



Code of Conduct for Business Relations

1. Responsible business conduct

In accordance with Aalborg Forsyning's CSR policy, this Code of Conduct for Business Relations (CoC) aims to ensure that our business relations, including suppliers and partners, like Aalborg Forsyning, demonstrate responsible business conduct and contribute to a sustainable development of society.

To achieve this aim, Aalborg Forsyning requires its business relations to comply with the international minimum standard ("the Standard") for responsible business conduct based on the UN Guiding Principles on Business and Human Rights ("UNGPs") and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct ("OECDGs").

Aalborg Forsyning further assumes that business relations will always act in accordance with applicable laws in the jurisdictions in which they operate.

2. Sustainability

The Standard covers sustainability issues related to actual and potential negative impacts on social (human rights), environmental, and economic topics, as defined by the Standard, which a business relation may cause, contribute to, or be linked to.

According to the UNGPs, sustainability topics include, at a minimum, the internationally recognised human rights listed in the International Bill of Human Rights and the principles of fundamental rights set out in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

According to the OECDGs, sustainability topics include, at a minimum, environmental sustainability as particularly reflected in the Rio Declaration on Environment and Development and the associated Agenda 21, climate as reflected in the Paris Agreement, and animal welfare as reflected in the OECDGs. Environmental sustainability topics are also reflected in the EU's environmental objectives as set out in EU Regulation 2020/852 (the "Taxonomy Regulation") to facilitate sustainable investments. The OECDGs also include economic sustainability topics, including anti-corruption as reflected in the UN Convention against Corruption, and extortion, fraud, fair competition, and tax payments.

3. The standard as a management system

Compliance with the Standard requires that a business relation, as part of its management system, establishes and maintains policies and processes for identifying, preventing, and mitigating negative impacts on social, environmental, and economic sustainability.

The following key elements are included in the management system:

3.1. One or more binding policies

The policy commitments should generally be reflected in one or more documents that:

- Acknowledge the responsibility to respect internationally recognised human rights, as well as environmental and economic sustainability.
- Express the company's expectations of business relations regarding human rights and sustainability, including that first-tier business relations implement the Standard.
- Are informed by and based on expertise in the Standard and the sustainability issues it covers.
- Express the company's expectations of employees regarding human rights and sustainability.
- Are approved at the highest management level of the organization.

- Are publicly available and communicated to the company's stakeholders, at a minimum, employees and business relations.
- Are embedded in all other operational policies and procedures throughout the company.

3. 2. Implementation and maintenance of due diligence processes

Aalborg Forsyning's business relations must establish and maintain due diligence processes in accordance with the Standard.

- The processes must include regular identification and assessment of whether the business relation, through its own activities or services, causes or contributes to actual or potential adverse impacts on all sustainability issues.
- The business relation must initiate appropriate actions to prevent, mitigate, or cease actual or potential adverse impacts, and measure the effectiveness of those actions.
- The business relation is expected to be transparent about its due diligence process (including identification, measures, and effectiveness) and, upon request, be able to share the latest results thereof with relevant stakeholders, including Aalborg Forsyning.
- If a business relation becomes aware of a significant, actual adverse impact to which it is linked through its own business relations, it must use, or seek to build, leverage to get the causing or contributing party to stop the impact and implement due diligence to prevent or mitigate recurrence or terminate the business relationship, if possible.

3.3. Access to remedy

A business partner is expected to provide employees, customers, suppliers, and other stakeholders with access to raise concerns and complaints regarding adverse impacts on sustainability topics, as well as access to remedy for affected individuals, communities, or the environment. This may include financial or non-financial compensation proportionate to the business partner's involvement in the adverse impacts.

- To ensure the possibility of remedy, a business partner must establish and maintain effective and legitimate processes (dialogue and grievance mechanisms) through which affected parties can report adverse impacts and claim remedy.
- If a business partner becomes aware that it causes or contributes to actual adverse impacts, it must provide remedy to the affected individuals, communities, or the environment through effective dialogue and grievance mechanisms.
- Notification of relevant authorities may be necessary in cases of significant adverse impacts related to environmental and economic sustainability.

- In the event of adverse impacts on environmental or economic sustainability, the business partner is expected to restore the impact to the greatest extent possible, potentially in collaboration with relevant authorities.

4. Implementation

- 4.1. Aalborg Forsyning's CSR Policy and Code of Conduct for Business Partners form the foundation for collaboration with our business partners, aimed at achieving continuous improvements in the management of adverse impacts related to sustainability topics.
- 4.2. Aalborg Forsyning complies with the requirements set out in this Code of Conduct for Business Partners within its own organization and is willing to share its knowledge, information, and documentation with its business partners.
- 4.3. If a business partner, at the commencement of a collaboration or contract, cannot confirm and document that it has established policies and processes that meet the requirements of the Standard as outlined in this Code of Conduct, an implementation plan must be prepared and submitted to Aalborg Forsyning. As part of the implementation plan, the business partner must, within one year of commencement, provide documentation of binding policies and due diligence processes that, at a minimum, cover the part of the company directly connected to Aalborg Forsyning through the contract. It is expected that the business partner, on its own initiative, becomes sufficiently familiar with the content of the Standard, including the UNGPs and OECD Guidelines, if not already known.
- 4.4. In accordance with the Standard, implementation must be proportionate, particularly in relation to 1) the size, activities, and operational context of the company, and 2) the significance of the adverse impacts, assessed by severity, scope, or remediability. It is acknowledged that small and medium-sized enterprises (SMEs) may have less capacity and less formalized processes than larger companies.
- 4.5. If a business partner, in connection with a service or delivery performed for Aalborg Forsyning (the subject of the contract), causes, contributes to, or is linked to actual significant adverse impacts on one or more sustainability topics, the public or Aalborg Forsyning must be notified without delay. The notification must, at a minimum, include an account of the adverse impact and the preventive, mitigating, or remedial measures initiated.

- 4.6. Aalborg Forsyning's business partners must maintain appropriate documentation, including completion of Aalborg Forsyning's evaluation form, to demonstrate the extent to which the requirements of this Code of Conduct are being met and to ensure transparency and openness in accordance with the Standard. Appropriate documentation may include company policies, descriptions of due diligence processes (including impact assessments or equivalent at the operational level), evaluations and identification of adverse impacts on sustainability topics, as well as measures and metrics, and descriptions or references to dialogue and grievance mechanisms.
- 4.7. Aalborg Forsyning expects that a business partner can, at any time and within a deadline of 30 working days, provide information on the status of implementation of the requirements in this Code of Conduct.
- 4.8. Aalborg Forsyning considers full or partial non-compliance with this Code of Conduct to be a material breach.