

# FOSS

## **The FOSS Anti-Slavery and human trafficking statement**

As a number of countries are either considering or introducing legislation to combat modern slavery and human trafficking, we feel that it is important to communicate our stance and the actions we are taking as a global company to prevent this from occurring in our operations.

## **Our Business**

FOSS is a 100% family-owned company with 98% of turnover generated from outside Denmark. FOSS is the leading supplier of innovative solutions with more than 100 patents and more than 20 world-first product introductions. We create end-to-end solutions that secure and improve food quality - from raw material to finished product. Production takes place at our facilities in Denmark and China and our products are marketed and sold through a global network of sales subsidiaries in 30 countries.

<https://www.fossanalytics.com/en/about-foss/foss-in-brief>

## **Our sustainability work**

The FOSS Sustainability program is based on the UN Global Compact framework, which we became signatories of in 2012. The Compact has ten principles covering human and labour rights, the environment and business ethics. These principles are the foundation of our Sustainability programme. Each year we produce an annual Communication on Progress report that provides detailed information on the steps taken to address each principle.

<https://www.fossanalytics.com/en/about-foss/sustainability>

FOSS is also a member of the SEDEX platform, which enables its more than 38,000 members to share ethical supply chain data in four key areas:

- Labour Standards
- Health & Safety
- The Environment
- Business Ethics

As a SEDEX member FOSS has third party verified SEDEX audits conducted at both its production facilities in China and Denmark. These audits consist of a thorough review of our systems through documentation checks, employee interviews and visual inspections. The last audits were conducted between January and March of 2016 and assist us in our drive for continuous improvements in the sustainability area. The next SEDEX audits will include areas such as the UN Guiding Principles on Business and Human Rights, as well as the UK Modern Slavery Act.

<https://www.sedexglobal.com/>

#### Risk assessment and monitoring suppliers

Our work with human and labour rights focuses primarily on our global supply chain. The FOSS Supplier Code of Conduct, which is available in both English and Mandarin, addresses a number of areas including forced labour. Our supplier contractual requirements clearly state that FOSS does not tolerate forced or compulsory labour, modern slavery or human trafficking.

In 2015 social practice issues including forced labour and modern slavery, were incorporated into our supplier audit process. This process includes a pre-audit questionnaire and a supplier audit conducted by our quality teams.

Training also takes place to ensure procurement personnel are able to raise red flags in their work and our quality teams are able to identify any potential non-compliances with our requirements. If findings arise during an audit they are included in an improvement plan in agreement with the supplier. Severe breaches of our supplier code of conduct or requirements can result in termination of the business relationship.

In our commitment to acting ethically and responsibly, we strive for continuous improvements in our sustainability work. We regularly review our approach to monitoring the supply chain area and benchmark our performance against peers in our industry sector.

This statement was approved by Peter Foss, Chairman of the board of directors.

A handwritten signature in blue ink, appearing to read "Kim Vejlby H". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kim Vejlby Hansen, CEO