

# Vattenfall's Code of Conduct for Suppliers



# Introduction

Vattenfall provides energy for today's society and contributes to the energy system of tomorrow. We are committed to conducting our business activities in full compliance with applicable laws, rules and regulations and strive at continuously improving our social and environmental performance throughout our entire value chain.

We take responsibility for our actions and we expect our suppliers to do the same.

This Code of Conduct for Suppliers defines our basic requirements in the area of human rights and working conditions, the environment and business integrity. It is based on the UN Global Compact which Vattenfall signed as a participant in 2008. Vattenfall expects its suppliers to implement the principles described in this Code of Conduct for Suppliers in their own businesses or have at least equivalent standards adopted and conduct their business in accordance therewith.

Vattenfall will continuously monitor suppliers' compliance with the standards set out in this Code of Conduct for Suppliers by asking suppliers to provide relevant information and also by conducting supplier audits and reviews.

## Human rights & working conditions

Vattenfall expects its suppliers to support and protect human rights both in the workplace and more broadly in all their business activities. All employees and workers are to be treated fairly, with dignity and respect.

### **Freedom of Association and Collective Bargaining**

Suppliers shall recognize and respect the rights of employees to freely associate, organize and bargain collectively. In situations where the right to freedom of association and collective bargaining are restricted under law, suppliers shall allow workers to freely elect their own representatives.

### **Forced Labour**

Suppliers shall prohibit any use of forced, bonded, indentured labour or involuntary prison labour. All work, including overtime work, shall be voluntary and workers shall be free to leave work or terminate their employment with reasonable notice. Suppliers shall not mandate that workers hand over government-issued identification, passports or work permits as a condition of employment.

### **Child Labour and Young Workers**

Suppliers shall work against all forms of child labour. Suppliers must not employ children below the minimum age of employment or the age for completing compulsory education in that country, whichever is higher. Suppliers must not employ any young workers under the age of 18 to perform any work that is likely to be hazardous or harmful to their health and safety.

### **Non-discrimination**

Suppliers shall not practice any form of discrimination in hiring and employment practices including access to training, promotions and rewards on the grounds of race, colour, religion, gender, sexual orientation, age, physical ability, health condition, political opinion, nationality, social or ethnic origin, union membership or marital status.

### **Health and Safety**

Suppliers shall ensure a safe and healthy workplace or any other location where production or work is undertaken. Appropriate health and safety information, training and equipment shall be provided to all workers.

### **Wages and Benefits**

Suppliers must pay all workers at least the minimum wage required by applicable laws and regulations and provide all legally mandated benefits. All employment conditions, including compensations, working hours, vacation time, leave periods and holidays must be consistent with applicable laws and regulations, especially mandatory industry standards.

## Environment

Vattenfall expects its suppliers to manage their operations responsibly in relation to environmental risks and impacts and to adopt a precautionary approach in their business operations. Resources such as water and energy shall be used efficiently.

### **Environmental Legislation**

Suppliers must obtain and maintain all required permits and licenses and comply with the operational and reporting requirements of such permits and licenses.

### **Waste Management and Pollution Prevention**

Suppliers shall endeavour to avoid or reduce any waste or emissions as a result of their business activities. Suppliers shall use efficient technologies which aim to reduce the environmental impact as much as possible.

### **Environmental Management Systems**

Vattenfall's suppliers whose activities have an environmental impact shall have a structured and systematic approach to take environmental aspects into account that includes establishing suitable management systems for environmental protection, setting targets and performing follow-ups.

## Business integrity

Vattenfall expects its suppliers to conduct business in compliance with legal requirements and to adhere to internationally agreed standards of business ethics.

### **Legal Compliance**

Suppliers must comply with all applicable laws, rules and regulations in the countries where they carry out their business activities.

**Anti-Corruption**

Vattenfall's suppliers must not engage in or tolerate any form of corruption, bribery, extortion or embezzlement. Suppliers must not offer or accept any benefits or other means to obtain any undue or improper advantage. Such improper benefits may comprise cash, non-monetary gifts, pleasure trips or services and amenities of any other nature.

**Conflict of Interests**

Suppliers shall avoid conflicts of interest that may compromise the supplier's credibility in the Vattenfall group or other exterior parties' confidence in the Vattenfall group.

**Protection of Third Party Rights and Information**

Suppliers must respect intellectual property rights and protect confidential information by safeguarding it against misuse, theft, fraud or improper disclosure.

**Commitment**

Vattenfall expects its suppliers to show their commitment to the principles defined herein by establishing suitable monitoring systems and by following-up in case they receive knowledge about any violations.

**Monitoring System**

Suppliers shall have adequate systems and controls in place to ensure compliance with these standards or equivalent standards. Suppliers' systems and controls shall also apply to the sub-contractors and suppliers they work with which are directly or indirectly connected with providing goods and services to Vattenfall.

**Consequences in Case of Violations**

Suppliers shall address any violations of these standards or equivalent standards that come to their knowledge and take appropriate actions. Depending on the severity of the violation appropriate actions could be a request for corrective measures but also the termination of the cooperation with any employee, sub-supplier or contractor who mandated, facilitated or applied unacceptable methods.

## Un Global Compact

**“The Global Compact asks companies to embrace universal principles and to partner with the United Nations. It has grown to become a critical platform for the UN to engage effectively with enlightened global business.”** - UN Secretary-General Ban Ki-moon

### Human rights

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and  
**Principle 2:** make sure they are not complicit in human rights abuses.

### Labour

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;  
**Principle 4:** the elimination of all forms of forced and compulsory labor;  
**Principle 5:** the effective abolition of child labour; and  
**Principle 6:** the elimination of discrimination in respect of employment and occupation.

### Environment

**Principle 7:** Businesses should support a precautionary approach to environmental challenges;  
**Principle 8:** undertake initiatives to promote greater environmental responsibility; and  
**Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

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

### References

In preparing this code of conduct for suppliers the following references were consulted:  
UN Global Compact, [www.unglobalcompact.com](http://www.unglobalcompact.com)

1948 Universal Declaration of Human Rights (UDHR)  
[www.un.org/en/documents/udhr/index.shtml](http://www.un.org/en/documents/udhr/index.shtml)

International Labour Organization, specifically the documents listed below: [www.ilo.org](http://www.ilo.org)

- Declaration on Fundamental Principles and Rights at Work from 1998
- Forced Labour Convention (C.29-1930)
- Abolition of Forced Labour Convention (C.105-1957)

- Minimum Age Convention (C.138-1973)
- Prohibition and Immediate Elimination of the Worst Forms of Child Labour Convention (C.182-1999)
- Equal Remuneration Convention (C.100-1951)
- Discrimination (Employment and Occupation) Convention (C.111-1958)
- Freedom of Association and Protection of the Right to Organise Convention (C. 87- 1948)
- Right to Organise and Collective Bargaining Convention (C. 98-1949)
- Guidelines on Occupational Safety and Health (ILO-OSH-200) YES

Rio Declaration, Agenda 21 [www.unep.org](http://www.unep.org)

Children’s Rights and Business Principles  
[http://www.unglobalcompact.org/Issues/human\\_rights/childrens\\_principles.html](http://www.unglobalcompact.org/Issues/human_rights/childrens_principles.html)

ISO 26000:2010 Guidance on Social Responsibility  
<http://www.iso.org/iso/home/standards/iso26000.htm>

Social Accountability 8000 [www.sa-intl.org/](http://www.sa-intl.org/)

United Nations Convention against Corruption  
[www.unodc.org/unodc/en/treaties/CAC/index.html](http://www.unodc.org/unodc/en/treaties/CAC/index.html)

OECD Guidelines for Multinational Enterprises  
<http://www.oecd.org/daf/internationalinvestment/guidelinesformultinationalenterprises/49744860.pdf>

Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework  
[http://www.ohchr.org/Documents/Issues/Business/A-HRC-17-31\\_AEV.pdf](http://www.ohchr.org/Documents/Issues/Business/A-HRC-17-31_AEV.pdf)

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