

Code of Conduct for Suppliers

General regulations

Introduction

The Stromnetz Berlin Code of Conduct for Suppliers (hereinafter: the “Code of Conduct”) sets out the requirements to be complied with by suppliers in order to avoid risks to human rights and the environment and maintain integrity in business transactions during contractual performance.

Suppliers, in the terms of this Code of Conduct, are contractual partners of Stromnetz Berlin GmbH (hereinafter “Stromnetz Berlin”) who render services – of any kind – to Stromnetz Berlin (e.g. who supply goods, carry out work or engage in construction works incl. leasing activities).

Stromnetz Berlin demands of its suppliers that they comply with this Code of Conduct when rendering services to Stromnetz Berlin. Stromnetz Berlin also demands that suppliers ensure compliance with equal standards to those formulated in this Code of Conduct within their own supply chains.

Compliance with laws and regulations / documentation

Alongside the Code of Conduct, every supplier must comply with all valid laws and other binding regulations in force in any country where it is active. Where the Code of Conduct and the applicable laws, regulations and ordinances overlap in coverage, the strictest requirement is to be fulfilled. Every supplier is obliged to take suitable preventive measures in order to comply with the Code of Conduct.

If the Code of Conduct and applicable laws, regulations and ordinances contradict each other, the Supplier is obliged to inform Stromnetz Berlin as soon as the conflict comes to its attention.

Every supplier is obliged to document the measures taken to ensure compliance with the Code of Conduct and provide information and proofs to Stromnetz Berlin on request.

Human rights and labour law

General

Stromnetz Berlin expects every supplier to comply with the internationally recognised human rights set out in the United Nations’ Universal Declaration of Human Rights. Each supplier is obliged in particular to prevent and/or eliminate threats to human rights as per § 2 paras. 2 and 3 of the Supply Chain Due Diligence Act (German acronym: LkSG).

The requirements of this Code of Conduct shall apply with relation to all persons employed by the supplier, including temporary workers, foreign staff, contract workers and student workers.

Child labour and protecting minors in the workplace

Every supplier shall ensure that no child under the legal minimum age is employed, whereby the minimum legal age is that at which, under the applicable national legislation, compulsory schooling ends, and a minimum of 15 years, as long as the law of the place of employment does not determine any deviations to the permissible minimum age in agreement with article 2 para. 4 and articles 4 to 8 of International Labour Organisation Convention No. 138 of 26 June 1973 on the minimum age for lawful employment (BGBl 1976 II pp. 201, 202).

Every supplier shall additionally ensure that the requirements of article 3 of International Labour Organisation Convention 182 of 17 June 1999 on the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (BGBl 2001 II pp. 1290, 1291) are complied with at all times.

No supplier shall engage in any kind of prohibited child labour or profit therefrom. If child labour is discovered, a reparation programme must be set up.

Modern slavery and forced labour

Every supplier shall ensure that no form of forced labour (work or service provision demanded of a person with the threat of punishment or for which they have not volunteered) is permitted (work or service provision compatible with article 2 para. 2 of International Labour Organisation Convention No. 29 of 28 June 1930 on forced labour (BGBl 1956 II pp. 640, 641) or with article 8 para. 3 Nos. 2 and 3 of the International Pact of 19 December 1966 on civil and political rights (BGBl 1973 II pp. 1533, 1534)).

Every supplier shall ensure that all forms of slavery, practices comparable to slavery, serfdom, bondage and other exercise of force or oppression in the environs of the workplace, say, through economic or sexual exploitation or humiliation, are prohibited.

Suppliers must not profit from forced labour and slavery nor participate in such.

All employees must have the right to take up and leave work freely; work must be carried out on a voluntary basis.

Health and safety

With consideration for the relevant dangers and risks of their activity, every supplier must ensure a safe workplace that poses no hazard to health, while complying with the relevant laws and sectoral standards by which it, as a supplier, is bound. In particular, the supplier is

obliged to ensure that the risk of accidents and/or work-related health risks arising from

- a) clearly insufficient safety standards in the provision and maintenance of a workplace, work station or work equipment;
- b) the lack of suitable safety measures to prevent negative effects of chemical, physical or biological agents;
- c) the lack of measures to prevent excessive physical or mental exhaustion, in particular because of unsuitable work organisation with regard to working hours and breaks, or
- d) the insufficient training or instruction of employees is avoided.

Freedom of association and collective bargaining

Every supplier must recognise and respect the right of employees to freedom of association, to the founding, organisation, joining and membership of trade unions, and to collective bargaining. In particular, each supplier must ensure that

- a) employees can freely form or join trade unions,
- b) the foundation, accession to and membership of a trade union may not be used as a reason for unjustified discrimination or retribution,
- c) trade unions can act freely and in agreement with the applicable national law; this includes the right to strike and engage in collective bargaining.

Prohibition of discrimination

Every supplier is obliged to prevent discrimination with relation to employment on the basis of national or ethnic origin, social background, health status, disability, sexual orientation, age, gender, political opinion, religion or ideology, unless the requirements of employment or service provision justify it; discrimination also includes the provision of unequal pay for comparable work.

Furthermore, in rendering services to Stromnetz Berlin and in their dealings with third parties (in particular, companies in their supply chain and other suppliers of Stromnetz Berlin), all suppliers are obliged to behave with respect, without discrimination and in a way that upholds human rights.

Working conditions, remuneration, benefits

Every supplier must provide suitable remuneration and social benefits to its employees. It must comply with the relevant laws and/or collective agreements on remuneration; in particular, it must pay the minimum wage specified for the place of employment.

Withholding or reducing pay as a punitive measure is impermissible.

Working hours

Every supplier shall comply with the applicable legislation and collective agreements on working hours, including with regard to overtime, breaks and paid leave.

Forced clearances or expropriation of land

Every supplier shall ensure that the acquisition, use and development of land is not accompanied by forced clearances or the illegal expropriation of land, forests and bodies of water whose usage is the livelihood of any person.

Use of security personnel

Every supplier is forbidden to employ or use private or public security forces to protect an entrepreneurial project if, because of a lack of instruction or supervision, the use of the security personnel

- a) raises the risk of cruel, inhumane or degrading treatment because of disregard for the prohibition of torture,
- b) is a threat to life and limb, or
- c) is a threat to the right to freedom of assembly and collective bargaining.

Conflict and other high-risk areas

Every supplier shall check whether its own activities or those of suppliers in its supply chain take place in conflict-hit or other high-risk areas, or whether goods and services are drawn from those areas. In such cases, more rigorous due diligence measures adapted to the case in question shall be put in place.

The necessary steps must be taken to monitor business relationships, business and financial transactions and resource flows (e.g. tin, tungsten, tantalum, gold and other conflict minerals) and to make sure that they are not linked to the financing or support of armed actors that could profit from the sale of such goods and services.

Environment

General

As far as reasonably possible, every supplier shall strive to act responsibly with regard to potential environmental risks, in the spirit of the precautionary principle and with consideration for the product lifecycle. Resources such as water and energy should be efficiently used, with negative effects on biodiversity minimised.

Every supplier must obtain all the required environmental approvals and licences and keep them up to date, whole following the operational and reporting obligations set out in these approvals and licences.

Every supplier shall endeavour, as far as reasonably possible, to avoid or reduce waste and/or emissions arising from its business activities and to use efficient technologies to reduce environmental burdens to the greatest possible extent.

Environmental risks, hazardous substances, chemicals, waste

Every supplier must comply with all laws, regulations and requirements regarding the prohibition and restricted handling of hazardous substances, chemicals and waste, in particular the conventions under Nos. 11 and 12 appended to the LkSG (the Minamata Convention on Mercury of 10 October 2013 (BGBl 2017 II pp. 610, 611); the Stockholm Convention of 6 May 2005 on persistent organic pollutants signed 23 May 2001 (BGBl 2002 II pp. 803, 804) amended by resolution (BGBl 2009 II pp. 1060, 1061) (POPs convention)) (environmental obligation).

Every supplier is in particular obliged to avoid environmental risks. An environmental risk is a condition where, because of actual circumstances, there is sufficient likelihood of an environmental obligation being violated through contravention of one of the following prohibitions:

- a) the prohibition of the use of mercury-containing products as per article 4 para. 1 and annex A part I of the Minamata Convention on Mercury of 10 October 2013 (BGBl 2017 II pp. 610, 611) (Minamata Convention);
- b) the prohibition of the use of mercury and mercury compounds in production processes under article 5 para. 2 and annex B part I of the Minamata Convention, from the phase-out date set for each of the products and processes covered by the Convention;
- c) the prohibition of the treatment of mercury waste in contravention of the provisions of article 11 para. 3 of the Minamata Convention;
- d) the prohibition of the production and use of chemicals as per article 3 para. 1 a) and annex A of the Stockholm Convention of 23 May 2001 on persistent organic pollutants (BGBl 2002 II pp. 803, 804) (POPs Convention), if this applies under the valid national law in harmony with the POPs Convention, and
- e) the prohibition of the environmentally insensitive handling, collection, storage and disposal of waste in accordance with the rules in force in the applicable jurisdiction under the provisions of article 6 para. 1 d) (i) and (ii) of the POPs Convention.

Environmental management system

A supplier whose activity has an effect on the environment should strive as far as reasonably possible to apply

a structured and systematic approach to considering ecological matters. Alongside the introduction of a suitable management system to improve environmental performance and set goals, this could also include assessments as to whether set targets are being reached.

Integrity in business transactions

Combating corruption

A supplier may not take part in or tolerate corruption, bribery, money laundering, extortion or embezzlement of any kind. A supplier may not offer any advantage in exchange for the unfair or unlawful granting of benefits or with the intention of having a recipient violate their professional obligations; the same applies to the receiving of unfair advantage. Unfair advantages include, for example, cash, gifts, pleasure trips, services and amenities of other kinds.

Conflicts of interest

When rendering its services, each supplier must avoid actual or suspected conflicts of interest, i.e. such activities (i) by persons that mingle business and private interests, (ii) by groups of persons that could give the appearance of a mixture of business and private interests, and (iii) by persons on behalf of several companies relevant to the provision of services which have conflicting business goals, including having shareholdings in such companies. Stromnetz Berlin must be informed of all existing or suspected conflicts of interest.

Competition law

Every supplier shall comply with and follow the provisions and regulations of the competition law in force. This includes, in particular, the obligation not to enter into any kind of agreement with a business partner that limits competition, nor to share information in such a way as to violate competition law.

Protecting intellectual property and confidential information

Every supplier must respect the intellectual property of Stromnetz Berlin and protect its confidential information; in particular, measures must be taken to prevent misuse, theft or unauthorised disclosure of confidential information ("confidential information" is (i) information which is labelled as such by Stromnetz Berlin, (ii) all non-public technical, commercial and economic information about Stromnetz Berlin's operations the non-disclosure of which, because of its type and nature, is in Stromnetz Berlin's interests).

Risk assessments and inspections

Risk assessments and inspections by Stromnetz Berlin

To assess compliance with this Code of Conduct, Stromnetz Berlin is entitled to carry out risk-based analyses and inspections of every supplier once a year or for cause, in particular, if Stromnetz Berlin has to deal with essential changes to the risk situation or additional risks in its own area of business or that of a supplier – say, because of the introduction of new products, commencement of new projects, opening up of new areas of business – or if Stromnetz Berlin becomes aware of a violation (e.g. because of whistleblower reports).

The assessment can take place on site, being carried out by Stromnetz Berlin itself or by a commissioned third party, or by the use of a recognised certification system or audit system as long as these allow the execution of independent and appropriate monitoring.

Risk assessments and inspections by the Supplier

Every supplier must have suitable risk management and control mechanisms to monitor compliance with this Code of Conduct and prevent violations in its own sphere of activity and along the supply chain.

The organisational structure and quality of the risk management system should be appropriate to the size, complexity and risk environment of the supplier in question's operations. Every supplier shall ensure this and make sure that its own direct suppliers comply with the Code of Conduct or an equivalent.

Consequences in case of infringement / remedial measures

If a supplier violates any of the obligations of this Code of Conduct in its own area of business, or if it gains knowledge of such a violation having occurred or being imminent within its supply chain, it must actively take effective remedial measures to prevent, end or – if prevention or cessation are impossible – minimise the violation. With consideration for the scope of the violation, Stromnetz Berlin is entitled to demand suitable, effective remedial measures, in particular those specified in § 7 LkSG.

If the infringement of a protected legal position under the LkSG or an environmental obligation is of such a kind that the supplier cannot end it in the foreseeable future, the supplier must without delay draw up and implement a concept for minimising the violation. The concept must contain a concrete timeframe. In creating and implementing the concept, the measures named in § 7 para 2. LkSG are to be given particular consideration.

Stromnetz Berlin is entitled to extraordinary termination of the contract with the supplier if

- a) the violation of a protected legal position under the LkSG or an environmental obligation is considered severe,
- b) the implementation of the measures set out in the concept achieve no remedial action within the set timeframe,
- c) Stromnetz Berlin has no more lenient options available to it, and
- d) there is no reasonable prospect that its ability to influence matters will increase.

Other contractual and legal rights to extraordinary termination, in particular under § 314 BGB, remain unaffected.

Stromnetz Berlin is entitled to assess the effectiveness of remedial measures taken. In this, Stromnetz Berlin is entitled to consider knowledge gained from informants. The remedial measures must be updated when needed without delay.

Complaints mechanism

Stromnetz Berlin complaints mechanism

If, within the framework of the business relationship, the supplier, its employees, subcontractors or other affected parties consider that the conditions of the Code of Conduct are not being fulfilled, or that Stromnetz Berlin is not acting in accordance with its own Code of Conduct, they have the option of lodging a complaint via the Stromnetz Berlin complaints mechanism (published at <https://www.stromnetz.berlin>).

Supplier's complaints mechanism

Every supplier shall set up a suitable complaints mechanism serving to allow infringements of the provisions of this Code of Conduct to be reported.