

BKW Group Code of Conduct for Suppliers



Contents

1	Introduction	3
2	Business ethics and integrity	3
3	Labour and human rights	4
4	Occupational safety and health	5
5	Hazardous substances and conflict minerals	5
6	Environment and climate	6
7	Business and information security	6
8	Transparent supply chains	7
9	Implementation and duty to provide evidence	7
10	Reporting violations	7
11	Non-compliance	7
12	Annex	8
12.1	Annex 1: Fundamental labour conventions of the International Labour Organisation (ILO)	8
12.2	Annex 2: Relevant conventions on the protection of the environment and natural resources	8
12.3	Annex 3: International standards for responsible business conduct	8

1 Introduction

Responsible procurement is a key success factor for the entire BKW Group (hereinafter “BKW”) and an essential component of the Group-wide strategy. BKW aims to work together with its suppliers to ensure responsible business practices and transparent supply chains. It therefore defines economic, social and environmental principles that its suppliers must observe. BKW only works with suppliers that share and confirm the values and standards set out in this document and undertake to comply with them.

The Code of Conduct for Suppliers is binding for all suppliers that provide goods or services of any kind to BKW companies. This Code of Conduct for Suppliers defines **BKW's minimum requirements for its suppliers** and their representatives, employees and sub-suppliers¹. Suppliers are obligated to impose these requirements on the relevant parties and ensure compliance with them. Moreover, BKW and its suppliers are committed to the principles of internationally recognised conventions for the protection of people and the environment, and to international standards for responsible business conduct (see i.a. Annex).

BKW values suppliers that disclose their activities and performance transparently, such as through meaningful sustainability reporting, a sustainability rating and/or certified management systems. This approach demonstrates a commitment that goes beyond the minimum requirements and strengthens the partnership and collaboration.

BKW's suppliers undertake to respect the principles set out herein and foster a partnership based on trust, reliability and responsibility. They become part of a network of partners that assume responsibility and actively shape the future.

2 Business ethics and integrity

BKW's suppliers are obligated to conduct their business activities in accordance with the ethical principles described herein. They must act with integrity and comply with all national and international laws and regulations that apply to them. In particular, suppliers must ensure that they:

- prevent all forms of corruption and bribery. This includes payments, concealed rebates/commissions (kickbacks), gifts or other promises to BKW's employees or customers, office holders or other parties to obtain or retain business;
- disclose all conflicts of interest immediately;
- do not commit or participate in any form of fraud, theft, money laundering, tax evasion or similar offences;
- comply with the rules of fair competition by not entering into anti-competitive agreements or concerted practices, not abusing their market position to the detriment of other market participants and not behaving unfairly towards customers or competitors;
- respect and guarantee the protection of the intellectual property and confidential information of BKW and third parties;
- comply with all applicable trade and export control regulations, including any sanctions and embargoes that apply to them.

¹ “Sub-suppliers” include, but are not limited to, material suppliers and subcontractors.

3 Labour and human rights

Suppliers must ensure appropriate and safe working conditions for their employees, respect applicable human rights in their own sphere of influence and avoid complicity in human rights abuses by:

- not obstructing the right to form free and independent employee organisations without prior authorisation;
- not obstructing free collective bargaining and not discriminating against or dismissing anyone on the grounds of membership in an employee organisation;
- complying with work-related reporting and authorisation requirements under social insurance, immigration and tax laws (combating illegal employment);
- complying with the applicable wage and working conditions under collective labour law or (in the absence of such) the customary local and industry standards;
- complying with the maximum weekly working hours, rest periods, days off and breaks set out in national legislation and binding industry standards;
- paying employees a fair and living wage in a timely manner;
- not making distinctions on the basis of gender when calculating and paying wages or any additional compensation and benefits for work of equal value;
- treating their employees equally regardless of age, gender, social or ethnic origin, skin colour, nationality, language or sexual orientation, marital status, religion, health, disability or other personal characteristics, and promoting equal opportunities and diversity;
- not employing children under the age of 15 years ² for any type of professional or paid work, and prohibiting the worst forms of child labour ³;
- not tolerating or engaging in any form of forced or compulsory labour, human trafficking or modern slavery;
- effectively preventing or eliminating all forms of violence, harassment and bullying in the workplace;
- providing appropriate maternity protection in accordance with the national regulations, including: suitable working conditions, protection against arduous work and protection against discrimination and dismissal during pregnancy and for a reasonable period after the birth;
- respecting the land rights, culture and concerns of local communities, indigenous peoples and minorities;
- minimising environmental impacts that could affect human rights.

² The minimum age is determined by national legislation, but at least the International Labour Organization (ILO) Convention No. 138 of 1973 concerning the Minimum Age for Admission to Employment.

³ The worst forms of child labour are defined in International Labour Organization (ILO) Convention No. 182 of 1999 on the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour.

4 Occupational safety and health

Suppliers must maintain high standards for the safety, health and well-being of their employees, in particular by:

- complying with all applicable health and safety laws and regulations, as well as industry standards;
- safeguarding the health and safety of their employees, particularly by complying with regulatory limits and safety precautions as well as implementing appropriate industry-specific measures;
- establishing and applying organisational structures, processes, objectives and control measures for the effective management of industry-specific health and safety risks;
- providing regular, documented and activity-relevant training for employees to ensure they are properly trained in emergency response, safe working practices and correct use of personal protective equipment;
- measuring, monitoring and documenting all health and safety incidents. Relevant data must be sent to BKW in accordance with the requirements.

5 Hazardous substances and conflict minerals

Suppliers must handle substances and materials responsibly. In particular, they must ensure correct handling of hazardous substances and responsible procurement of minerals and metals by:

- complying with applicable legislation on limits and on the handling of hazardous or harmful substances, and taking appropriate measures to prevent and manage accidents. For hazardous substances, the applicable provisions on labelling and correct handling must be complied with, especially in relation to storage and transport;
- ensuring the safe handling and disposal of environmentally harmful products;
- training their employees in the handling of hazardous and/or harmful substances and environmentally harmful products;
- complying with the applicable legislation and the resulting due diligence obligations with regard to the procurement of conflict minerals, i.e. minerals and metals from conflict-affected and high-risk areas, in order to avoid contributing to human rights violations, the financing of armed groups or similar adverse impacts.

6 Environment and climate

Suppliers must contribute to protecting the environment and the climate and support BKW's objectives through their actions, particularly in line with the Paris Agreement's goal of limiting global warming to 1.5 °C, by:

- complying with applicable legislation and regulations on environmental and climate protection, and on the preservation of biodiversity and natural resources. They must ensure that the necessary authorisations and licences are obtained and maintained;
- committing themselves to reducing their greenhouse gas emissions to net zero by 2050 at the latest. To this end, they must have a reduction plan with clearly defined measures and targets;
- establishing and implementing organisational structures and processes, objectives and control mechanisms for the effective management of environmental and climate risks;
- tracking and documenting relevant data on greenhouse gas emissions in their operations and value chain, and providing this data to BKW on request;
- monitoring and minimising as far as possible their use of resources (raw materials, water, land, energy), emissions, waste volumes and resulting environmental pollution;
- avoiding and minimising the loss of biodiversity and intact ecosystems wherever possible.

BKW values suppliers that promote the circular economy and can present environmental declarations for their products in the form of life cycle assessments, specifically Environmental Product Declarations (EPD) and life-cycle cost (LCC) analysis.

7 Business and information security

Suppliers undertake to guarantee the security of information and data relating to BKW, its customers and its employees, and to comply with applicable provisions and standards on information and cyber security. They must take appropriate technical, organisational and physical measures to protect data from unauthorised access, loss or misuse. Personal data may only be processed within the scope of the contractual purposes and in compliance with data protection laws. Suspected or identified security incidents that could affect BKW data or systems must be reported to BKW immediately.

8 Transparent supply chains

Suppliers undertake to procure goods and services in a responsible manner. If the supplier procures a significant part of the goods or services that it needs to supply BKW from sub-suppliers, the supplier must obligate these sub-suppliers to comply with the principles set out in this Code of Conduct for Suppliers and its annexes, and include these obligations in the agreements with them. In particular, suppliers must make every effort to:

- comply with applicable laws on supply chain due diligence obligations;
- have a complaints mechanism that allows employees and external parties to report detected or suspected violations in the supply chain freely and without fear of reprisals. Suppliers must respond appropriately to such reports and take the necessary measures.

BKW values suppliers that disclose their supply chains transparently to BKW on request and can demonstrate that they apply due diligence in their supply chain beyond the minimum legal requirements.

9 Implementation and duty to provide evidence

On request, suppliers must provide BKW with information that demonstrates their compliance with this Code of Conduct for Suppliers. Suppliers must take appropriate measures to prevent or cease any violation of the Code of Conduct for Suppliers. BKW is committed to open collaboration with its suppliers and offers them support. BKW is entitled to conduct inspections and audits of suppliers and sub-suppliers and check compliance with this Code of Conduct for Suppliers.

10 Reporting violations

Suppliers must notify BKW promptly, proactively and transparently of any suspicion or knowledge of violations of regulations, laws or the Supplier Code of Conduct within the supply chain. The BKW Integrity Line is available to BKW's employees, contractors, suppliers, business partners and other stakeholders. This also includes sub-suppliers. The BKW Integrity Line enables secure and, if desired, anonymous reporting of concerns or violations.

www.bkw.ch/integrityline

11 Non-compliance

In the event of non-compliance with the principles and obligations set out in this Code of Conduct for Suppliers, suppliers must take the necessary corrective measures in a timely manner. In the event of serious violations, BKW reserves the right to withdraw an awarded contract, terminate existing agreements early for just cause and/or suspend future orders and deliveries as well as to terminate the business relationship without the supplier being entitled to any claims if necessary.

12 Annex

12.1 **Annex 1: Fundamental labour conventions of the International Labour Organisation (ILO)**

- Convention no. 29 of 28 June 1930 concerning Forced or Compulsory Labour;
- Convention no. 87 of 9 July 1948 concerning Freedom of Association and Protection of the Right to Organise;
- Convention no. 98 of 1 July 1949 concerning the Right to Organise and Collective Bargaining;
- Convention no. 100 of 29 June 1951 concerning Equal Remuneration for Men and Women Workers for Work of Equal Value;
- Convention no. 105 of 25 June 1957 concerning the Abolition of Forced Labour;
- Convention no. 111 of 25 June 1958 concerning Discrimination in Respect of Employment and Occupation;
- Convention no. 138 of 26 June 1973 concerning the Minimum Age for Admission to Employment;
- Convention no. 155 of 22 June 1981 concerning Occupational Safety and Health;
- Convention no. 182 of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour;
- Convention no. 187 of 15 June 2006 on the Promotional Framework for Occupational Safety and Health.

12.2 **Annex 2: Relevant conventions on the protection of the environment and natural resources**

- Vienna Convention of 22 March 1985 for the Protection of the Ozone Layer and the Montreal Protocol of 16 September 1987 on Substances that Deplete the Ozone Layer concluded within the framework of said Vienna Convention;
- Basel Convention of 22 March 1989 on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal;
- Stockholm Convention of 22 May 2001 on Persistent Organic Pollutants;
- Rotterdam Convention of 10 September 1998 on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade;
- Convention of 5 June 1992 on Biological Diversity;
- United Nations Framework Convention of 9 May 1992 on Climate Change;
- Convention of 3 March 1973 on International Trade in Endangered Species of Wild Fauna and Flora;
- Convention of 13 November 1979 on Long-range Transboundary Air Pollution and its eight Protocols;
- Minamata Convention of 10 October 2013 on Mercury.

12.3 **Annex 3: International standards for responsible business conduct**

- UN Guiding Principles on Business and Human Rights;
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

