



ENERGINET

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ENERGINET'S CODE OF CONDUCT FOR SUPPLIERS



CONTENTS

1. INTRODUCTION	3
1.1 Aim of ENERGINET's code of conduct	3
2. HUMAN RIGHTS	3
2.1 Labour rights	3
2.2 Mining of conflict minerals	4
2.3 Recommendations	4
3. CLIMATE AND ENVIRONMENT	4
3.1 Preventive measures	4
3.2 Energy consumption and climate change	4
3.3 Recommendations	5
4. ANTI-CORRUPTION AND ECONOMIC RESPONSIBILITY	5
4.1 Corruption, bribery, fraud and grease payments	5
4.2 Trading with sanctioned products, companies and countries	5
4.3 Responsible political involvement, charity and sponsorships	5
4.4 Recommendations	5
5. REPORTING AND CONTROL MEASURES	5

1. INTRODUCTION

1.1 Aim of ENERGINET's code of conduct

This code of conduct for suppliers provides the basis for ENERGINET's business dealings with suppliers, and for open dialogue about their ethical, social and environmental results.

ENERGINET expects its suppliers to comply with applicable national legislation, rules and regulations at all times, and to think and act in a way that observes and respects recognised principles for human rights, labour rights, the climate and environment and anti-corruption, in accordance with:

- The ten principles in the UN Global Compact,
- The UN Universal Declaration of Human Rights
- The ILO's Eight Core Conventions, nos. 29, 87, 98, 100, 105, 111, 138 and 182,
- The UN Convention on the Rights of the Child,
- The UN Convention against Corruption,
- The UN Guiding principles on business and human rights,
- The OECD Guidelines for multinational enterprises,
- The OECD Due diligence guidance for responsible business conduct

ENERGINET complies with the above conventions and guidelines. ENERGINET expects its suppliers to conduct regular self-evaluation in relation to this code of conduct, and thereby demonstrate a minimum level of compliance. New suppliers must perform this self-evaluation before entering into an agreement or contract with ENERGINET.

Based on risk assessment, ENERGINET does regular follow up to ensure that our suppliers observe this code of conduct. The procedure and follow-up will be described in the agreed contract.

ENERGINET's expectations of its suppliers are described in more detail below.

2. HUMAN RIGHTS

ENERGINET will not do business with any supplier that engages in or benefits from violations of human rights. ENERGINET expects all suppliers to support and respect the protection of the internationally agreed human rights specified in the UN Universal Declaration of Human Rights.

2.1 Labour rights

ENERGINET expects all suppliers to support and respect the protection of workers in accordance with the ILO conventions, including the following:

- that suppliers do not use or support the use of child labour or forced labour,
- that suppliers actively seek to ensure that all employees have wage and employment conditions, including holidays and leave, in accordance with the ILO conventions,
- that suppliers respect the citizens' and political rights of workers, including freedom of expression, association and assembly,

Scope:

This code of conduct applies to all ENERGINET's suppliers and sub-suppliers. Each supplier is responsible for ensuring that the code of conduct is also followed by their sub-suppliers.

Due diligence:

ENERGINET expects its suppliers to establish a process of regular due diligence in relation to negative impacts on human rights, labour rights, the climate and environment and anti-corruption. The due diligence process must cover potential and actual negative impacts the suppliers may cause or contribute to through their own activities, as well as negative impacts which may be directly linked to their operations, products or services through their business relationships. Suppliers must loyally inform ENERGINET if any changes or incidents have an impact on their compliance with this code.

Legal requirements:

Suppliers must comply with the legislation in force in the countries in which they operate their business. However, if the requirements in this code of conduct represent a higher standard than the local legislation and other local rules in the given country, the requirements in this code of conduct must be ob-

- that suppliers actively work towards a healthy working environment, including mental and social well-being, and that adequate protective equipment is made available to workers at no cost to them,
- that suppliers protect workers against harassment in the workplace, and
- that suppliers avoid any form of discrimination against workers.

2.2 Mining of conflict minerals

Mining of conflict minerals is often closely linked to human rights violations, such as forced and child labour and to unsafe and hazardous working conditions. ENERGINET therefore expects suppliers to observe legislation and rules relating to conflict minerals. Suppliers are expected to report the use of conflict minerals in their products and throughout the value chain. The following minerals are viewed as conflict minerals: tantalum, tin, tungsten and gold¹.

2.3 Recommendations

To demonstrate that they fulfil the above expectations for observing human rights, suppliers should:

- formulate a human rights policy,
- define processes for assessing risks of human rights violations and mitigating these, and
- report significant risk assessments and incidents in relation to human rights to ENERGINET.

3. CLIMATE AND ENVIRONMENT

3.1 Preventive measures

ENERGINET expects its suppliers to work systematically to prevent and minimise the environmental impacts of its activities, including prevention of pollution, ensuring sustainable use of resources, mitigating climate change and adaptation and protection of the environment, biodiversity and the restoration of natural habitats, and improving the performance of other parties within its sphere of influence through a proactive approach and responsible management of their environmental factors.

3.2 Energy consumption and climate change

ENERGINET expects suppliers to take measures to reduce energy consumption and greenhouse gas emissions, and where possible, prevent them. Greenhouse gases are defined as the six greenhouse gases covered by the Kyoto Protocol – carbon dioxide, methane, dinitrogen oxide, perfluorocarbons (PFCs), hydrofluorocarbons (HFCs) and sulphur hexafluoride (SF₆).

ENERGINET expects suppliers to monitor their emissions and take measures to reduce the amount and number of pollutants, where possible. Typical air pollutants include nitrogen oxides, sulphur dioxide, carbon monoxide, small particles, volatile organic compounds (VOCs) such as benzene, and metals such as lead. Emissions of dioxins and pollutants that cause ozone depletion, such as HCFCs, should also be given attention. Specifically, ENERGINET has a published goal of phasing out SF₆ gas, and therefore expects suppliers to work actively to phase this out.

ENERGINET expects suppliers to take immediate action to protect the environment and human health if any situation arises in relation to the suppliers' work that threatens these.

¹ Read more about conflict minerals in EU regulation 2017/821 [here](#) and in the [OECD](#) guidelines.

3.3 Recommendations

To demonstrate that they fulfil the above expectations regarding the climate and environment, suppliers should:

- formulate an environment policy,
- define processes for assessing risks of environmental impacts and mitigating these, and
- report significant risk assessments and incidents in relation to environmental impacts to ENERGINET.

4. ANTI-CORRUPTION AND ECONOMIC RESPONSIBILITY

4.1 Corruption, bribery, fraud and grease payments

ENERGINET does not accept corruption, regardless of who benefits from it. Energinet does not accept bribery or extortion, including giving, receiving, encouraging or insinuating any reward or penalty. This applies both directly or via a third party, and irrespective of whether it is considered to be local business practice. ENERGINET staff, like government employees, cannot receive gifts or other benefits which could be considered bribes.

This includes any misuse of information which gives an advantage to someone who would not otherwise have had access to the given information.

ENERGINET expects suppliers to also not accept the above, and they should have measures in place to ensure that sub-suppliers and other business partners also do not accept such practices.

4.2 Trading with sanctioned products, companies and countries

ENERGINET does not trade in contravention of UN or EU trade sanctions and has procedures to ensure this, and ENERGINET expects suppliers to do the same.

4.3 Responsible political involvement, charity and sponsorships

ENERGINET expects its suppliers to ensure that any direct or indirect political contributions, charity donations and/or sponsorships are not used as a form of bribery, and that their use is always transparent.

4.4 Recommendations

To demonstrate that they fulfil the above expectations regarding anti-corruption and financial responsibility, suppliers should:

- formulate an anti-corruption policy,
- define processes that ensure compliance with UN and EU trade sanctions,
- define processes for assessing risks related to corruption and mitigating these, and
- report significant risk assessments and incidents in relation to corruption to ENERGINET.

5. REPORTING AND CONTROL MEASURES

ENERGINET expects suppliers to ensure that their employees and cooperation partners are able to report illegalities or irregularities of an ethical nature, without fear of reprisal, and that suppliers act on these reports.

ENERGINET's suppliers may report illegalities or irregularities of an ethical nature using ENERGINET's whistleblower scheme.

Based on risk assessment, ENERGINET does regular follow up to ensure that our suppliers observe this code of conduct. The procedure and follow-up will be described in the agreed contract.

In the event of non-compliance with this code of conduct, ENERGINET will focus on the supplier's ability and willingness to demonstrate regular improvements. ENERGINET primarily identifies non-compliance through self-evaluation, but reserves the right to follow up on the supplier's evaluation by requesting documentation for compliance, which may lead to on-site visits, audits and/or other actions. We are confident that cooperation and dialogue will result in a more effective partnership, from which both parties will benefit.