

## FinFlex TSO-DSO Congestion Management Market: Supplier Code of Conduct

### 1. Objective

In their corporate operations, the system operators are committed to following and developing responsible and ethical operating methods in line with sustainable development. System operators' suppliers and effective cooperation with such suppliers are especially important aspects of the system operators' operating model. We want our suppliers who supply us with services or goods to be aware of system operators' significant social duty and commit to responsibility for the economic, social, and environmental effects of their operations and good governance. The system operators are ready to support their suppliers in promoting responsible and ethical business practices and reducing the adverse impacts of their operations, for example by sharing experiences and working together to develop operating practices. This will also improve the reputation of the system operators' field of business and increase confidence in the industry.

### 2. Legal compliance and business practices

When supplying the system operators with services or goods, a supplier shall comply with **applicable legislation and these corporate responsibility requirements (Supplier Code of Conduct) or other separately agreed, similar corporate responsibility requirements**. In addition, the **supplier shall ensure and monitor that its suppliers also comply with legislation and the agreed corporate responsibility requirements with regard to deliveries to the system operators**. The supplier is also **obligated to provide the system operators with information on the impacts affecting people, climate, and the environment in its value chain**, as well as other sustainability impacts and compliance with the related regulations. The supplier shall

- maintain appropriate business procedures to prevent **corruption, extortion, and bribery** in its operations and comply with the applicable international sanctions programmes. The supplier shall not offer, promise, or give gifts or honours that might lead to a dependent relationship or to the expectation of something in return
- refuse **money laundering** in all forms
- monitor and ensure that the members of the management or administrative bodies or other people with authority working for the supplier or its suppliers do not include people who are **disqualified from doing business** or who are on a sanctions list (e.g., EU or UN)
- undertake to **compete** honestly and ethically
- ensure that **confidential information** concerning business is kept secret
- keep accurate, up-to-date, and appropriate **financial and other information** about its business in the proper official registers
- correctly handle taxes, **payments, and other obligations** in its business, including obligations to its suppliers.

The supplier is encouraged to implement a whistleblowing channel that allows its employees and those in its value chain to raise concerns or suspicions of misconduct and have them addressed.

### 3. Human rights, work, and working life

Responsible and ethical business is characterised by respect for every person's work and care for the occupational wellbeing of personnel.

The supplier shall comply with the UN Guiding Principles on Business and Human Rights and respect internationally recognised human rights. The supplier shall

- avoid operating in a manner resulting in adverse human rights impacts
- address any adverse human rights impacts when they occur
- take remediation measures when required

The supplier shall also require its business partners to respect human rights.

Through its own operating practices and control mechanisms, the supplier shall ensure that its operations are in line with human rights responsibilities.

In particular, the supplier shall

- know the relevant parts of its value chain and exercise risk-based **due diligence** concerning human rights and the environment to identify, prevent, stop, and mitigate the adverse effects of its operations.
- recognise the employees' **freedom of association and the right to collective bargaining**
- prohibit **child labour** in all its forms. Employees under the age of 18 should be **protected** so that their health, safety, development, and schooling are not jeopardised. The protected age limits and regulations specified in international human rights norms and national legislation must be taken into account by complying with the strongest level of protection.
- forbid **human trafficking, migrant smuggling, and any form of forced labour related to its employees and those within its value chain**. Forbidden activities include, but are not limited to, withholding wages, applying recruitment fees, requiring identification documents to be stored by the employer, and forcing people to work against their will
- treat employees with dignity and respect, and forbid all kinds of **discrimination** against employees
- provide the **terms of employment** in a language that the employees understand and ensure employees have written **employment contracts**
- pay its employees at least the **minimum wage** for normal working hours and overtime in accordance with applicable national legislation or general practice in the sector. The wage must be paid regularly and directly to the employee or into the employee's bank account, taking into consideration the provisions of national legislation.
- observe national legislation applicable to **working hours**. Working hours shall not be unreasonably long, and sufficient rest periods shall be ensured for employees. Generally, each seven-day period shall have at least one day off.

If the requirements of national legislation conflict with internationally recognised human rights, the supplier shall seek ways to honour human rights.

#### 4. Occupational health and safety

The supplier shall

- comply with the applicable occupational health and safety legislation and other requirements
- offer its employees a safe, healthy, and well-managed **working environment**
- define the **responsibilities** related to occupational health and safety
- assess the **risks** related to occupational health and safety, including the environmental risks
- take action to **prevent** accidents, injuries, hazards, and risks from arising due to the work or the working conditions and monitor the effectiveness of its action
- provide its employees with sufficient **guidance and training on occupational health and safety, as well as personal protective equipment**
- document and investigate occupational health and safety **accidents, near misses, and observations**.

#### 5. The environment

The supplier shall observe all legislation and regulations applicable to environmental matters.

The supplier must take **adequate measures and commit resources to minimise its adverse impacts on the climate and the environment** and achieve **continuous improvement** in its operations. Considerations include:

- mitigating and adapting to climate change
- harmful discharges into soil, water, and air
- protecting biodiversity
- resource use and circular economy (waste management)

Particular attention should be paid to **assessing the environmental impacts and taking advance precautions against environmental risks in accordance with the environmental precautionary principle. In accordance with the mitigation hierarchy, impacts on nature should** primarily be avoided and secondarily be minimised. **Environmental damage and incidents** must be documented and investigated.

Employees should be provided with adequate environmental **guidance and training**. With regard to services and goods provided to the system operators, the supplier shall ensure that their manufacture is covered by the **necessary valid permits** and that the permit conditions are observed.

Suppliers are also encouraged

- to use a certified **environmental management system** or otherwise systematic management of environmental matters described in writing
- to use and develop **solutions** to reduce adverse impacts on the climate and environment

## 6. Monitoring and sanctions

If the supplier notices a breach of this Supplier Code of Conduct in its own network of suppliers concerning services or goods supplied to the system operators, it must immediately notify the system operators. This also includes reporting human rights incidents and non-compliance with the principles governing business and human rights. On request, the supplier shall provide the system operators with information concerning the fulfilment of this Supplier Code of Conduct.

The system operators may audit compliance with this Supplier Code of Conduct or commission a third party to conduct such an audit. Any audits will be conducted in cooperation with the supplier. The supplier shall be obligated to aid the system operators in the execution of an audit in a manner deemed reasonable, such as by allowing inspections of the workplace and providing the required information on time. The supplier is expected to share sufficient information with the auditor. Falsifying or failing to provide information are considered violations.

If the supplier is found to have breached this Supplier Code of Conduct, the supplier shall be obligated to remedy the breach by the deadline agreed upon with the system operators. If the supplier does not remedy its breach by the deadline or provide an appropriate account of its procedures to rectify the breach, the system operator shall be entitled to cancel any order it has placed, suspend the offers of the supplier to the system operator, or the system operators jointly shall be entitled to terminate the participation of the supplier to FinFlex TSO-DSO congestion management market. A breach can also lead to the supplier being rejected in subsequent bidding competitions.