3.2 The Due Diligence Process

We expect business relationships to establish a process of continuous due diligence in relation to their actual and potential adverse impacts on human (including labour) rights, environment (including climate) 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 STÖDIG SHIP MANAGEMENT how impacts are being addressed.

3.3 The Remediation System

Even with the best policies and processes in place, actual adverse impacts on human (including labour) rights, environment (including climate) 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 business relationship discovers or is informed that it causes or contributes to an adverse impact, the business relationship 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, business relationships could establish and participate in operational-level or sector-based grievance mechanisms accessible to businesses, individuals and/or communities.

3.3.2 If a business relationship did not cause nor contribute to an adverse impact, but is linked to it through its value chain, the business relationship 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

Business relationships' policy statements, continuous due diligence processes and remediation systems shall cover the internationally-endorsed principles on the three areas of fundamental responsibility described below.

4.1 Human (Including Labour) Rights

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



4.2 Environmental (Including Climate) Principles

Business relationships should establish processes that cover all impacts on the external environment and climate, as stated in the Rio Declaration on Environment and Development, OECD Guidelines and principles 7, 8 and 9 of the UN Global Compact. Emergency procedures to prevent and mitigate industrial accidents that can have an adverse environmental impact must be established. Business relationships 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. Business relationships must manage impacts on:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution, prevention and control
6. Protection and restoration of biodiversity and ecosystems
7. Use of energy
8. Use of raw materials (in particular scarce natural resources)
9. Use of chemicals
10. Use of ozone depleting substances or persistent organic pollutants
11. Handling, transportation and waste management of hazardous substances
12. Surface water emissions
13. Soil and groundwater emissions
14. Noise emissions and light emissions
15. Odour emissions
16. Animal welfare
17. Wastewater management
18. Solid waste management
19. Food waste management
20. Use and diffusion of environmentally-friendly technologies

4.3 Anti-Corruption Principles

Business relationships should establish adequate processes to counter corrupt practices. Such processes should support and be in line with the UN Convention against Corruption, OECD Guidelines and principle 10 of the UN Global Compact, as listed below:

1. Accurate books and records, including data on income from past five years.
2. Bribes to or corruption of public officials (including both 'active' and 'passive' corruption, also called 'extortion' or 'solicitation').
3. Bribes to or corruption of private counterparts (including both 'active' and 'passive' corruption, also called 'extortion' or 'solicitation').
4. Trading in influence in relation to business partners, government officials or employees.
5. Bribes, corruption or trading in influence through the use of intermediaries.
6. Use of facilitation payments unless you are subject to threats or other coercion.
7. Political contributions, charitable donations and sponsorships in expectation of undue advantages.
8. Offering or accepting gifts beyond stated value (approvals).
9. Permitting or participating in money laundering.
10. Hiring government employees whose jobs create conflict of interest with former job duties of such employees.
11. Abstain from cronyism and nepotism.
12. Clearly define job duties based on skills, qualifications and experience.
13. Extortion or blackmail.
14. Fraud or embezzlement.
15. Anti-trust and -competition.
16. Tax evasion.



5 THIRD-PARTY ACCESS

5.1 Business relationships of STÖDIG SHIP MANAGEMENT may be invited to join the IMPA ACT initiative as a member and, as a result, the csrCloud online platform for the purpose of conducting their regular operational-level impact assessments, demonstrating due diligence in relation to their actual and potential adverse impacts on human (including labour) rights, environment (including climate) and anti-corruption. The invitation to join the IMPA ACT initiative as a member and, as a result, the csrCloud online platform, can also be extended by our business relationships to their own business relationships in order to further extend the expectations listed within this Code.

5.2 The csrCloud online platform is a result of a collaboration between IMPA ACT, a sustainability platform for the global shipping industry based in London, UK, and Global CSR, a leading consultancy firm based in Copenhagen, Denmark. If choosing to join the IMPA ACT initiative as a member and to use the csrCloud online platform, our business relationships agree that Global CSR and IMPA ACT will have access to their personal information, yet under no circumstances will IMPA ACT and Global CSR disclose this information to anyone other than STÖDIG SHIP MANAGEMENT, except to the extent required by law.

6 SIGNATURE

As a business relationship of STÖDIG SHIP MANAGEMENT, please sign on the dotted line and complete the details:

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Name:

Date:

Title:

Company: