

Supplier Code of Conduct

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1. Introduction

At National Grid, we are always seeking to improve our reputation as a sustainable and responsible company. To do this we must make sure that we keep to the law, our policies and licences, and that we behave in line with our values (see 2a below).

We set our standards in line with our beliefs and values. These are set out in [Doing the Right Thing – Our Standards of Ethical Business Conduct](#). In the Standards we refer to our 'Framework for Responsible Business' and we explain our values.

Our policy is to buy goods and services competitively, economically, fairly and efficiently, in line with all legal requirements.

We are signatories to the UN Global Compact, which is a standard for responsible businesses which covers human rights, labour rights, the environment and corruption.

We value the business relationships we have with you. We believe that you are an important and central part of our success. This means that we expect you to carry out your business in line with our values.

2. Business ethics standards

2a Core values

- Respect others and value their diversity
- Take ownership for driving performance
- Demonstrate integrity and openness in all relationships

Our work is based on these values, so we need you to be committed to them in your business too.

2b Fraud, bribery and corruption

We are committed to carrying out our business in a truthful, honest and open way, and we expect you to be honest and fair when you carry out your business. We have a zero tolerance approach to any type of bribery, fraud or corrupt business practices, and we expect you to have a similar approach.

We expect you to have a programme in place to prevent and detect fraud, bribery and corrupt business practices. In particular, we expect you to make sure you maintain control procedures in place to prevent bribery in accordance with all applicable local, state, federal or national laws or regulations including without limitation the UK Bribery Act 2010, when such Act comes into force, and the US Foreign Corrupt Practices Act 1977.

If you find that bribery, corruption or fraud has taken place and this relates to work done on our behalf or which otherwise relates to National Grid's business, you should contact our Business Conduct and Ethics Team. Contact details below. International enquiries can call either number.

United Kingdom

Focus helpline: **0800 854 572**
 (lines are open 24 hours a day, seven days a week)
 email: support4u@focuseap.co.uk

In-house

Business conduct helpline: **0800 328 7212**
 email: business.conducthelp@uk.ngrid.com

United States of America

Alertline: **1-800-465-0121**
 (lines are open 24 hours a day, seven days a week)
 email: www.nationalgridalertlineus.com

In-house

Toll-free helpline: **1-888-867-6759**
 email: businessconduct@us.ngrid.com

We will regularly review your control procedures in place to prevent and detect fraud, bribery and corrupt business practices, and if we have serious concerns (whether they relate to our business or not), we will review our relationship with you.

2c Entertainment, gifts and cash rewards

We expect you to keep to our guidelines on business rewards, such as gifts, meals and entertainment.

We encourage our employees not to take part in any activity that would affect their judgement when dealing with you. We also ask you not to offer our employees gifts or other valuable items. In particular, we do not allow our staff to accept cash or cash equivalents, such as gift certificates.

We may accept entertainment as long as it has a genuine business purpose, and is within the guidelines as set out in the Standards.

We do not allow our employees to seek or take part in any:

- offensive or inappropriate entertainment;
- entertainment based on the value of anything we or another organisation has bought; or
- entertainment in return for influence or for a specific decision.

2d Being clear



You must:

- keep information on your business activities, structure, finance and performance, in line with appropriate laws, regulations and industry practices;
- be committed to being as clear and as fair as possible when you are dealing with your employees, suppliers and customers;
- have programmes which protect employees who give you information on any unfair or inappropriate business (whistleblowing), making sure that you do not reveal their identity; and
- have a complaint procedure for your employees which keep to local laws and regulations.

2e Intellectual property rights

We expect you to respect intellectual property rights (such as copyrights, patents) and protect customer information.



3. Health and safety

3a Reducing risks to people's health and safety

Safety is important to the way our business performs. It is also important for defining the attitude and behaviour of National Grid and how we protect our employees.

We understand that there are risks involved in our work, and we believe that we can reduce these and prevent our employees being injured, as well as protect the public. We also believe that everyone has a part to play in achieving this.

We can only reduce risks and prevent injuries when there are no distractions. For us, success is more than just avoiding injuries and harm — it also includes improving people's well-being. We will encourage our employees to look after themselves and those around them.

You must be committed to creating an environment which is safe, healthy and secure for all of your employees, and you should identify any dangers and get rid of them. If you cannot get rid of something dangerous, you should put suitable controls in place.

Make sure you give your employees suitable equipment and protective clothing free of charge (if appropriate), and have safety procedures in place to protect them. We also encourage you to use internationally recognised safety -management systems and safe work systems.

You must not take disciplinary action against your employees for telling you about any safety concerns they have. Your employees have the right to refuse to work in any unsafe conditions until you have dealt with their concerns.

If you provide housing for your employees, it must be a reasonable distance from the workplace and must meet local legal standards. It must:

- be clean;
- have enough space;
- have washing facilities; and
- have a water supply.

You must not evict your employees from the housing you have provided without allowing them to get legal help and advice.

3b Communication

You must make sure that all of your employees know about this code of conduct, and you must display it somewhere they can easily see it. You must provide all information in different languages (if needed). If you do not keep to this code of conduct, we may, acting in accordance with the terms of our contract with you, end our contract with you.

We encourage you to sign up to the [UN Global Compact](#) and use the yearly '[Communication on Progress](#)' (COP) process to show your commitment and work towards using sustainable and responsible business practices.

4. Protecting the environment

To help protect the environment, you should:

- show that you are doing your best to reduce the negative effect your work has on the environment;
- identify and manage any chemicals and other materials which would be dangerous if you released them into the environment, and make sure that you handle, move, store, recycle and get rid of these materials safely;
- monitor any waste water and solid waste you produce and make sure you treat it as the law dictates;
- make a reasonable effort to reduce all types of waste, including source reduction, recycling and reducing the amount of water and energy you use;
- use materials in a responsible way which does not affect the well-being of people, animals, and other living systems;
- use recognised methods to work out your carbon footprint (how much carbon dioxide you release into the environment) and how much waste you produce, and introduce procedures to reduce this;
- make an effort to focus on eco-design and think of the 'life cycle' of products, for example, think about using less packaging, using fewer natural resources, reducing the energy you use and using more recycled materials; and
- work towards an internationally recognised environmental and management systems, for example ISO14001.

5. Work and human rights

We expect you to keep to all laws relating to your business, as well as the principles of the United Nations Global Compact, the United Nations Declaration of Human Rights and the [International Labour Organisation](#) (ILO).

5a Work

- You must not use workers who have been forced to work (either in exchange for their transport, food, clothes or home, or as part of a punishment)

to supply goods, services and products. All of your employees must have volunteered to work and must be free to leave or end their employment by giving reasonable notice.

- You must not expect your employees to give you any government documents (e.g. passport) as a condition of their employment.
- You must also make sure that your employees' contracts clearly explain the conditions of their employment. You must provide these contracts in another language (if needed).
- You must never employ anyone younger than 15 years old. However, you may offer apprenticeships or vocational programmes to children under 15, as long as they keep to Article 6 of the International Labour Organisation (ILO) [Minimum Age Convention Number 138](#). You may choose to employ young people aged between 16 and 18, as long as the work they do is not likely to put their health and safety at risk, and you keep to ILO Minimum Age Convention Number 138.

5b Working hours

Your employees have the right to rest and leisure. Please make sure that you follow guidelines on good practice and local labour laws. If there aren't any labour laws, you should keep to the following.



- 5b(i)** Your employees cannot work for more than 60 hours a week, unless it is an emergency or unusual situation.
- 5b(ii)** You should give your employees at least one day off in every seven days. If an employee consistently works overtime, you should assess the situation at least every three months.
- 5b(iii)** If your employees work overtime, you should pay them a higher rate than their normal hourly rate, or you should give them extra paid days off work.



5c Wages and benefits

You must:

- pay all of your employees at least a living wage, and provide all the benefits that you have to do by law;
- not take money from their wages as a form of disciplinary action;
- provide vacation time, leave time and all holiday pay in line with the law; and

- pay wages on time and clearly give details about any deductions you have made.

5d Discrimination

You must:

- always treat everyone equally;
- not treat women differently because they are pregnant, and
- not ask a woman to take a pregnancy test, unless the law allows you to do this because there is a risk to their health and safety;
- provide maternity leave for women in line with the law, without the risk of them losing their job or responsibilities;
- make sure that pregnant or breastfeeding women are not exposed to conditions that are harmful, and you must provide reasonable breaks and a designated area where they can breastfeed during work hours;
- give women temporary leave if they are ill or have complications related to pregnancy or birth, without the risk of them losing their job;
- keep medical information confidential;
- make sure that your employees are not harassed, bullied or treated unfairly;
- make sure that everyone in your workplace is included and that other employees treat them fairly and with respect;
- make sure that all employees have the chance to achieve their full potential; and
- respect your employees' legal right to form and join employee groups and trade unions. If the law says that your employees cannot join a group or trade union, you should set up something similar.

6. Community

We encourage you to work with and in the community. This will help you maintain and develop your business in the community you work in.

7. Management System

You should put in place a management system which relates to this code of conduct. The management system should:

- comply with applicable laws and regulations
- fit with this code of conduct
- Identify and lessen risks relating to this code of conduct
- assist in continuous improvement

7a Managing risks

You should have processes in place to identify and manage risks in:

- the environment;
- health and safety;
- business standards;
- work; and
- human rights.

Within health and safety, you must include the risks from:

- storing chemicals and material;
- your facilities;
- equipment; and
- laboratories and testing.

We expect you to have high standards; performance plans and targets, and to regularly assess these.

8. Monitoring and reporting

We expect you to evaluate your own activities to make sure you are keeping to this code of conduct throughout your work.

You should have suitable training in place for managers and employees on introducing your policies, procedures and improvements, and a way of getting ongoing feedback on continuous improvement.

You must have a process in place to correct and put right any mistakes or problems you find through audits, reviews or inspections.

We also expect you to investigate and report any concerns you have about issues to do with breaking the law or standards which relate to our business. We can then investigate and deal with these issues.

We expect you to co-operate with us fully during any investigation we carry out, and we do not accept any type of retaliation against any person or business who raises any concerns.



9. Subcontracting

Where you are allowed under the terms of your contract with National Grid to sub-contract work or services to third parties, we expect those third parties to be informed of the provisions of this Supplier Code of Conduct and to adhere to its provisions.