

# Supplier Code of Conduct

NOVEMBER 2018

Approved by Danske Bank Group's Business Integrity Board

## Introduction

Danske Bank Group wants to ensure that it has responsible supplier relationships by integrating environmental, social and ethical standards and by focusing on impact and risk. We strive to maintain constructive relations based on dialogue and improvement.

The Supplier Code of Conduct (the Code) defines our requirements for suppliers in terms of their responsible business conduct and their responsibilities towards the communities in which they operate. It is essential that our suppliers as a minimum comply with all applicable national laws and regulations and also meet the requirements in the Code.

The Code is built on internationally recognised agreements that promote companies' management of adverse effects on human rights, labour rights, environmental protection and anti-corruption practices, among other things. Danske Bank Group supports the following initiatives:

- UN Global Compact
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- The Universal Declaration of Human Rights
- The ILO Declaration of Fundamental Principles of Rights at Work

## Obligations of suppliers and subcontractors

The Code applies to all Danske Bank's suppliers that deliver goods and services to any of Danske Bank Group's business units and subsidiaries and the criteria will be taken into account when selecting and evaluating suppliers.

The Code is a total supply chain initiative, and the Group's suppliers are responsible for setting the same or comparable standards for their subcontractors. It is the responsibility of the supplier to ensure that their subcontractors are informed of the Code and uphold the requirements.

## Requirements for doing business with Danske Bank Group

The Group expects suppliers to meet the following requirements:

### 1. Labour and human rights

- 1.1. The supplier does not discriminate on the basis of ethnicity, religion, race, skin colour, nationality, social origin, age, disability, health status, gender, sexual orientation, membership of trade unions or political views (as described in the ILO [convention no. 111](#)).
- 1.2. The supplier ensures that working conditions, hours, rest periods, leave and wages are in accordance with local regulations and industry practice and are at a level that enables a fair standard of living according to local conditions. In addition, wages may not be withheld as a disciplinary sanction (as described in the ILO conventions no. [1](#), [14](#), [30](#), [95](#), [106](#), [131](#), [132](#) and [155](#)).
- 1.3. The supplier respects its employees' right to privacy when it gathers or stores personal information (as described in the ILO [Code of Practice on Protection of workers' personal data](#)).
- 1.4. The supplier respects its employees' right to organise themselves and negotiate collective wage agreements. If independent trade unions are either discouraged or restricted, the supplier enables workers to gather independently to discuss work-related issues (as described in the ILO [conventions no. 87 and 98](#)).
- 1.5. The supplier is not associated with human trafficking or any type of forced labour. This includes work on a forced contract, slavery and other forms of work that are done against a worker's will or choice (as described in the ILO [convention no. 29 and 105](#)).
- 1.6. The supplier is not associated with exploitative forms of child labour – such as labour that damages children's physical or mental health or prevents them from going to school. When employing young workers, suppliers must act in accordance with the International Labour Organization's standards (as described in the ILO [conventions no. 138 and 182](#)).

### 2. Health and safety

- 2.1. The supplier provides a healthy and safe working environment and prevents accidents and injuries related to the physical and mental environment through proper training and preventive measures.

### 3. Environment

- 3.1. The supplier works continually to comply with local environmental law.

- 3.2.** The supplier has a policy commitment to address environmental considerations. The commitment must be appropriate for the supplier's size and type of operation.
- 3.3.** The supplier has established an environmental management system, either one that is certified in accordance with ISO 14001 or one that includes at least the following:
- A policy commitment to address environmental considerations
  - Follow-up on observance of prevailing environmental legislation
  - Identification and ongoing monitoring of the company's most significant environmental impact issues
  - Actions to improve the company's environmental impact
    - Internal audit
- 3.4** Danske Bank Group has specific environmental requirements for products, e.g. hardware and office supplies ([link](#)). The supplier must comply with the requirements relevant for the specific contract.

#### **4. Business integrity**

- 4.1.** The supplier complies with all applicable laws and regulations concerning bribery, corruption, fraud, intellectual property rights and competition and ensures a high level of business integrity.
- 4.2.** The supplier provides a complaint mechanism for managers, workers and communities to report workplace grievances.

#### **Compliance**

In cases where a supplier does not comply with the Code, we will initiate a dialogue in order to clarify the circumstances. If a supplier is not able to comply with the Code a corrective action plan will be agreed.

We reserve the right to audit the supplier's and in some cases subcontractors' compliance with the Code and the correctness of the information given by the supplier.

If the supplier 1) has given incorrect information, or 2) if the non-compliance by the supplier is not capable of remedy; or 3) if the supplier cannot implement the required improvements in order to become compliant within the agreed timeline, we reserve the right to end our business relationship. The supplier is not entitled to any compensation for such termination. The supplier is solely responsible for all expenses incurred for complying with the Code.

The supplier has a duty to proactively report to Group Procurement any deviation from this policy.