



Code of conduct for suppliers

ENERGINET/DK



Energinet.dk is an independent public enterprise owned by the Danish state. We own and operate the main electricity and natural gas grids in Denmark and are a so-called system operator or TSO (*Transmission System Operator*). Our vision is to be one of the leading European TSOs. It is therefore important for us to act proactively and carry out our activities as a socially responsible enterprise.

Energinet.dk has joined the UN Global Compact, which is an international initiative launched by the UN, the purpose of which is to enhance the social responsibility of enterprises. We thus commit to abide by the fundamental principles of this initiative within the areas of human rights, workers' rights, the environment and the fight against corruption. We also expect our suppliers - whether they have joined the Global Compact or not - to abide by these fundamental principles.

In the following, the ethical, social and environmental standards which we expect our suppliers to comply with are clarified. Energinet.dk recognises that complying with the Global Compact principles is a dynamic rather than a static process, and we will promote the use of the standards through continuous commitment and dialogue with our suppliers. However, in the event of gross or repeated non-compliance we reserve the right to terminate the collaboration.

It goes without saying that suppliers must observe all laws, rules and regulations in force in the countries in which they carry out their activities. The suppliers are also expected to do their utmost to always comply with international and industrial best practice.

The suppliers are obliged to ensure that their subcontractors and subsuppliers have been made aware of and comply with the minimum standards outlined in this Code of Conduct.

Energinet.dk expects its suppliers to have the necessary internal tools at their disposal (eg measuring procedures, tools and indicators) to document and communicate the work undertaken and the improvement measures implemented in order to comply with the principles. Energinet.dk, or a third party appointed by Energinet.dk, is entitled to perform onsite checks and audits to assess the suppliers' progress in terms of complying with the principles.

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Energinet.dk and its suppliers have a responsibility to uphold the human rights both in the workplace and more broadly within their respective spheres of influence. Suppliers operating outside their country of origin may have the possibility to promote and introduce standards in countries where human rights are not embraced and enforced to a sufficient extent.

Principle 2: Businesses must ensure that they are not complicit in human rights abuses

Energinet.dk expects its suppliers to avoid complicity in human rights abuses in any way. By complicity is meant *direct complicity*, which occurs when an enterprise deliberately helps a country to commit human rights abuses; *beneficial complicity*, which occurs when an enterprise directly benefits from human rights abuses committed by others; and *tacit complicity*, which occurs when an enterprise does not inform the proper authorities of systematic or continued human rights abuses.

Energinet.dk also expects its suppliers to ensure that workplaces or any other places where production or work takes place are safe and healthy in accordance with the UN's Global Compact's Guidelines on Occupational Safety and Health Management Systems.

WORKERS' RIGHTS

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Energinet.dk expects its suppliers to recognise and respect the right of workers to freely associate, organise and bargain collectively in accordance with the laws in force in the countries in which they are employed and the UN's Global Compact's Guidelines.

Principle 4: Businesses should support the elimination of all forms of forced and compulsory labour

Energinet.dk expects its suppliers to avoid using any forced, bonded or indentured labour or involuntary prison labour. All work must be

voluntary, and workers should be free to leave upon reasonable notice.

The suppliers must as a minimum comply with all laws and regulations relating to wages and working hours, including those pertaining to minimum wages, overtime wages, piece rates and other elements of remuneration, and provide legally mandated benefits in accordance with the UN's Global Compact's Guidelines.

Principle 5: Businesses should support the effective abolition of child labour

Energinet.dk expects its suppliers to work against all forms of child labour in accordance with the UN's Global Compact's Rights of the Child, Minimum Age and Worst Forms of Child Labour.

Additionally, Energinet.dk expects its suppliers to protect all young workers from performing any work that is deemed to be hazardous or that may interfere with their education.

Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation

The suppliers must not practice any form of discrimination in their hiring and employment practice on the grounds of race, colour, religion, gender, sexual orientation, age, physical ability, health condition, political opinion, nationality, social or ethnic origin, trade union membership or marital status. Everybody must be treated with respect and have a harassment-free workplace. Energinet.dk also discourages discrimination regarding access to training, promotion and remuneration in accordance with the UN's Global Compact's provisions on Discrimination and Equal Remuneration.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges

Energinet.dk expects its suppliers to perform their activities responsibly in relation to environmental risks and impacts by applying a precautionary approach to ensure that irreversible environmental damage does not occur. Key environmental challenges that suppliers are expected to address are loss of biodiversity, long-term damage to ecosystems, pollution of the atmosphere and the consequences of climate change, damage to

aquatic ecosystems, land degradation, the impacts of used chemicals and waste, waste management and the depletion of non-renewable energy resources.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility

Energinet.dk expects its suppliers to adopt a structured, systematic approach to environmental issues, including the setting of requirements and targets as well as the performance of follow-up activities, and to comply with existing laws, regulations and permits.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies

Energinet.dk expects its suppliers to choose modern, efficient and environmentally effective technologies and to invest in research and development supporting a sustainable development of society.

Energinet.dk also expects its suppliers to strive to increase the use of technologies that reduce greenhouse gas emissions and other emissions from their products and services.

BRIBERY AND CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Suppliers must maintain high ethical standards in conformity with, above all, this Code of Conduct for Suppliers and good business practice. Existing laws, other legislative provisions and contracts must be complied with. Compliance with legislation alone, however, is not sufficient to maintain high ethical standards.

Suppliers are expected to avoid conflicts of interests that may undermine Energinet.dk's faith in them or third parties' faith in Energinet.dk. An example of such conflicts of interest could be when a supplier is a member of an association whose core values run counter to those of Energinet.dk.

Suppliers are expected to desist from paying or receiving improper benefits or benefits that may be regarded as improper remuneration in order to obtain, maintain or conduct business or to secure

other improper advantages in their business dealings with Energinet.dk. Such improper benefits (bribery etc.) may include cash, objects, pleasure trips or other services.

CONTACT
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REFERENCES
UN Global Compact; www.unglobalcompact.org

Universal Declaration of Human Rights, 1948;
www.unhchr.ch/udhr

International Labour Organisation; www.ilo.org

Rio Declaration, Agenda 21; www.unep.org

UN Convention against Corruption; www.unodc.org/unodc/en/treaties/CAC/index.html

Energinet.dk general: www.energinet.dk