

Skagerak Energy's Supplier Code of conduct

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Message to our suppliers

Skagerak Energy is committed to sustainable and responsible business practices as well as to comply with all legal requirements wherever we operate. Our commitment can only be achieved if our suppliers act in the same manner.

We seek to understand and address the impacts and risks of our activities, and those that we are linked to through our business relationships. We work to identify and manage our impacts and risks, also in the supply chain. Accordingly, we organize our procurement activities so that we can obtain best possible value, terms and conditions, and avoid adverse impacts to people, society and the environment in our supply chains.

This Supplier Code of Conduct (“the Supplier Code”) sets requirements and seeks to avoid adverse impacts and risks to people, society and the environment in our supply chains.

As one of our suppliers you are expected to adhere to these requirements throughout your relationship with Skagerak Energy.

This version of Skagerak Energy’s Supplier Code of Conduct was adopted on 1 September 2022.

Part I: Understanding and applying the Supplier Code

Skagerak Energy's commitment

Skagerak Energy is committed to act in a sustainable, ethical and responsible manner and to comply with all applicable legal requirements wherever it operates. It is also Skagerak Energy's policy to act in accordance with relevant international conventions and guidelines set by international organisations, including the United Nations (UN), International Labour Organization (ILO) and the Organization for Economic Co-operation and Development (OECD).

Skagerak Energy strives to ensure that this commitment is reflected in its supply chain.

The principles contained in the Supplier Code represent the core sustainability and integrity requirements that suppliers must comply with. The Supplier Code is to be read in conjunction with the contract entered into with the supplier, which may contain further requirements and guidelines on the sustainability and business integrity issues covered by the Supplier Code.

Scope of application

The Supplier Code applies to suppliers – including, but not limited to contractors, agents and consultants – who have a contractual obligation to comply with it. This includes suppliers' employees at all levels, board members, hired personnel, consultants and others who act on behalf of or represent the supplier.

Skagerak Energy further expects its suppliers to use their best efforts towards ensuring that equivalent standards are complied with and respected within their respective supply chain based on the principle of leverage in accordance with international best practice, in particular by their own direct suppliers. Supply chain in this regard means any party in the chain of suppliers and sub-contractors that supplies or produces goods, services or other input factors included in the supplier's delivery of services or production of goods from the raw material stage to a finished product.

Applicable laws

Suppliers shall comply with applicable laws and regulations of their country of origin as well as with applicable laws and regulations of countries where they operate. Suppliers are expected to act in accordance with relevant international conventions and guidelines set by international organisations, including by the UN, ILO and the OECD.

Where differences exist between applicable laws, regulations and the Supplier Code or requirements of the contract with the supplier, suppliers shall follow the strictest requirements.

Management and compliance

Suppliers shall identify, manage, monitor, and comply with the requirements covered by the Supplier Code. This implies having in place, and effectively communicating and enforcing, appropriate policies, procedures, management systems, quality improvement activities, internal control systems, and the human resources necessary to comply with the Supplier Code.

Part II: Acting in a sustainable, ethical, and responsible manner

Suppliers shall operate with integrity and in an environmentally and socially sustainable manner in accordance with the principles of the Supplier Code. Suppliers shall seek to establish a regular and open dialogue on sustainability issues with affected communities and other stakeholders.

1. Combatting climate change and protecting the environment

1.1. Climate

Suppliers shall consider the climate impact of their operations and work to reduce the greenhouse gas emissions of their activities, products, and services.

1.2. Environment

Suppliers shall work to minimise their environmental impact and support a precautionary approach to environmental challenges, including risk assessment and risk management. Suppliers shall undertake initiatives to promote greater environmental responsibility, including biodiversity, and encourage the development and diffusion of environmentally friendly technologies. Suppliers shall seek to carefully balance both climate, societal and environmental considerations.

1.3. Circular Economy

Suppliers are encouraged to apply a circular economy mindset to their activities, including adopting a lifecycle perspective, and promoting resource efficiency, reuse, and recycling.

2. Respecting human and labour rights

Suppliers shall support and respect the protection of internationally proclaimed human rights and ensure that they are not complicit in human rights abuses.

Suppliers shall respect the rights and social, cultural, environmental, and economic interests of affected people, particularly indigenous, tribal and other vulnerable groups. Suppliers should obtain broad-based, free, prior, and informed consent from all indigenous and tribal groups when relevant.

2.1. Human rights due diligence

Suppliers shall undertake human rights due diligence in line with the United Nations Guiding Principles on Business and Human Rights. Skagerak Energy may require the supplier to document how the supplier addresses actual and potential adverse impacts identified in their human rights due diligence within limits of applicable law, e.g. competition laws, personal data protection laws and/or legal privilege. This applies to both more generic information about the supplier's approach to and the results of human rights due diligence, and information relating to a specific product or service offered by the supplier to Skagerak Energy.

2.2. Forced labour and other forms of modern slavery

Suppliers shall not use forced or compulsory labour, nor restrict the free movement of its employees. Suppliers shall ensure that the work carried out by the workforce is freely chosen and free from threats.

Furthermore, suppliers shall not hold a deposit of money or important documents, including passport or other identification documents, as a condition of employment, and shall ensure that all employees are free to leave their employment after serving an appropriate and reasonable notice. Suppliers shall not

require employees to pay in order to be engaged by the supplier (e.g. recruitment fees or other compensations).

2.3. Child labour

Suppliers shall not engage in child labour or any work that deprives a child of its childhood, potential, dignity, or that is harmful to its physical or mental health or development. Suppliers shall not employ or use a child as workforce if it is under the age of 15 or a higher age prescribed in applicable laws, in which case the higher age shall apply. Exceptions can only be made for light work or training if acceptable under the ILO Minimum Age Convention (C138). Under no circumstances shall Suppliers let a child under the age of 18 perform hazardous work, including work likely to jeopardize their health, safety, or development.

If child labour is discovered within the Supplier's activities, the Supplier shall pursue a remediation programme targeted towards the best interests of the child.

2.4. Labour conditions

Suppliers shall provide its workforce with remuneration that meets any national legal standard on minimum wage. Skagerak Energy is committed to paying a living wage for its workers, and encourages suppliers to do the same. Living wage is understood as remuneration sufficient to afford a decent standard of living for the worker and her or his family, as defined and calculated by the Global Living Wage Coalition. Suppliers shall not use wage deductions as a disciplinary measure and shall provide employees with a wage statement for hours worked during the pay period.

Furthermore, suppliers shall ensure that working hours are not excessive and comply with applicable local laws on working hours as well as international requirements under the ILO Declaration on Fundamental Principles and Rights at Work and the ILO core conventions.

Suppliers must ensure that all employees are provided with written agreements of employment setting out employment conditions in a language understandable to the individual concerned.

2.5. Freedom of association and the right to collective bargaining

Suppliers shall ensure and recognise the right of free association and, where a significant proportion of the workforce agrees, collective bargaining of employees. The supplier shall conduct bargaining with employee representatives in good faith. Suppliers shall not discriminate against employees' representatives or members of trade unions, which shall also have access to carry out their representative functions in the workplace.

Where the right to freedom of association and collective bargaining are restricted under national law, suppliers shall allow employees to freely elect their own representatives.

2.6. Equality, diversity and respect

Suppliers shall work actively to create a working environment characterised by equality, diversity, and mutual respect where everyone has the opportunity to contribute to business success and to realise their potential. Employees or others involved in the performance of the contract with Skagerak Energy shall be selected and treated in a manner that does not discriminate with regard to gender, race, religion, age, disability, sexual orientation, nationality, social or ethnic origin, political opinion, union affiliation or any other ground. Suppliers are required not to tolerate any form of discrimination or harassment in any of their workplaces.

2.7. Sustainable sourcing of minerals, including conflict minerals

Suppliers shall have a policy and controls in place to monitor and prevent the use of materials sourced illegally or unethically. If suppliers know, or have reason to believe, that conflict minerals may be contained within the product being supplied to Skagerak Energy and these are not from recycled or scrap sources, the supplier must exercise due diligence to determine the source and chain of custody of the conflict minerals or derivatives. The due diligence should be in accordance with OECD Guidance for

Responsible Supply Chain of Minerals from Conflict-Affected and High Risk Areas or an equally recognized framework.

Suppliers are expected to document their efforts in this regard and may be required to provide evidence of the origin of the conflict minerals in products supplied by them to Skagerak Energy

3. Ensuring a healthy, safe and secure workplace

3.1. Health and safety

Suppliers shall adhere to the ILO Conventions on Occupational Health and Safety. Suppliers shall work actively for an injury-free and healthy working environment and to promote an open and proactive health and safety culture. Suppliers shall plan and act to prevent injuries, work systematically to manage risks and continuously improve their performance towards a vision of zero injuries. This includes providing mandatory health and safety training to workers.

This commitment also extends to site conditions provided by the supplier to the worker during and outside of working hours.

3.2. Security

Suppliers shall also to the best of their ability protect their employees from being harmed from factors outside of their control, such as natural disasters and security threats. Protection from security threats must be proportional to the threat itself and shall be in line with the Voluntary Principles on Security and Human Rights.

3.3. Intoxicating substances

While at work for Skagerak Energy, suppliers are not permitted to be under the influence of intoxicating substances, including alcohol and drugs.

Limited amounts of alcohol may be served when local custom and occasion makes this appropriate, provided that the consumption is not combined with operating machinery, driving or any other activity that is incompatible with the use of alcohol.

3.4. Purchase of sexual services

In support of the prohibition of human trafficking, no sexual services must be purchased by suppliers when on assignment or business trip for Skagerak Energy

4. Business ethics and Compliance

4.1. Anti-corruption

Suppliers shall not tolerate and shall work against corruption in all its forms in the public and private sector. They shall not offer, request, give, accept, or receive bribes or other improper advantages for business or private gain, including facilitation payments, whether directly or indirectly, for themselves or for others.

4.2. Business courtesies, gifts, hospitality and expenses

Suppliers shall prohibit the offer or acceptance of business courtesies – gifts, hospitality, expenses or any benefit – where they could constitute, or appear to constitute, an undue influence. Suppliers shall exercise increased caution when business courtesies involve public officials.

Furthermore, suppliers shall not, directly or indirectly, offer gifts to Skagerak Energy employees or representatives or anyone closely related to these, unless the gift is modest, and the time and place is appropriate. Suppliers shall never offer or accept gifts of cash or cash equivalents. Hospitality, such as social events, meals or entertainments may be offered if there is a business purpose involved, and the cost is kept within reasonable limits.

Travel expenses for the individual representing Skagerak Energy shall be paid by Skagerak Energy. During a contract negotiation, bidding or awarding period, all hospitality, gifts or expense coverage must be avoided, irrespective of value.

4.3. Sanctions

Suppliers shall not have business or dealings with a sanctioned country, group, organisation or individual, and shall conduct due diligence in selection of subsequent tier suppliers to ensure the same.

4.4. Fair competition

Suppliers shall apply high commercial ethical standards and compete within the framework of competition rules in the markets where they operate. No supplier shall be part of any illegal price cooperation, illegal market sharing or other practice in violation of applicable competition laws.

4.5. Accuracy of records

Suppliers are committed to transparency, verifiability and accuracy in their dealings, while respecting their confidentiality obligations. All accounting information must be correct, registered, and recorded in accordance with laws and regulations.

4.6. Money laundering

Suppliers shall not take part in any form of money laundering and shall implement measures to prevent financial transactions from being used to launder money.

4.7. Confidentiality and data privacy

Suppliers shall keep confidential and not misuse any information about Skagerak Energy of a confidential nature, as may be further specified in the contract between Skagerak Energy and the supplier. Such information may include information concerning security, individuals, commercial, technical, or contractual matters and other types of information protected by law.

Suppliers shall implement appropriate technical and organisational measures to ensure that any processing of personal data as part of the supplier's contractual relationship with Skagerak Energy is in accordance with applicable data protection legislation.

4.8. Conflict of interest

Suppliers shall avoid all conflicts of interest while working for Skagerak Energy. A conflict of interest occurs when a representative of a supplier seeks to further his/her personal interest, or that of a friend or relative, due to his/her position as a representative of the supplier. Suppliers are required to report any situations of potential or apparent conflicts between their personal interests and the interests of Skagerak Energy.

4.9. Political contributions and activities

Suppliers shall not sponsor political parties or politicians in connection with Skagerak Energy and/or the contract entered into with Skagerak Energy.

5. Protection of property and assets, including intellectual property

Suppliers are responsible for safeguarding and appropriately using Skagerak Energy's assets while in their possession. Skagerak Energy's assets must not be used for any personal benefit.

Suppliers shall not use Skagerak Energy's logo, quotes or in any other way use Skagerak Energy for marketing and other commercial purposes unless explicitly agreed between Skagerak Energy and the supplier.

Part III: Handling cases of doubt and breaches of the Supplier Code

1. Where to look for advice

If suppliers are or become unsure about the meaning of any part of the Supplier Code or about the proper course of action in accordance therewith, they shall seek advice and raise the matter with their contact person in Skagerak Energy.

Suppliers may also contact Skagerak Energy's procurement unit (phone: +4735900000)

2. Concerns or breaches of the Supplier Code

Suppliers shall:

- have an internal mechanism for reporting and handling concerns or breaches of the Supplier Code,
- without delay inform Skagerak Energy of any concerns or potential breaches and
- provide full cooperation in relation to Skagerak Energy's investigation of the matter.

Suppliers shall not use any retaliatory measures against anyone for raising or helping to address a genuine sustainability and/or business integrity concern.

Reporting of concerns can be done anonymously via Skagerak Energy's external reporting channel, which is available through our web pages. The receipt and processing of the reports will be handled by an independent third party, KPMG.

3. Consequences of infringement

Failing to comply with the Supplier Code is viewed as a serious matter, which may lead to termination of the contract, claims for appropriate compensation or remediation to affected individuals, disqualification as a supplier, and reporting to the relevant authorities.

Where Skagerak Energy has contributed to Supplier's failure to comply with Supplier Code, Skagerak Energy is committed to collaborating with the Supplier on providing remedy to affected individuals, without limiting Supplier's duties or warranties for the same.