

Code of conduct for suppliers

1 Stromnetz Berlin's code of conduct for suppliers

1.1 General

Stromnetz Berlin's Code of Conduct for Suppliers (hereafter called 'the Stromnetz Berlin Code') sets requirements for suppliers and is based on the UN Global Compact, the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises as well as other international standards, norms and guidelines (see 'References' for a full list).

Stromnetz Berlin requires its suppliers to comply with the Stromnetz Berlin Code or an equivalent standard, agreed together with Stromnetz Berlin, when doing business with Stromnetz Berlin.

1.2 Compliance with laws and regulations

Suppliers shall comply with all applicable laws, rules and regulations in the countries where they operate. Stromnetz Berlin expects suppliers to meet the more stringent requirements between the Stromnetz Berlin Code and applicable laws and regulations and to work with their own suppliers and subcontractors towards that goal.

In case of contradictions between the Stromnetz Berlin Code and applicable laws and regulations Stromnetz Berlin expects the supplier to inform Stromnetz Berlin.

1.3 Commitment to continuous improvement

Stromnetz Berlin recognizes that suppliers will be at different stages of maturity and commits to working with suppliers to achieve continuous improvement.

If Stromnetz Berlin finds that a supplier is not meeting the requirements and expectations set out in this Code of Conduct for Suppliers, Stromnetz Berlin may offer guidance specifying which issues need to be corrected or improved. The supplier should then take corrective actions promptly and commit to showing progress.

Stromnetz Berlin also encourages suppliers to participate in initiatives aiming to raise the standard of an entire sector or across sectors, where applicable.

1.4 Consequences in case of violations

Suppliers shall address any violations of the Stromnetz Berlin Code or equivalent standards that come to their knowledge and to take appropriate actions. Stromnetz Berlin will seek appropriate measures depending on the severity of the violation.

Persistent failure to comply with the Stromnetz Berlin Code or repeated and unjustified refusal to provide the required information may also result in suspending or terminating the suppliers activities with Stromnetz Berlin.

1.5 Due diligence and transparency

1.5.1 General

Stromnetz Berlin shall have the right to conduct due diligence by regularly and systematically identifying and assessing human and labor rights, environment and business ethics related risks and impacts in its supply chain and to use this information to avoid or mitigate the impacts in order to ensure that it sources responsibly.

Stromnetz Berlin expects suppliers to allow Stromnetz Berlin, or a third party authorized by Stromnetz Berlin and reasonably acceptable to the supplier, to conduct audits and assessments of the supplier's operations relevant for the Stromnetz Berlin Code, including but not limited to the supplier's facilities. At the supplier's request, the parties involved in any such audit shall enter into a confidentiality agreement regarding the circumstances disclosed in the audit or assessment.

Stromnetz Berlin also expects its suppliers to conduct appropriate due diligence in their own operations and supply chain.

1.5.2 Conflict-affected and other high-risk areas

Suppliers shall assess whether their own operations, or supply chains are located in or sourced from conflict-affected or other high-risk areas and in such cases adapt enhanced due diligence measures suited to the specific context.

Necessary steps have to be taken to monitor business relationships, business and financial transactions, flows and resources (e.g. tin, tungsten, tantalum, gold, and other conflict minerals) to ensure that they are not linked to providing funding or support to armed actors who may benefit from revenues generated by the sale of such goods and services.

1.6 Management systems and monitoring

Suppliers should have adequate management systems and controls in place to ensure compliance with the Stromnetz Berlin Code or agreed equivalent standards. The functioning and quality of the supplier's management system should be in proportion to the size, complexity and risk environment of the supplier's business. Suppliers should secure and monitor that their own suppliers and sub-suppliers comply with the Stromnetz Berlin Code or, where applicable, their own equivalent code of conduct.

2 Human rights and labor rights

2.1 General

Stromnetz Berlin expects its suppliers to respect internationally proclaimed human rights.

Requirements related to supplier personnel in the Stromnetz Berlin Code shall apply to all of the suppliers' workers including temporary, migrant, student and contract workers as well as direct employees.

All workers shall have the right to enter into and to terminate their employment freely.

Suppliers should take measures to avoid causing, contributing or being linked to negative human rights impacts.

2.2 Indigenous people

Suppliers shall respect the rights of indigenous and tribal peoples and their social, cultural, environmental, and economic interests, including their connection with lands and other natural resources.

Suppliers should follow the principles of free, prior, and informed consent, and participation to obtain broad-based consent of indigenous and tribal peoples in their activities.

2.3 Community engagement and development

Suppliers shall respect the rights, interests, and development aspirations of affected communities during significant changes of suppliers normal operations. Community engagement should be carried out in an inclusive, equitable, culturally appropriate, gender-sensitive, and rights-compatible manner.

2.4 Child labor and young workers

Suppliers shall work against all forms of child labor. Suppliers should not participate in, or benefit from any form of child labor. If child labor is detected a remediation programme shall be put in place.

Suppliers shall not employ children below the minimum age of employment or the age for completing compulsory education in that country, whichever is higher. Suppliers shall not employ any workers under the age of 18 to perform any work that is defined in national law as hazardous.

2.5 Use of security personnel

Suppliers shall ensure that all security personnel, including contracted security personnel, respect the human rights and dignity of all people and in case of threat use reasonable force, proportional to the threat.

2.6 Modern slavery and forced labor

Suppliers shall not participate in, or benefit from any form of forced labor, including bonded labor, involuntary prison labor, slavery, servitude or work performed under the menace of a penalty or coercion.

All forms of modern slavery are unacceptable to Stromnetz Berlin.

2.7 Working conditions

2.7.1 Hours of work

Suppliers should ensure that normal working hours and overtime working hours are within the limits permitted by applicable laws and regulations or agreed to in relevant collective agreements.

2.7.2 Wages, leave and benefits

Suppliers shall pay a wage including benefits that meets basic needs and strive for a discretionary income in compliance with applicable laws and/ or relevant collective agreements as applicable. Correspondingly workers shall be compensated for overtime at pay rates greater than regular hourly rates.

2.8 Health and Safety

Suppliers shall provide a safe and healthy environment across all locations where work is undertaken and when the supplier is providing housing facilities to its personnel.

All work shall be preceded by and be based on documented adequate risk management with implemented controls. This shall include physical, social and organizational health risks.

Risks shall be reduced according to the following hierarchy: Elimination, substitution, engineering controls, administrative controls, and as a last hand alternative, personal protective equipment.

2.9 Freedom of association and collective bargaining

Suppliers shall recognize and respect the rights of employees to freely associate, organize and bargain collectively, if they so wish to.

In situations where the right to freedom of association and collective bargaining is restricted by applicable laws and regulations, Stromnetz Berlin expects suppliers to allow alternate forms of worker representations.

2.10 Non-discrimination

Suppliers shall not practice any form of discrimination in hiring and employment practices. Illegitimate grounds for discrimination include but are not limited to: race, color, gender, age, language, property, nationality or national origin, religion, ethnic or social origin, caste, economic grounds, disability, pregnancy, belonging to an indigenous people, trade union affiliation, political opinion, sexual orientation.

2.11 Grievance channels and remediation mechanisms

Suppliers should make available appropriate grievance mechanisms that are available to personnel and interested parties, including affected communities, to make

comments, recommendations, reports or complaints concerning the workplace, the environment or suppliers business practices. Suppliers shall have routines for dealing with harassment and communicate that any form of harassment is unacceptable and must be reported.

3 Environment

3.1 General

Stromnetz Berlin expects its suppliers to manage their operations responsibly in relation to environmental risks and impacts, to adopt a precautionary approach, and to have a life cycle perspective in their business operations. Resources such as water and energy should be used efficiently and impacts on biodiversity as well as services provided by our eco-systems should be minimized.

3.2 Environmental Legislation

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

3.3 Environmental Protection

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

Stromnetz Berlin expects suppliers to adopt a precautionary approach and where applicable respect the polluter pays principles.

Suppliers shall manage hazardous substances responsibly and where possible hazardous substances should be substituted for less hazardous.

3.4 Environmental Management Systems

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 to improve environmental performance, setting targets and performing follow-ups.

4 Business integrity

Stromnetz Berlin expects its suppliers to conduct business in compliance with all applicable national and international laws and regulations and adhere to internationally agreed standards of business ethics.

5 Anti-corruption

Suppliers shall not engage in or tolerate any form of corruption, bribery, money laundering, extortion or embezzlement. Suppliers shall 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.

6 Conflict of interests

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

7 Competition Law

Suppliers shall respect and comply with all applicable competition laws and regulations, including an obligation not to exchange commercially sensitive and strategic information with competitors or to enter into anti-competitive agreements with any business partner.

8 Protection of Intellectual property rights and confidential information

Suppliers shall respect Stromnetz Berlin's intellectual property rights and protect Stromnetz Berlin's information by safeguarding it against misuse, theft, fraud or improper disclosure.

9 Reporting irregularities to Stromnetz Berlin – whistleblowing

In the context of the supplier / buyer relationship, if the supplier, its employees, its contractors, or any other stakeholder believes that the terms of the Stromnetz Berlin Code are not adhered to, or that Stromnetz Berlin is not acting in accordance with its own Code of Conduct, Stromnetz Berlin encourages such concerns to be raised via the reporting channel. See <https://www.stromnetz.berlin/>

10 References

In preparing the Stromnetz Berlin Code the following references were consulted::

1. 1948 Universal Declaration of Human Rights (UDHR)
www.un.org/en/documents/udhr/index.shtml
2. Children's Rights and Business Principles
<http://www2.ohchr.org/english/bodies/crc/docs/CRC.C.GC.16.pdf>
3. International Labour Organization, specifically the documents listed below:
<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)
4. ISO 14001
<http://www.iso.org/iso/iso14000>
 5. ISO 26000:2010 Guidance on Social Responsibility
<http://www.iso.org/iso/home/standards/iso26000.htm>
 6. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict- Affected and High-Risk Areas
<http://www.oecd.org/daf/inv/mne/GuidanceEdition2.pdf>
 7. OECD Guidelines for Multinational Enterprises
<http://www.oecd.org/daf/inv/mne/48004323.pdf>
 8. OHSAS 18001
(replaced by <https://www.iso.org/standard/63787.html>)
 9. Rio-Declaration, Agenda 21
<http://www.unep.org>
 10. Social Accountability 8000
www.sa-intl.org/
 11. UK Modern Slavery Act
http://www.legislation.gov.uk/ukpga/2015/30/pdfs/ukpga_20150030_en.pdf
 12. UN Global Compact
www.unglobalcompact.com
 13. UN Guiding Principles on Business and Human Rights
http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
 14. UN National Human Rights Action plans
<http://www.ohchr.org/EN/Issues/Business/Pages/NationalActionPlans.aspx>
 15. UN Sustainable Development Goals
<http://www.un.org/sustainabledevelopment/>
 16. United Nations Convention against Corruption
<http://www.unodc.org/unodc/en/treaties/CAC/index.html>
 17. Voluntary Principles of Business and Human Rights
www.voluntaryprinciples.org
 18. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict - Affected and High-Risk Areas
www.oecd.org/corporate/mne/mining.htm
 19. Free Prior and Informed Consent – An Indigenous Peoples' right and a good practice for local communities – FAO
www.fao.org/3/a-i6190e.pdf