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# Corporate Supplier Code of Conduct

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## 1. Introduction

### 1.1 Background

TenneT is a leading European electricity transmission system operator ('TSO'). TenneT ensures a reliable and uninterrupted supply of electricity in our high-voltage grid connecting the 41 million end-users in the markets we serve. We take every effort to meet our stakeholders' needs by being responsible, engaged and connected. We are committed to conducting our business activities with integrity, one of our core values, and in full compliance with applicable laws, rules and regulations and we expect our Suppliers to do the same.

This Supplier Code of Conduct ('**SCC**') sets out requirements in the areas of: human rights, working conditions, the environment, business compliance & integrity and is amongst other based on the UN Global Compact principles.<sup>1</sup>

TenneT expects the highest standards of business integrity from all its employees, suppliers and independent (sub)contractors. In accordance with the TenneT Code of Conduct, this SCC is essential and part of the policies and guidelines to respect all applicable laws and regulations in the jurisdictions TenneT operates in.

### 1.2 Scope and purpose

This SCC applies to TenneT Holding B.V., its affiliated companies (being companies where TenneT Holding B.V has a direct or indirect shareholding of more than 50%, more than 50% of the voting rights, or otherwise controls the business activities) (together "**TenneT**"), and all TenneT' suppliers.

This SCC provides guidance for TenneT and its suppliers' conduct in their cooperation. Furthermore, this SCC specifies the basic standards of Corporate Social Responsibility ('**CSR**') performance we expect from our Suppliers. This SCC is a mandatory part of our tender procedures. We reserve the right to inspect our suppliers for compliance with this Code of Conduct through on-site inspections of their offices and/or production facilities.

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<sup>1</sup> The UN Global Compact's Ten Principles are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption. You can find our latest Communication on Progress on our website [<https://www.tennet.eu/company/our-responsibility/download-reports/>].

TenneT has identified areas it believes to be key to securing a high level of good business conduct within the supply chain. These are:

1. Compliance & Integrity.
2. Human rights, working conditions and the environment.

### 1.3 Responsibilities

Corporate Social Responsibility, Corporate Safety & Security, Corporate Procurement, Corporate Compliance & Integrity and the Supplier shall cooperate to implement this SCC. Corporate Procurement and the Supplier are primarily responsible for the implementation. Corporate Social Responsibility, Corporate Safety & Security and Corporate Compliance & Integrity provide support in the implementation.

### 1.4 Definitions

#### **Supplier**

Everybody contracted by TenneT or contracted by the contracted party of TenneT in doing business with TenneT.

## 2. Compliance & Integrity

### 2.1 Responsible Business Conduct

Suppliers will conduct responsible business. This means that Suppliers will respect all applicable laws and regulations (including this SCC).

Suppliers will never unduly influence someone within TenneT nor any of its stakeholders when doing business. With respect to gifts and hospitalities this means that these are only offered to TenneT's employees by respecting the [TenneT Corporate Gifts & Hospitality Policy](#).

Suppliers avoid any form of fraud (e.g. misleading financial reporting), unfair competition (cartels, price-fixing, abuse of dominance, exchanging company specific confidential commercially sensitive information that distorts or could distort competition), bribes or corruption (providing benefits to employees or public officials to (attempt) to influence business decisions), extortion, money laundering, and have a compliance system that endeavours to detect, prevent and respond to issues that might be related to the aforementioned.

Suppliers will adhere to international trade regulations and export control regulations.

### 2.2 Conflicts of Interest

Suppliers declare that they will avoid at any time to influence business decisions with TenneT by making use of any personal or private interests, i.e. conflicts of interests that they might have with TenneT, its employees. Suppliers pledge to divulge pro-actively to the TenneT Compliance & Integrity Organization (in written form, e-mail included) any form of conflicts of interests that they might have with TenneT, its employees or stakeholders.

### 2.3 TenneT resources

Suppliers will always respect TenneT's facilities, systems, premises, intellectual property rights and goods and will make proper use of them. Moreover, they will respect all rules & regulations that apply in the use of TenneT resources or when entering TenneT premises.

These instructions meet principle 10 of UN Global Compact.

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

### **3. Safety & Security**

#### **3.1 Safety & Security Rules and Instructions**

Suppliers will always respect and apply the safety and security rules and instructions of TenneT. This *inter alia* means that the environment you work should be safe of any form of danger to the physical or mental health of your or TenneT's employees or the wellbeing of the environment and that your involved employees are fully aware of any applicable safety and security rules and instructions of TenneT.

#### **3.2 Monitoring and controlling**

Suppliers will always monitor and control the risks associated with doing business for us. This means Suppliers are aware of (potential) operational risks and how to deal with them. Suppliers will ensure that any safety risks and incidents are reported to TenneT as soon as possible. Suppliers will always do their utmost to remediate any dangerous situation or its consequences when working for TenneT.

### **4. Human rights, working conditions and environment**

#### **4.1 Human rights**

Suppliers support and recognise the United Nations Universal Declaration of Human Rights and ensure that they are not involved in any human rights abuses.

This behaviour meets principles 1 and 2 of UN Global Compact.

*Principle 1:* Businesses should support and respect the protection of internationally proclaimed human rights;

*Principle 2:* make sure that they are not complicit in human rights abuses.

#### **4.2 Working conditions**

Suppliers allow freedom of association and collective bargaining. Suppliers respect the rights of employees to freely associate, organise and bargain collectively in accordance with applicable laws, regulations and International Labour Organization (ILO) conventions. Suppliers do not use child labour, involuntary labour, bonded or forced labour in accordance ILO conventions. Nor allow discrimination or harassment. Every employee you work with will be treated with respect and dignity. No employee you work with is physically, psychologically, sexually or verbally harassed or abused in terms of gender, race, religion, age, his family background or origin.

This behaviour meets principles 3, 4, 5 and 6 of UN Global Compact.

*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 labour;

*Principle 5:* the effective abolition of child labour; and

*Principle 6:* the elimination of discrimination in respect of employment and occupation.

## 4.3 Environment

Suppliers recognise the environmental impact of their business and ensure that they act in a responsible manner and continually work to lessen their impact on the environment. This means avoiding or reducing any waste or emissions as a result of their business activities. Efficient technologies which aim to reduce the environmental impact should be used as much as possible.

This behaviour meets principles 7, 8 and 9 of UN Global Compact.

*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.

## 5. Commitment

Suppliers will:

- Have adequate systems and controls in place to ensure compliance with these standards or equivalent standards.
- Address any violations of this Suppliers that come to you knowledge, inform TenneT immediately and take appropriate action.

## 6. Violation of SCC

Suppliers accept that they will endeavour to rectify any in TenneT's opinion violation of this SCC when required by TenneT to do so. Suppliers furthermore accept that any serious violation in TenneT's opinion of this SCC could result in the suspension or termination of the business relation with TenneT and any awarded contract for goods and/or services. Such decision will be always be taken by TenneT's Executive Board.

If Suppliers or one of their employees believes that the terms of this SCC are not complied with by TenneT or the Supplier, then TenneT encourages Suppliers to raise their concerns via the TenneT reporting portal:

For Germany: <https://www.bkms-system.com/bkwebanon/report/clientInfo?cin=20tnde5&language=ger>

For the Netherlands: <https://www.bkms-system.com/bkwebanon/report/clientInfo?cin=20tnnl12&language=dut>

## **7. Awareness**

Suppliers are aware of their responsibility to inform their employees about the terms of this SCC.

## **8. Confirmation**

The Supplier of TenneT consents to this SCC during its business relation with TenneT.

## **9. Other**

This version of the Supplier Code of Conduct comes into force on 1 April 2019 and replaces the TenneT Supplier Code of Conduct of 22 September 2015 for contracts from 1 April 2019.