

Code for Business Partners



Contents

Introduction.....	05
I. Business ethics & integrity	07
II. Respect for human rights	09
III. Socially acceptable work conditions	10
IV. Compliance with environmental standards.....	11
V. Transparency in the supply chain	12
VI. Implementation.....	13

Introduction

The Axpo Group (referred to below as „Axpo“) stands for reliability, sustainability and innovation. As a corporate group we are responsible for satisfying the tough expectations of all stakeholders regarding our conduct as a company as well as the steadily growing body of legal requirements. True to our mission statement, we will continue running our business with unflinching integrity in accordance with the highest ethical standards and will do so everywhere, at all times and regardless of what others may expect or demand of us. We understand the term „compliance“ to mean an unconditional commitment to integrity, ethics and abidance by the law.

Axpo attaches great importance to having business partners who share its values and its principles of compliance and ethics. To achieve a mutually fair, trusting and long-term partnership, Axpo therefore asks its business partners (suppliers of goods and service providers) to undertake to adhere to the guiding principles of Axpo for sustainable, ethical and law-abiding transactions as set forth in this code.

The provisions of this code are based on the content of the following recognised conventions and standards:

- Principles of the United Nations Global Compact (UNGC)
- Guidelines for Economic Cooperation and Development for Multinational Enterprises (OECD)
- Agreements of the International Labour Organisation (ILO)
- Charter for Sustainable Development of the International Chamber of Commerce (ICC)
- SA8000 (standard for corporate social responsibility in company management)
- Recommendations of the procurement offices of the Swiss Confederation

These provisions are subject to compulsory national, supranational or international laws and regulations, which take precedence over this code if they set higher standards, on a case-by-case basis. This code takes precedence if they set lower standards.

The code applies worldwide for the business partners¹ of Axpo and their employees. A further expectation which Axpo has of its business partners is that their important² suppliers (or pre-suppliers) and subcontractors also abide by the principles set forth in this code. In the case of fuel³ procurement, the business partner is obliged to respect this requirement.

Baden, 1 July 2014

¹This code applies as part of public procurement and as a component of the General Terms and Conditions of Business (GTC) of the Axpo Group. For other business transactions with suppliers of goods and service providers not subject to the GTC of the Axpo Group, the code shall be considered an integral part of the contract. The following criteria will be taken into account: branch, amount of sales, business partner's registered office or domicile, audits conducted by independent certification company, number of employees, upstream supply chain and/or origin of purchased products or services, or duration of supply relationship.

²The term "important supplier" (or "pre-supplier") means anyone who performs a major part of the contract (delivers a substantial part and/or performs a substantial sub-service), and/or anyone involved in an especially risky area.

³In this code, the term « fuel » refers to nuclear and fossil fuels for the generation of electrical energy.

I. Business ethics & integrity

The Axpo business partner runs its business in an ethical manner; it acts with integrity and abides by laws and regulations.

1. Respecting the law and agreements

The business partner respects national laws and regulations as well as the pertinent international agreements.

2. Product safety

Products and services of the business partner are not dangerous to humans and the environment if properly used and meet the agreed and/or legally specified standards with respect to product safety. The business partner communicates appropriate information on safe use.

3. Prohibition of corruption and bribery

The business partner must not be involved in any type of corruption. This includes graft, payment of bribes and blackmail in order to influence representatives of business partners, politics, the public administration, the justice system or public authorities.

4. Fair competition

Every business activity conducted by the business partner must be in accordance with the rules of fair competition. The business partner obeys the pertinent cartel/competition laws as well as laws against unfair competition.

5. Protection of intellectual property

The business partner respects the protection of intellectual property belonging to third parties.

6. Trade restrictions and money laundering

The business partner complies with applicable trade and economic restrictions and the legal provisions against money laundering and the financing of terrorism.

7. Misuse of confidential information

The business partner takes appropriate measures to ensure that its employees do not misuse confidential information.

8. Taxes and duties

The business partner obeys the applicable tax laws.

9. Ombudsperson's office (reporting office)

If employees detect violations by others at work or assume in good faith that these violations are occurring, the business partner must enable employees to report their concerns freely without fear of reprisal or harassment in the enterprise. The business partner appropriately follows up on reports of this kind and then takes any necessary actions.

10. Personality rights

The business partner takes appropriate measures to ensure that its employees' personality and data protection rights are safeguarded and not violated.

II. Respect for human rights

The Axpo business partner respects prevailing human rights and treats its employees with dignity and respect.

1. Ban on child labour

The business partner is not allowed to employ anyone under the age of 15. In countries with a less developed economy and school system, a minimum age of 14 applies and - for light work - 13. Dangerous work is allowed to be carried out only if applicable safety regulations are obeyed.

2. Ban on forced labour

All forms of forced and compulsory labour are prohibited. The business partner is not allowed to force its employees to hand over their ID, passport or work permit as a prerequisite for being employed.

3. Ban on discrimination

Equal opportunity must be ensured in hiring, employment and compensation. The business partner should not discriminate against anyone based on gender, age, ethnic or national affiliation, religion, sexual identity, union membership or a disability of any kind.

4. Ban on disciplinary punishment

The business partner is not allowed to punish employees in any way physically or psychologically. This provision applies in particular if employees submit a report in good faith on corporate practices violating national, international or internal regulations.

III. Socially acceptable work conditions

The Axpo business partner provides its employees with fair work conditions.

1. Safe and healthy workplaces

Work safety and health protection must be ensured at least in keeping with the national regulations. The business partner must apply directives and procedures for work safety and health protection and inform its employees of them in order to reduce or avoid the risk of accidents and occupational diseases.

2. Living wages

The business partner pays its employees fairly and ensures minimum wages set by law or collective agreement or deemed usual in the industry. The business partner grants each employee the social benefits to which he or she is legally entitled and creates a transparent compensation system which is paid regularly through legal means of payment. Illegal and unjustified pay deductions may not be made.

3. No excessively long working hours

The business partner ensures that its employees comply with the maximum working hours set by law or a collective agreement or deemed usual in the industry. In particular, the maximum working week (including excess hours) is not allowed to exceed the legally permitted limit. The business partner compensates excess hours in accordance with legal and contractually agreed provisions. The employees are entitled to the days off specified under the law. Moreover, the employees are entitled to a regular annual holiday in accordance with the applicable legal provisions.

4. Freedom of association and collective bargaining

The employees have a right to collective bargaining and a right to organise themselves in unions. If no unions are allowed in a country for political reasons, the business partner must enable independent associations of a different type. The business partner is not allowed to discriminate against worker representatives because of their function or against workers because of their membership of a union.

IV. Compliance with environmental standards

The Axpo business partner runs its business responsibly and in an environmentally compatible manner. It reduces negative impact on humans and the environment from its business operations while observing the applicable provisions.

1. Efficient use of resources

The business partner champions the efficient use of resources to the extent possible. In particular, non-renewable resources are employed as sparingly as possible.

2. Avoiding and mitigating environmental pollution

Where applicable, the business partner records and monitors polluting emissions and continually reduces them as far as possible. The materials used should be recyclable if possible. The business partner develops procedures to regulate the transport, the storage and the danger-free and eco-friendly treatment and disposal of wastes.

3. Dealing safely with hazardous materials

Where applicable, the business partner guarantees the safe handling of materials whose release could endanger humans and the environment. It does so with the help of a hazardous materials management system, which ensures their safe use and transport as well as their safe storage, reprocessing, reuse and disposal.

4. Environmentally compatible products

When developing products and services, the business partner makes sure their use is economical in terms of the consumption of energy and natural resources. The products should be able to be reused, recycled or disposed of without any danger.

V. Transparency in the supply chain

Upon request, the Axpo business partner will provide information about its supply chain and uses its management system to ensure the implementation of these principles.

1. Preferred business partners

Axpo prefers business partners that transparently inform Axpo about their chain of suppliers when requested to do so. In the case of fuel procurement, the business partner is obliged to respect this requirement. Furthermore, Axpo prefers business partners that make an ongoing active effort to improve in environmental and social terms and clearly indicate these accomplishments, e.g. with the help of certified management systems pursuant to ISO 9001, ISO 14001, OHSAS 18001, SA8000 or EFQM, or sustainability reporting pursuant to the standard issued by the Global Reporting Initiative.

2. Management systems

The business partner applies management systems or disposes of equivalent processes to ensure compliance with the principles set forth here.

VI. Implementation

Axpo can draw consequences if the business partner fails to comply with this code.

1. Monitoring and duty to furnish evidence

On request, the business partner must give Axpo all the information needed for a correct and comprehensive initial assessment as part of a self-evaluation. In particular, if the business partner is unable to satisfy aspects of this code in part or as a whole, it must let Axpo know plainly and simply. Moreover, the business partner makes available other information to furnish proof that it is complying with this code.

Axpo reserves the right to check the implementation of this code, namely if there is a suspicion of any violations of this code or its principles based on press reports, complaints or the like. In the case of fuel procurement the business partner agrees that this task can entail a visit by an expert to the business partner as well as its important upstream suppliers and/or subcontractors or an audit (conducted either by Axpo or by external experts commissioned by Axpo). Axpo and the business partner jointly determine the audit contents and procedures. The business partner must advise Axpo of any events contrary to the principles of this code.

2. Non-performance

Axpo reserves the right to demand action in the case of non-performance of this code and, if need be, to end the business relationship.

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