

# Code of conduct for Skellefteå Kraft's suppliers

## 1. Introduction

Skellefteå Kraft is owned 100 per cent by the municipality of Skellefteå. This means the company has a societal drive that aims to unite business professionalism and social benefit. For us, sustainability is running and developing our operations responsibly and with a long-term perspective while also leading the way in providing tomorrow's energy. Via our expertise and core operations, we are actively contributing towards fulfilment of the UN's global goals. Our sustainability management is focused on the issues where we have greatest influence and where we have major possibilities for making a difference.

The purpose of the present code of conduct for suppliers is that we wish to reduce the risk of breaches of human rights and thereby protect individuals (irrespective of nationality) working in our supply chain. By selecting suppliers who share our view of responsibility and respect for human rights, we can exert a positive influence in our supply chain.

Our code of conduct is based on the principles in the UN's Global Compact. This means that we support and respect international human rights and seek to ensure that our operations have no part in any violations thereof. Besides combating all forms of corruption, we are also keen to contribute to initiatives for increased environmental protection. The code of conduct supports all of this. Our suppliers' fulfilment of the code's requirements strengthens Skellefteå Kraft's work to honour the responsibilities it has assumed and enables us to live up to our core values of being "driving", "actively responsible" and "united".

As a consequence of the above, undertaking any assignment for Skellefteå Kraft entails great responsibilities. We know that it is not always easy to ensure compliance with the principles in the code of conduct. Subscribing to them and working actively to ensure compliance is, in our view, a long-term commitment that has continuous improvement as one of its goals.

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## 2. Scope

“Supplier” is here a collective term that means suppliers of all types of goods and services (this includes, but is not limited to, contractors, consultants and intermediaries). Hereinafter, Supplier and Suppliers are to be understood in this sense.

The code of conduct applies to all Skellefteå Kraft’s Suppliers and is appended to the agreement entered into with each Supplier.

Suppliers shall communicate the code of conduct’s requirements to their subcontractors.

The code’s requirements apply to Suppliers’ permanently and seasonally employed staff as well as to personnel employed via intermediaries. They also apply to migrant workers, temporary employees, students and all other workers who carry out assignments for Suppliers.

## 3. Responsibilities and communication

Skellefteå Kraft’s Suppliers and any subcontractors of said Suppliers shall comply with the code of conduct’s requirements.

Suppliers’ managements are responsible for ensuring code implementation and for there being systems that ensure compliance with the code of conduct’s requirements. Where either of these responsibilities is not fulfilled, the Supplier concerned is also responsible for ensuring the implementation of measures to remedy this. In all cases, the ensuring of the foregoing and the function and quality of the Suppliers’ systems shall be in proportion to the extents, complexities and risks of the environments in which the Suppliers operate. Besides close collaboration, we also expect Suppliers to work on the basis of sustainable business methods and to be open about the challenges they face.

Suppliers shall ensure that employees understand, in relation to their roles and responsibilities, the content of the code of conduct or requirements equivalent thereto.

Suppliers shall establish, or assist in establishing, systems for formal handling of complaints at the workplace. Such systems shall aim at it being possible for employees at the workplace, or other people affected in the local community, to have complaints reviewed and remedied. This handling does not replace the relevant legal system, but is a complement that enables conflicts to be resolved before they escalate.

If, in its own operations or in those of its supply chain, any Supplier itself notices any departure from the code of conduct’s requirements, the Supplier shall investigate the basic causes of said departure, put in place relevant corrective measures and immediately communicate these via [inkop@skekraft.se](mailto:inkop@skekraft.se).

## 4. Legislation and requirement fulfilment

As a minimum requirement, Suppliers shall comply with laws, rules, ordinances and applicable collective agreements in the countries where they operate. If there is no legislation, or if it is weak or not complied with, it is Skellefteå Kraft’s ambition that, via the clarifications under the subheadings below (which we consider to be extremely important), the present code shall ensure basic human rights for all individuals in our supply chain.

If there are differences between the requirements in this code of conduct and those in legislation, Suppliers shall comply with the requirements that provide best protection for the individual.

#### 4.1. Employment relationship

Suppliers shall provide each of their employees with an individual, written contract of employment. This must be signed before employment begins. It shall state the employee's name, civic registration number (or equivalent) and date of birth. The contract of employment shall be in a language that the employee understands.

Said contract shall set out the terms and conditions of employment. This involves, for example, a job description. Working hours, pay, remuneration dates, overtime pay and notice periods shall be clearly stated.

Employees shall not be debited any form of fee in connection with their recruitment and shall be fully entitled to terminate employment in accordance with notice conditions and without punishment or pay deduction for such termination.

Suppliers shall not attempt to avoid their employee responsibilities under international conventions and/or national legislation by employing people on apprenticeship contracts or repeated, limited-duration contracts.

#### 4.2. Freedom of association and right to collective bargaining

All Suppliers' employees shall be free to exercise, without risk of threats or harassment, their rights to be members of organisations that represent their interests as employees.

All employees shall be entitled to participate, without risk of retaliation, threats or molestation, in collective bargaining.

Suppliers shall cooperate with union organisations. In countries where freedom of association is limited or is in development, employee-appointed representatives shall be able, without negative consequences, to meet company management to discuss pay and terms and conditions of employment.

#### 4.3. Reasonable working hours

Working hours must be in accordance with national laws and must not exceed 48 a week. Overtime must be voluntary and must not be more than 12 hours a week.

Employees shall not be systematically and regularly asked to work overtime. In exceptional cases (e.g. unforeseen production stops, accidents and emergencies) and provided that it is permitted by national legislation and permitted in a collective agreement freely negotiated between an employees' association representing the majority of the workforce, Suppliers may ask employees to work overtime that takes worked hours over 60 in a seven-day period.

All employees shall have at least one, full, free day in each seven-day period. All employees are entitled to statutory paid holidays, correctly paid leave (e.g. sick leave, parental leave) and statutory public holidays.

#### 4.4. Reasonable wages and statutory social benefits

Suppliers shall pay their employees at least the statutory minimum wage, living wage or wage as per a collective agreement. The option that gives the employee the highest wage level shall apply.

Wages shall be paid in money (not in kind) and shall be paid: regularly; direct to the employee; at agreed times; in full; and, in the currency of the country where work takes place. Pay deductions as a disciplinary measure are not accepted. Deductions are permitted only in accordance with the relevant legislation or collective agreement.

Detailed pay specifications shall be provided in a language that the employee understands.

All employees shall receive statutory benefits such as pensions and accident insurance that covers medical care for occupational injury and compensation in the event of invalidity caused by an occupational accident.

#### 4.5. Prohibition on child labour

Legally, all persons under 18 years old are children. Child labour means work duties that negatively affect a child's right to a healthy upbringing and development or impede a child's possibilities for attending school.

Work must not be carried out by children under 15 or, as prescribed by local legislation, some other higher statutory minimum age.

Suppliers shall ensure that no work is carried out by children under 15. There shall be procedures for ensuring that no one under the statutory minimum age above is employed and that measures based on the child's best interests are implemented if child labour is encountered.

Children between 15 and 18 may work provided that the work does not impinge on the statutory schooling or statutory minimum age in local legislation. Work duties that may be hazardous for the young person's health, safety or mental development must not be carried out and, regardless of work duties, there must be no night-shift working.

#### 4.6. Prohibition on forced labour

Suppliers are responsible for there being no forced labour. Suppliers shall ensure that all labour is voluntary and that employees are entitled to terminate work after a reasonable notice period. This latter shall be stated in the contract of employment.

Suppliers must not, in any way whatsoever, limit employees' freedom and geographical mobility.

Employees shall not be required to make payments in return for work.

Suppliers and/or partners thereof must not require employees to hand over, as a condition of employment, original personal identity documents (or equivalent) or monetary deposits.

#### 4.7. Prohibition on discrimination and degrading treatment

Everyone shall be treated with dignity and respect. There shall be no harassment in Suppliers' operations. There must be no degrading treatment, threats or punishment (physical, mental, verbal or sexual).

There must be no discrimination, in recruitment, remuneration, promotion, assignment of work duties, competence development, employment termination or other activities.

Discrimination is when a particular group or person is subjected to unfair treatment as regards the seven recognised grounds of discrimination. These are: gender; ethnicity; religion or belief; disability; sexual orientation; age; and, transgender identity or expression.

#### 4.8. Work environment and safety

Suppliers shall provide employees with a safe and healthy work environment in which preventive measures are implemented to minimise injuries and health risks.

Regularly and based on needs, all employees shall receive training on any health risks involved in various work operations (e.g. training in fire safety, hazardous work operations and first aid).

Suppliers shall provide relevant protective equipment and first aid materials. They shall also ensure that health and safety information is readily available at the workplace.

All incidents, accidents, occupational injuries and cases of occupational ill health shall be reported to work management and corrective measures implemented on a continuous-improvement basis.

Where operations are carried out in own premises, the premises shall be purpose-oriented and fulfil the requirements regarding employees' rights to a safe work environment. At work places, emergency exits shall be clearly marked and sufficient in number. There shall be satisfactory provision of fire alarm systems, evacuation plans, emergency lighting and fire extinguishers. Evacuation routes must not be blocked.

Before work at any of Skellefteå Kraft's facilities begins, Suppliers shall read and understand the applicable internal safety instructions. A risk analysis shall be carried out not only to identify work risks and particularly hazardous work operations, but also to manage both these preventively.

At the workplace, all employees shall have free access to clean drinking water, hygienic toilets and, where applicable, areas where food can be safely stored.

#### 4.9. Environmental responsibility

So that serious emissions to land, water or air are systematically prevented, there shall be environmental management.

Suppliers shall have the relevant environmental and operating permits, licences and registrations required by applicable national legislation.

Suppliers shall assess the significant environmental consequences of their operations and draw up and comply with procedures for managing these. Environmental aspects shall be taken into consideration in both the production and the distribution chains.

Suppliers shall actively work to reduce emissions to air, land and water. They shall also improve the efficiency of their resource consumption (energy and water included therein).

Suppliers shall ensure that: waste is minimised, recycled and managed in accordance with local regulations; and, chemicals are used in such a way that risks for communities, humans and the environment are minimised.

As soon as there is reason to believe that a planned activity might harm the environment or human health, Suppliers shall implement preventive measures. If there is a threat of serious or irreversible harm to the environment or human health, measures to prevent such harm should not be postponed. This applies even where there is no full scientific evidence (the precautionary principle of the Rio Declaration).

Suppliers shall have procedures to check that, for the most significant parts of their products, raw materials are responsibly extracted.

Suppliers shall actively work to reduce the negative climate impact of their operations (e.g. by arranging coordinated transport of goods, equipment and personnel, using renewable fuels and striving for meetings to be travel-free).

#### 4.10. Anti-corruption

Skellefteå Kraft's Suppliers shall have zero tolerance for corruption such as, but not limited to, blackmail, embezzlement and the taking and giving of bribes (in any form whatsoever, e.g. kickbacks, gifts, hospitality, money or other benefits).

Suppliers shall not offer or receive any benefits or other inducements to gain an undue or improper advantage.

Suppliers shall avoid conflicts of interest that may affect: their credibility vis-à-vis Skellefteå Kraft; or, other external parties' confidence in Skellefteå Kraft.

Suppliers shall respect and comply with all applicable laws on competition and shall not, as regards prices, market sharing or similar activities, enter into discussions or agreements with competitors.

Suppliers shall respect Skellefteå Kraft's intellectual property rights and protect them from misuse, theft, fraud and incorrect disclosure.

Suppliers shall have established procedures for preventing improprieties in their own operations and those of their subcontractors.

Skellefteå Kraft does not accept any benefits being given to its employees or other people representing the company where the purpose of said benefits is to facilitate a Supplier's business with Skellefteå Kraft.

### 5. Risk analysis

Suppliers shall be aware of where in the production chain there may be risks of nonconformities in respect of the requirements in this code of conduct and shall be able to state how, in such cases, said risks can be minimised and addressed. On request, Skellefteå Kraft shall be provided with a documented risk analysis.

In the event that negative effects on human rights are identified, the underlying causes shall be investigated and relevant measures put into operation. In markets with widespread poverty or other challenges to the respecting of human rights, Skellefteå Kraft expects Suppliers and subcontractors to work towards continuous improvement in their collaborations with public authorities, civil organisations and Skellefteå Kraft and other buyers.

### 6. Infraction or breach of the code of conduct

We expect all Suppliers to respect the code of conduct's requirements and actively do their utmost to reach our standard.

Skellefteå Kraft reserves the right to check Suppliers' compliance with the requirements. Monitoring of this can be carried out by our own personnel or independent third parties appointed by us. Monitoring can be through either so-called self-assessment or site visits.

When monitoring fulfilment of the code of conduct's requirements, Skellefteå Kraft expects transparency and cooperativeness. At audits, Suppliers shall ensure that Skellefteå Kraft is given: access to premises and relevant documentation; and, opportunities to interview management and staff.

If nonconformities are detected, the Supplier is to draw up an action plan for approval by Skellefteå Kraft. Suppliers are expected to investigate the underlying causes of negative effects on human rights and to put in place relevant short-term and long-term measures.

Skellefteå Kraft reserves the right to terminate collaborations with Suppliers' who:

- Present, orally or in writing, untruthful information.
- Do not correct nonconformities within the agreed time.
- Demonstrate poor commitment and/or transparency.
- Repeat serious infractions of the code of conduct's requirements.

## 7. References

[www.skekraft.se/supplierportal](http://www.skekraft.se/supplierportal)