



APPENDIX 7

CODE OF CONDUCT

Contract on subsidy for carbon capture, transport and Storage



Instructions for tenderers

This Appendix constitutes General Requirements in its entirety, cf. Tender specifications, paragraph 6.

The tenderer shall not fill in or complete this Appendix and it should not be submitted as a part of the tenderer's offer.

This guidance text will be deleted by the DEA in connection with conclusion of the Contract.



Table of content

1.	INTRODUCTION	4
2.	LABOUR CLAUSE	4
2.1	General requirements	4
2.2	Documentation	4
2.3	Penalties	5
3.	THE OPERATOR'S CORPORATE SOCIAL RESPONSIBILITY (CSR)	5
3.1	General requirements	5
3.2	The Operator's responsibility	5
3.3	Requirements of the Operator	6
3.3.1	Human rights	6
3.3.2	Labour	6
3.3.3	Environment	7
3.3.4	Anti-corruption	7
3.4	Documentation	8
3.5	Procedure in the event of grounded suspicion of failure to demonstrate corporate social responsibility	8
3.6	Non-compliance	9



1. INTRODUCTION

1.1 This Appendix contains the DEA's code of conduct.

1.2 Capitalized terms used in this Appendix shall have the meaning ascribed to them in Appendix 2, Definitions.

2. LABOUR CLAUSE

2.1 General requirements

The Operator and any Sub-Suppliers, who assist in the Contract, are obligated to ensure that the Operator guarantees - for workers in Denmark - wages (including allowances), working hours and other working conditions, which are not less favourable than those applicable for work of the same nature pursuant to a collective agreement, entered into by the most representative social partners in Denmark within the trade or industry concerned, and which apply to the entire territory of Denmark. "Assist in the Contract" means work performed in Denmark in order to fulfil the Contract.

The Operator and possible Sub-Suppliers must ensure that employees receive information about the conditions in the labour clause.

2.2 Documentation

The DEA is entitled at any time to request relevant documentation for compliance with the conditions for pay and labour for workers, as stipulated in this labour clause.

The DEA may demand that - following a written order in this respect - and within 10 working days, the Operator procure the relevant documentation such as payslips, records of hours worked, payrolls, employment contracts, etc. for both its own employees and any Sub-Supplier's employees, as well as a declaration on compliance with the labour clause.

The Operator is to ensure that any information in the material about the employees' racial or ethnic origin, political, religious or philosophical beliefs, information concerning health or sex life, significant social problems and other clearly personal information be removed before the material is submitted to the DEA.



2.3 Penalties

If the Operator disregards its obligation to procure the document required by the DEA, the DEA may order the Operator to pay a daily fine per calendar day of DKK 1,000 until the required documentation has been properly procured for the DEA.

For its assessment of whether the Operator or the Operator's Sub-Suppliers have complied with the labour clause, the DEA may seek advice from relevant employer organisations and/or labour organisations.

If the Operator fails to comply with its obligations pursuant to the labour clause, and if such non-compliance result in a justified claim for further pay from the workers, the DEA will be entitled to withhold remuneration in order to meet such claims. The amount withheld from the Operator may also include reasonable costs for the calculation, verification and payment of compensation to the workers.

3. THE OPERATOR'S CORPORATE SOCIAL RESPONSIBILITY (CSR)

3.1 General requirements

The DEA maintains a focus on its own and its partners' corporate social responsibility when specific contracts are executed. The Operator therefore undertakes, in executing the Contract, to demonstrate corporate social responsibility as formulated in the conventions underpinning the UN Global Compact's ten principles. To this end, the Operator, in executing the Contract, undertakes to meet the requirements of this Appendix.

The principles of the UN Global Compact concern:

- Human rights
- Labour
- Environment
- Anti-corruption

3.2 The Operator's responsibility

The Operator is unilaterally obliged to meet the requirements of this Appendix in its execution of the Contract, i.e. the works delivered in connection with the current Contract.



In assessing whether the Operator can be held responsible for executing the Contract in contravention of the requirements of this Appendix, importance will be attributed, among other things, to whether the Operator has shown due care in organising production processes or methods. Importance will also be attributed to the extent to which the Operator, in executing the Contract, has generally been able to influence the execution, including through the selection of Sub-Suppliers or the selection of components for the delivered works.

The Operator is liable for its Sub-Suppliers' goods, services and building & construction works in accordance with this Appendix in exactly the same way as for its own goods, services and building & construction works.

3.3 Requirements of the Operator

3.3.1 *Human rights*

The Operator undertakes at all times to comply with applicable laws and regulations banning discrimination based on race, skin colour, gender, religion, political conviction, religion, sexuality, age, disability, or national, social or ethnic origin.

The Operator undertakes, in executing the Contract, to respect basic human rights as per principles 1 and 2 of the UN Global Compact and as manifest i.a. in ILO Convention No. 100 (1951) on equal pay and No. 111 (1958) on discrimination.

3.3.2 *Labour*

The Operator undertakes to respect basic workers' rights, which means i.a. that the delivered works and parts thereof;

- must not be produced in contravention of the general prohibition on forced labour, cf. i.a. ILO Convention No. 29 (1930) and No. 105 (1957);
- must not be produced in contravention of the general prohibition on child labour, cf. i.a. ILO Convention No. 138 (1973) and No. 182 (1999);
- must be produced under conditions where the general principles of the right to freedom of organisation and the right to collective bargaining are ensured, cf. i.a. ILO Convention No. 87 (1948), No. 98 (1949) and No. 135 (1971);
- must be produced under conditions where the general principle of the right to reasonable remuneration is observed, cf. i.a. ILO Convention No. 26 (1928) and No. 131 (1970);



- must be produced under conditions where the general principle of the right to reasonable working hours is observed, cf. i.a. ILO Convention No. 1 (1919) and No. 30 (1930); and
- must be produced under conditions where the general principle of the right to a safe and healthy working environment is observed, cf. i.a. ILO Convention No. 155 (1981).

The Operator undertakes, in executing the Contract, to respect basic workers' rights as per principles 3, 4, 5 and 6 of the UN Global Compact.

3.3.3 Environment

The Operator undertakes to protect wildlife and the environment such that social development can be implemented on a sustainable basis with respect for human living conditions and the preservation of flora and fauna. In the production and delivery of the agreed works, the Operator must strive:

- to prevent and combat pollution of air, water, soil and subsoil as well as vibration and noise nuisances;
- to use processes that are hygienic in respect of the environment and humans;
- to limit the use and waste of raw materials and other resources;
- to promote the use of cleaner technology; and
- to limit problems connected with the disposal of waste.

Importance is attributed to what is realistically achievable when using the best available technology, including low-polluting raw materials, processes and equipment and the best possible anti-pollution measures.

The Operator undertakes, in executing the Contract, to observe principles 7, 8 and 9 of the UN Global Compact. This means that the Operator must observe specific requirements for product quality and any minimum requirements concerning the environment and energy.

3.3.4 Anti-corruption

A conviction for corruption during the term of the Contract will be regarded as a material breach of Contract.

Corruption is understood as:



- active corruption as defined in article 3 of the Council's Act of 26 May 1997 and article 3, para. 1 of the Council's Joint Action 98/742/RIA respectively, and
- all cases of abuse of trust with a view to making a personal gain, e.g. passive bribery, embezzlement, fraud, fraud committed by an agent on its principle and abuse of office.

The Operator undertakes, in executing the Contract, to refrain from all forms of corruption as per principle 10 of the UN Global Compact.

3.4 Documentation

The Operator undertakes to provide, upon written request by the DEA, the following documentation that the requirements of section 3.3 have been observed:

- Declaration by the Operator's management that the Operator, in executing the Contract, is continuously ensuring compliance with the stated requirements.
- Description of the practical measures that the Operator has implemented to ensure compliance with the requirements. The description may include a presentation of duties assumed, systems implemented and other measures taken. The Operator undertakes, at the request of the DEA, to attend any follow-up meetings, including to submit updated descriptions of practical measures.
- Description of measurement outcomes describing how the outcome of implemented measures is measured. For example, standards such as Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines may be used, or the Operator may draw up a Communication On Progress (COP) for publication on the UN Global Compact's website.

Documentation, etc., must be received by the DEA at the latest 1 month after the DEA's written request. The Operator's and the Operator's Sub-Suppliers' costs for drawing up and sending documentation, etc., are of no concern to the DEA.

3.5 Procedure in the event of grounded suspicion of failure to demonstrate corporate social responsibility

If grounded suspicion arises that the requirements of section 3.3 have not been met, the Operator must, upon written request by the DEA, submit a written account of conduct, including documentation of:



- The processes and/or methods under which the goods, services and/or building & construction works in question have been produced, and the materials used in executing the Contract.
- The Operator must also account for whether it has been able to influence the fulfilment of the stated requirements, including through the selection of Sub-Suppliers or the selection of components for the delivered works.
- The account must, to the extent necessary, be accompanied by certificates relating to production processes and methods as well as any choice of materials.

The account of conduct, etc., must be received by the DEA at the latest 10 working days after it makes its request, unless specifically agreed otherwise. The deadline may, however, be extended to 20 working days. The Operator's and the Operator's Sub-Suppliers' costs for drawing up and sending documentation, etc., are of no concern to the DEA.

3.6 Non-compliance

If the Operator or the Operator's Sub-Suppliers do not comply with the requirements of section 3.3, which cannot be resolved immediately through dialogue between the DEA and the Operator, the DEA may demand:

- That the Operator and / or Operator's Sub-Suppliers immediately remedy the DEA's claim of breach,
- That the Operator and / or Operator's Sub-Suppliers in the future meet the requirements of section 3.3, and
- That the Operator fully rectifies the breach, including payment of justified claims by workers. The Operator's payment of any claim does not preclude the DEA from claiming compensation from the Operator under the general provisions of Danish law. The DEA is entitled to withhold payment in order to honour valid claims from the Operator's or Sub-Suppliers' workers.

The DEA may terminate the Contract in full or in part in the event of material breach on the part of the Operator. The following, though not exhaustively, always constitute material breach of Contract:

- The Operator, in executing the Contract, fails to meet all the requirements of section 3.3;



- The Operator fails to meet the requirements of sections 3.4 and 3.5 concerning the provision of documentation and accounting for conduct.

The DEA may, in spite of a breach of the Contract, choose not to terminate the Contract and will not as a consequence waive any rights under this Appendix. The DEA carries out a specific assessment in each individual case, including of whether it wishes to engage in further dialogue with the Operator.