

Appendix 6

Social responsibility

Framework Agreement for provision of Technical Assistance services to the Danish Energy Agency Energy Country Programs and Projects

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1. LABOUR CLAUSE IN ACCORDANCE WITH THE ILO CONVENTION NO. 94 AND CIRCULAR NO. 9471 OF 30 JUNE 2014

- 1.1 The Supplier must ensure that employees of the Supplier and any subcontractors that participate in the fulfillment of the Framework Agreement are guaranteed wage (including additional benefits), working hours and other working conditions that are not less favorable than those established for work of the same kind in regard to a collective agreement concluded for the field in question that is most representative of the unions and employers' organisations in Denmark and that is applied throughout the Danish territory.

The Supplier and any subcontractors must ensure that the employees receive information on the terms under the labor clause.

- 1.2 The fulfillment of the Framework Agreement, see above under item 1.1, constitutes work carried out in Denmark with the aim of fulfillment of the Framework Agreement.
- 1.3 The Customer may, at any time, request relevant proof that wages and working conditions for workers meet the requirements that the labor clause sets.

The Customer may therefore require that the Supplier, with a written notice within 10 Working days, obtains the relevant documentation such as pay stubs, time sheets, payroll and employment contracts from both its own as well as any employees of subcontractors.

The Supplier must ensure that any information in the material about the employees' racial or ethnic background, political, religious or philosophical convictions, information about health and sexuality, serious social problems and other purely private matters is removed before the material is handed over to the Customer.

- 1.4 If the Supplier breaches its obligation to provide the documentation required by the Customer, see item 1.3, the Customer may after the expiry of the stated deadline under item 1.3 impose the Supplier a daily penalty of DKK [...], until the required documentation is duly provided to the Customer.
- 1.5 The Customer may seek advice from the relevant employer and/or employee organisations in its assessment of whether the Supplier or the subcontractor has complied with the clause.
- 1.6 If the Supplier fails to meet its obligations in conjunction with the labor clause, and if this leads to a legitimate claim for additional wages from employees, the Customer may withhold payment in order to satisfy such claim.
- 1.7 The Supplier may also be ordered to pay a penalty equivalent to 2 (two) times the amount paid in additional wages for the employees.

In the event of material breach of the labor clause, please refer to item 13.4 of the Framework Agreement on Termination.

2. REQUIREMENTS FOR CSR

2.1 GENERAL REQUIREMENTS

The Customer wishes that the performance of the Framework Agreement is in accordance with the principles of UN Global Compact initiative.

The principles of the UN Global Compact has the following content:

2.1.1 Human Rights

The companies should

- support and respect the protection of internationally declared human rights and
- ensure that they are not complicit in human rights abuses.

2.1.2 Workers' Rights

The companies should

- uphold freedom of association and effectively acknowledge the right to collective bargaining,
- support the eradication of all forms of forced labor,
- support effective abolition of child labor and
- eliminate discrimination in term of employment.

2.1.3 Environment

The companies should

- support precautionary approaches to environmental challenges,
- take initiative in promoting greater environmental accountability and
- encourage the development and diffusion of environmentally friendly technologies.

2.1.4 Anti-corruption

The companies should work to counter all forms of corruption, including extortion and bribery. Besides the general obligation to counter corruption, the Supplier, his staff, sub-contractors etc. are obliged to comply with Danida's rules on anti-corruption as defined here: <http://um.dk/en/danida-en/about-danida/danida-transparency/anti-corruption>

In the fulfillment of Framework Agreement, the Supplier is obliged to integrate social responsibility as stated in the conventions that underlie the above principles. This is done by the Supplier obliging in fulfillment of Framework Agreement to comply with the requirements below.

2.2 HUMAN RIGHTS

In fulfillment of the Framework Agreement, the Supplier guarantees at all times to comply with the current legislation aimed at prohibiting discrimination on the grounds of race, color, religion or faith, political beliefs, sexual orientation, age, disability or national, social or ethnic origin, or that aims to ensure ethnic equality.

The Supplier is obligated in fulfillment of the Framework Agreement to ensure compliance with fundamental human rights, as established in principles 1 and 2 of the UN Global Compact.

2.3 WORKER'S RIGHTS

The Supplier is obligated in fulfillment of the Framework Agreement to further ensure compliance with fundamental workers' rights, which entail

- that the services provided and its parts are not produced at variance with the general prohibition against forced labor, as expressed in the ILO Convention No. 29 and 105,
- that the services provided and its parts are not produced at variance with the general prohibition against the use of child labor, as expressed in the ILO Convention No. 138 and 182,
- that the services provided are produced under conditions where the general principle of the right to freedom of association and the right to collective bargaining is guaranteed, as this principle is expressed in the ILO Convention No. 87, 98 and 135,
- that the services provided and its parts are produced under conditions where the general principle of the right to fair pay is complied with, as this principle is expressed in the ILO Convention No. 26 and 131 and the UN Declaration of Human rights, Article 23, Section 3,
- that the services provided and its parts are produced under conditions where the general principle of the right to reasonable working hours is complied with, as this principle is expressed in the ILO Convention No. 1 and 30 and the UN Declaration of Human rights, Article 24,
- that the services provided and its parts are produced under conditions where the general principle of the right to a safe and healthy work environment is complied with, as this principle is expressed in the ILO Convention No. 155.

The Supplier is obligated in fulfillment of Framework Agreement to ensure compliance with fundamental workers' rights including the prohibition of child labor and forced labor, as established in principles 3, 4, 5 and 6 of the UN Global Compact.

2.4 ENVIRONMENT

The Supplier is in fulfillment of the Framework Agreement obligated to help protect nature and the environment, so that the development of society may be on a sustainable basis respecting human conditions of life and for the preservation of animal and plant life.

The aim is primarily so that the Supplier during production and delivery of the services covered by the Framework Agreement in a good way seeks

- to prevent and combat air, water, soil and underground pollution as well as vibration and noise disturbances,
- to use hygienic-based processes that are of importance to the environment and for people,
- to limit the use and wastage of raw materials and other resources,
- to promote the use of cleaner technology and
- to promote recycling and reduce the problems associated with waste disposal.

Importance is placed on what is achievable by the use of the best available technology, including less polluting raw materials, process and facilities and the best possible measures of pollution abatement.

The Supplier is therefore in fulfillment of the Framework Agreement obligated to help protect nature and the environment as established in principles 7, 8 and 9 of the UN Global Compact. This manifests in this

Framework Agreement by the fact that the Supplier must comply with the specific requirements established for the characteristics of the services and the established minimum requirements for the environment and energy.

2.5 ANTI-CORRUPTION

Final judgement on corruption during the contract period including active bribery as defined in Article 3 of the Council Act of 26 May 1997 and Article 3, Section 1 of the Council's joint action 98/742/RIA, is considered material breach, see item 2.8 and item 13.4 of the Framework Agreement.

Corruption constitutes in addition any cases of abuse of entrusted power in order to gain an advantage, e.g.:

- Passive bribery
- Embezzlement
- Fraud
- Breach of trust
- Abuse of power.

The Customer may choose not to terminate the Framework Agreement if the Customer reckons that the termination is not proportional to the Supplier's actions. The Customer may, in the assessment, focus on what initiatives the Supplier has taken in order to prevent recurrence, and to what extent the Supplier's procedures at the time of the error have been sufficient.

2.6 SUPPLIER'S LIABILITY

As indicated above, under the Framework Agreement, the Supplier is obligated to ensure compliance with the mentioned requirements "in fulfillment of the Framework Agreement". The Supplier's liability relates solely to the delivery under the Framework Agreement.

In assessing whether the Supplier may be held liable for a fulfillment of the Framework Agreement that is contrary to the mentioned requirements, focus is placed on how the Supplier has organised its own production processes and methods as well as the extent the Supplier in its conduct relating to fulfillment of Framework Agreement has influenced the fulfillment in general including in the selection of Subcontractors or in the selection of parts for the entity delivered.

2.7 PROOF OF COMPLIANCE WITH THE REQUIREMENTS OF CSR

The Customer will generally not request further evidence that the Supplier in fulfillment of Framework Agreement meets the above requirements for production processes and production methods. This does not apply to documentation for the compliance of the labor clause, see above under item 1.

However, this presupposes that the Supplier within a month of the Customer's written request for this can fulfill the following document requirements:

Declaration by the Supplier's management

Here the Supplier declares to continuously ensure compliance with the above requirements for human rights, workers' rights and the environment in fulfillment of Framework Agreement.

Description of practical initiatives

Here the Supplier describes the practical measures that are implemented in order to ensure compliance of the mentioned requirements. This description may include a description of assumed commitments, implemented systems and other initiatives.

Description of performance indicators

Here the Supplier describes how the results of initiatives are measured. This can be done using standards such as the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines.

The document requirements are met by the fact that the Supplier has prepared a so called "Communication on progress" (COP), which is published on the UN Global Compact website. The Customer also accepts other types of proof that meet the established document requirements.

The Customer will generally not request for the above-mentioned documents unless there is a specific reason to do this, including a substantiated suspicion.

If there is doubt as to whether the Supplier complies with the relevant requirements for human rights, workers' rights and the environment, the Customer may initiate a close dialogue with the Supplier in order to clarify any misgivings.

2.8 PROCEDURE FOR SUBSTANTIATED SUSPICION OF NON-COMPLIANCE WITH CSR REQUIREMENTS

If there is a substantiated suspicion that the service provided or parts thereof, including materials that features in the service, are manufactured in accordance with production processes or methods where the above mentioned requirements for human rights, workers' rights or the environment have not been respected, the Supplier must immediately on the request of the Customer submit a written statement and proof of which production processes and/or - methods the services that are included in fulfillment of the Framework Agreement are prepared in, as well as submit the necessary documentation for the materials use in the services.

In addition, the Supplier must explain to what extent the Supplier's conduct in connection to fulfillment of Framework Agreement may affect the fulfillment of the above requirements for human rights, workers' rights and the environment, including in the selection of Subcontractors or in the selection of parts for the entity delivered.

The statement and the related documents must to the extent necessary be accompanied by certificates attesting to what production processes and/or production methods the manufacturing occurred in, and what materials were used in the product.

The Customer will based on the above mentioned written statement and documentation, etc. conduct a concrete assessment of the individual case in which all relevant factors will be taken into consideration.

The Customer may in the event of discovered non-compliance of the requirements for human rights, see item 2.2, workers' rights, see item 2.3, environment, see item 2.4 and/or anti-corruption, see item 2.5, demand:

- that the Supplier immediately remedies the deficiency upon the Customer's submission of demand hereof,
- that the Supplier henceforth upon fulfillment of the Framework Agreement will deliver in compliance of the requirements for human rights stated in this appendix, see item 2.2, workers' rights, see item 2.3, environment, see item 2.4 and/or anti-corruption, see item 2.5, and

- that the Supplier fully rectifies the damages including the payment of appropriate compensation. The assessment of whether a damage in the fulfillment of the Framework Agreement is fully rectified, if necessary, is independent of the national rules on liability that regulate the specific circumstance, possibly only allowing partial indemnity.
- that the Supplier pays a penalty of DKK [...].

In the event of material breach of the requirements on human rights, see item 2.2, workers' rights, see item 2.3, environment, see item 2.4 and anti-corruption, see item 2.5, please refer to item 13.4 of the Framework Agreement on Termination.