

Supplier Code of Conduct (November 2017)

I. Introduction

Purpose and Principles of our Supplier Code of Conduct

The purpose of our Supplier Code of Conduct (Code) is to ensure that our suppliers operate in accordance with internationally recognised minimum standards for managing adverse impacts on human rights, including labour rights, environmental, and anti-corruption principles. Louis Poulsen A/S (LP) expects suppliers to establish systems to avoid and address adverse impacts on these principles.

To do business in compliance with the requirements of our Code is a condition of any agreement or contract between LP and its suppliers. At the same time, suppliers to LP shall always comply with the laws of the countries in which they operate.

The LP Code is based on the ten general principles of the UN Global Compact and the management system defined by the UN Guiding Principles on Business and Human Rights (the UNGPs). The principles are derived from the International Bill of Human Rights, the 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.

The aim of this Code is **not** to cease the business relationship between LP and suppliers in case of non-compliance, but to cooperate with suppliers to improve their and our management of potential adverse impacts continuously. LP is willing to work with suppliers to achieve compliance with the provisions of this Code. However, LP will not conduct business with a supplier that shows no willingness or ability to prevent or mitigate identified adverse impacts.

LP expects suppliers to establish a continuous due diligence process in relation to supplier's potential and actual adverse impacts on human rights, including labour rights, environmental and anti-corruption principles that supplier may cause or contribute to. Further to the due diligence process, the supplier shall adopt a policy statement and enable access to remedy for those affected when actual adverse impact on the above principles occurs. If supplier is linked to severe impacts, supplier shall use or build leverage to make the party(ies) causing or contributing to such impacts cease their actions and seek to prevent or mitigate re-occurrence. Finally, supplier shall require a similar system to be established by supplier's suppliers.

The minimum principles and standards that LP expects all suppliers to manage adverse impacts upon are the following:

1. Human rights including labour rights

LP expects our suppliers to manage adverse impacts on internationally recognised human rights including labour rights as stated in the International Bill of Human Rights, including the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

2. Environmental principles

LP expects suppliers to establish adequate processes to manage all significant potential and actual adverse impacts on the external environment as covered by the principles in the Rio Declaration on Environment and Development.

3. Anti-corruption principles

LP expects suppliers to establish adequate processes to manage all potential and actual impacts on the principles covered by the UN Convention against Corruption.

II. Implementation of the Code

Records and Documentation

Suppliers shall maintain appropriate records to demonstrate compliance with the requirements of this Code. Records shall be available to LP upon request. Appropriate records include, but are not limited to policy commitment, documentation of a due diligence process, information on grievance mechanism(s), and records on actions taken to address any severe impacts.

Scope of Application

The requirements of this Code extend to all LP's suppliers. Suppliers are responsible for ensuring that their immediate business relationships also have adequate processes to manage their adverse impacts on human rights including labour rights, environmental and anti-corruption principles in place; including posing similar requirements to sub-suppliers.

Continuous collaboration

LP may contact the operations of suppliers with the purpose of gaining insight into how suppliers manage their impacts on human rights including labour rights, environmental and anti-corruption principles.

LP expects suppliers at any time to be able to declare in writing its stage of implementation of our Code. LP expect suppliers at any point to willingly cooperate in answering further questions, self-assessments and if necessary cooperate with LP in improving systems to manage adverse impacts on human rights including labour rights, environmental and anti-corruption principles.

Suppliers shall accommodate visits from LP. This includes providing physical access to any representative from LP or assigned by our company. LP reserves the right to let an independent third party of our choice make on-site inspections to verify compliance with the requirements of this Code.

Where instances of non-conformers appear, suppliers will have a fixed time to implement corrected activity. In the event of failure to self-correct a problem, LP is willing to engage in a constructive dialogue with suppliers to develop and implement action plans, with appropriate time to implement and improve. In the event of repeated and serious breaches of the requirement of this Code LP reserves the right to cease business relationships with our supplier and possibly cancel any production or delivery in progress.

The obligations under this Code are additional to any contract between LP and Supplier.

This version of the present Code dated November 2017 replaces any older version of our Supplier Code of Conduct.

Louis Poulsen A/S

Søren Eskildsen Mygind
CEO