

## Venergi's Business Associate Code

### Guidance to business associates

**This document is a guidance to help Venergi's business associates understand why Venergi has a Business Associate Code ("Code") as well as the background and requirements of the Code. The guidance provided is based on the international standards mentioned in this document, and primarily the UN Guiding Principles on Business and Human Rights.**

### 1. Why do we have a code?

Venergi is committed to conducting business responsibly, decently and transparently, and is a signatory to the UN Global Compact. We take pride in our ethical standards and we seek to conduct business with business associates who share this commitment.

The purpose of the Code is to inform our business associates of the requirements we have towards their ethical business conduct, and the level of documentation we expect them to deliver upon request from Venergi. Furthermore, it is a means to ensure that Venergi is compliant with similar requirements that we receive from our clients, and from legislation, such as the UK Bribery Act. Finally, we want to ensure that Venergi's business associates have their own house in order and provide products and services that support and do not compromise Venergi's mission, vision, values and commitments.

### 2. What does the code contain?

A range of Corporate Responsibility (CR), Sustainability and Compliance process requirements that our business associates must comply with to demonstrate that they conduct business responsibly according to international standards, e.g. the UN Global Compact and the UN Guiding Principles on Business and Human Rights.

### 3. Why do we have process requirements and how should they be implemented?

The process requirements have been established by the UN Guiding Principles on Business and Human Rights, and have been implemented into e.g. the OECD Guidelines for Multinational Enterprises.

Moving from performance requirements to process requirements entitles our business associates to define their largest risks themselves, and responding to them as they see fit according to the industry they operate in, the size and complexity of their company, as well as the resources and leverage available and applicable to them.

For instance, a small consultancy providing expert knowledge may not have great risks of hiring child labour, but may rather need to focus their efforts elsewhere. Hence, Venergi expects our business associates to formulate their own CR policies and processes, to establish management and due diligence processes adequate to their company, and to ensure remedy for potentially affected individuals. Thus, this is not a question of process requirements "for the processes' sake", but process requirements that will contribute to ensuring that business associates respect internationally recognised and adopted Corporate Responsibility principles.

However, Venergi does have a few performance criteria formulated in the Code that we perceive to be particularly harmful and intolerable, and include e.g. worst forms of child labour, corruption and bribery as well as inhumane and degrading treatment of employees. We expect all of our business associates to ensure that they are not complicit in our zero-tolerance practices.

## 4. What are the requirements of the code based on?

The Code is based on international minimum standards for Corporate Social Responsibility and Sustainability:

### UN Global Compact

UN Global Compact is the world's largest Corporate Sustainability initiative, which calls for companies to align their strategies and operations with ten universal principles on human rights, labour rights, environment and anti-corruption, and to take actions that advance societal goals.

Read more [here](#).

### UN Guiding Principles on Business and Human Rights

The UN Guiding Principles on Business and Human Rights (UNGPs) are a set of guidelines for companies to prevent, address and remedy human rights impacts happening as a result of their business operations.

The corporate responsibility to respect human rights, as outlined in the UNGPs, entails that companies respect human rights, at a minimum, as expressed in the International Bill of Human Rights and the ILO Declaration of Fundamental Principles and Rights at Work. Companies should have in place policies and processes appropriate to their size and circumstances, including:

1. A policy commitment – an explicit commitment to meet their responsibility to respect human rights
2. A human rights due diligence process – a process for identifying, preventing, mitigating and accounting for how they address potential impacts on human rights
3. Processes to enable remediation – ensuring that the company rectifies or remedies any impacts they have caused.

The UNGPs apply to all companies no matter their size, location, sector, ownership, and structure.

Read more [here](#).

#### 4.1. What should I (as Venergi's business associate) do?

You are expected to familiarise yourself with the international standards and the Principles that Venergi's Code is based on (if you are not already familiar with them), and to implement an appropriate level of processes and procedures to manage the potential and actual impacts your company has.

These international standards provide a framework within which companies can adapt their management processes to fit the level of complexity that their businesses operate within, and encourage companies to focus their attention where their risks are most salient.

Venergi expect our business associates to be aware of their risks of negative impacts on human rights (incl. labour rights), environment and anti-corruption (referred to as "the Principles" in the Code). Furthermore, we expect you to implement an appropriate level of risk management based on identified risks.

## 5. We have our own Code of Conduct – that should be good enough?

If you have your own code of conduct you are probably aware of the international standards referred to in our Code, as well as the requirements these entail to "push" similar requirements down the supply chain. Hence, besides a commitment to respect the Principles (human rights, environment and anti-corruption), Venergi's Code also requires our business associates to further push similar requirements to their business associates (e.g. suppliers).

Furthermore, the Code is a means to communicating Venergi's commitment to business ethics, and to describe our expectations towards our business associates to respect these requirements and not expose Venergi's business – or the business associate's own business – to legal, reputational or financial risks.

## 6. What if we do not comply with the code?

Venergi will accept if you cannot document compliance with the Code from Day 1 of the business relationship, as long as you start putting processes in place and documenting your performance.

If Venergi is made aware during a business relationship that the business associate is non-compliant with our Code, Venergi will (depending on the severity of the non-compliance) engage in dialogue with the business associate, including asking for documentation of the business associate's level of compliance. If the business associate is not willing to cooperate or fails to demonstrate progress even after constructive dialogue and after a period of time in which the business associate should have been able to correct any misconduct, Venergi will consider terminating the relationship.

## 7. I have questions – who do I contact?

Please refer to the person who provided you with the contract and the Code; s/he will ensure that your questions are answered – and involve Venergi colleagues as necessary.

If you want to report a concern of non-compliant behaviour committed by either Venergi employees or employees of the business associate (related to e.g. a Venergi project) you can use Venergi's anonymous Whistleblower system available through [our website](#).

## Glossary

### Business Associate Code

#### A

##### Access to remedy

Access to remedy means that the Business Associate must provide for remediation to the individual(s) who have been affected by negative impacts that their company has caused or contributed to (e.g. negative impacts on health and safety issues, contract breaches, etc.). Grievance mechanisms can be an effective means of enabling remediation to potentially impacted individuals (see Grievance mechanisms) as well as identifying impacts and risks.

##### Anti-corruption

Corruption is defined as the abuse of entrusted power for private gain, including bribery. Anti-corruption refers to the effort of combatting and preventing corruption from taking place, e.g. in a business' value chain.

#### B

##### Business associate

A business associate is an external party with which a company has or plans to establish, some form of business relationship with. In Venergi, this includes all suppliers delivering services or goods, including but not limited to, sub-consultants, consortium partners, joint venture partners, outsourcing providers, sub-contractors, advisors, vendors, and agents. This does not refer to clients.

Source of definition: ISO 37001 on Anti-Bribery Management Systems.

#### C

##### Cause/contribute to

Please see definitions under "Impact Assessment".

##### Code of conduct

A code of conduct outlines a company's rules and expectations concerning the behaviour of its employees and/or its business associates. Venergi's Business Associate Code describes the Corporate Responsibility/Sustainability and compliance requirements we have towards our business associates' CR activities, and thereby forms the basis for our responsible supply chain management.

##### Complaint mechanisms

A complaint, also known as a grievance, is a perceived injustice evoking an individual's or a group's sense of claim or entitlement, which may be based on law, contract, explicit or implicit promises, customary practice or general notions of fairness in communities.

Employees and other stakeholders should be able to report concerns regarding negative impacts on the Principles without fear of discrimination or punishment, if they are reported in good faith or on the basis of a reasonable belief of violation or suspected violation.

A complaints mechanism is a systematic process through which grievances concerning business-related impacts on any of the Principles can be raised and remedy can be sought. Large companies typically use a Whistleblower system/hotline as a grievance mechanism, whereas smaller companies may not have the resources to implement this. Instead, other processes can be in place; for instance a specific e-mail address for voicing concerns or the like.

## CR performance

Refers to the company's current CR (Corporate Responsibility) performance, i.e. respect for human rights (including labour rights), environmental impacts and anti-corruption. CR performance thus reflects the company's degree of compliance with the CR principles.

## D

### Directed linked

Please see definitions under "Impact Assessment".

## Due Diligence

Due diligence (identification and management of negative impacts) refers to the processes that the Company is expected to have in place in order to identify the areas in which it might have negative impacts on the Principles, as well as its actions to prevent and mitigate such impacts, including providing access to remedy (see "Access to Remedy"), and finally how the Company communicates its actions. This is part of the process requirements that the internationally agreed minimum standards expects of companies (together with a policy statement and access to remedy).

For more detailed information of how to identify negative impacts, see "Impact Assessment".

## E-H

### Human rights

Human rights refer to the inherent dignity and the equal and inalienable rights of all human beings. Venergi defines human rights as described and outlined in the International Bill of Human Rights, consisting of the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights, as well as the ILO Declaration on Fundamental Principles and Rights at Work.

I

## Impact assessment

Conducting an impact assessment is the act of identifying and assessing the nature of actual and potential adverse (negative) impacts on the Principles with which the Business Associate may be involved either through their own activities or as a result of their business relationships. The purpose of an impact assessment is to understand the specific impacts on specific individuals, given a specific context of operations. Impact assessments are thoroughly described in the UN Guiding Principles on Business and Human Rights.

Typically, this could include assessing internal operations (offices); or assessing the risk of becoming involved in actual or potential adverse impacts on any of the Principles prior to entering into new business relationships, entering into new markets or launching new products.

A business can either cause, contribute to or be directly linked to adverse impacts:

**Cause:** refers to an adverse impact that happens as a direct result of the Business Associate's actions (or lack of same) without the involvement of other business associates or third parties.

**Contribute to:** refers to a situation where the Business Associate's actions (or lack of same) in combination with a business associate's or third party's actions lead to adverse impacts. Hence, there is causality between the Business Associate's actions and the adverse impact, which the Business Associate's should have been able to foresee.

**Directly linked to:** refers to a situation where a direct linkage to the business associate or third party who causes or contributes to the adverse impact, can be established to the Company's products, services or operations.

J-N

## Negative impact

A negative impact ("adverse impact" according to the UNGPs) arises when the company's activities or lack of same negatively impacts any of the internationally recognised principles (on human rights, environment, anti-corruption). Every company has (potential) negative impacts, and the Business Associate is expected to be familiar with these (potential) impacts and be able to document what it does to handle them (actions, communication, remediation).

O-P

## Policy statement

The term "statement" is used generically to describe whatever means the Business Associate uses to publicly communicate its corporate responsibilities, commitments and expectations.

Such a policy statement must be publicly available and should be embedded into policies and procedures in the company to ensure coherence between their responsibility and commitments to Principles and the daily governance of business activities. This should also prevent that any part of the company acts without awareness or regard for such commitments.

## (The) principles

Internationally recognised principles for social, environmental, and economic sustainability, i.e. human rights (including labour rights) and principles for the protection of the environment and promotion of anti-corruption. A company's work to comply with these principles is also known as Corporate Responsibility (CR), Corporate Social Responsibility (CSR) or Sustainability (among others).

See also UN Global Compact and UN Guiding Principles on Business and Human Rights under Chapter 4.

## Q-Z