



Danish Defence Acquisition and Logistics
Organization

Appendix B

Corporate Social Responsibility (CSR) requirements

[Vejledningstekst til FMI – Slettes inden udsendelse til tilbudsgiverne:

NB: Husk at udfylde boden på s. 11]



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1. ILO CONVENTION NO. 94

The Supplier shall ensure that workers employed by the Supplier and any subcontractors who contribute to the performance of the Agreement are secured pay, including special allowances, hours of work and other working conditions which are not less favourable than those established for work of the same character under a collective agreement entered into by the most representative organizations of workers and employers in Denmark in the trade or industry concerned being in force throughout the territory of Denmark. The Supplier and any subcontractors shall ensure that the workers are informed of the provisions of the labour clause.

“Contribute to the performance of the Agreement”, see the labour clause above, shall mean work performed in Denmark for the performance of the Agreement.

The Supplier shall ensure that workers employed by the Supplier and any subcontractors who contribute to the performance of the Agreement outside of Denmark are secured pay, including special allowances, hours of work and other working conditions in accordance with applicable national regulations and legislation (including international obligations) for work performed in that country.

DALO is entitled at any time to request relevant documentation of compliance with the conditions of pay and work for the workers as stipulated in the labour clause. DALO may thus require that the Supplier, after written notice to that effect, within 10 Working Days provides relevant documentation, such as pay-slips, time sheets, payroll accounts and employment contracts in respect of both its own workers and those of its subcontractors, if any, and the basis for calculating the payments made for both the Supplier’s workers and for workers that are employed by a subcontractor.

The Supplier shall in all cases redact any strictly personal information such as information concerning racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership, or data concerning health or sex life from the supplied information in order to comply with the Act on Processing of Personal Data (“Persondataloven”). If the Supplier does not provide the requested documentation within 10 Working Days DALO is entitled to withhold amounts from its payments to the Supplier until the Supplier has provided the required documentation.

For its assessment of whether the Supplier or subcontractors have complied with the labour clause, DALO may seek advice from relevant employer organizations and/or labour organizations.



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If the Supplier fails to comply with its obligations pursuant to the labour clause, and if such non-compliance results in a justified claim for further pay from the workers, DALO is entitled to withhold amounts covering such additional payments from its payments to the Supplier in order to ensure that the mentioned labour conditions are met.

A penalty may furthermore be imposed on the Supplier corresponding to 2 (twice) the amount payable in additional wages to the workers.

Reference is made to the provisions of the Agreement regarding termination.

Clause 1 of this Appendix does not apply to Agreements concerning the purchase of Deliverables that are part of the Supplier's ordinary production or stocks (off-the-shelf goods), unless the product is manufactured in a custommade production for the Buyer.

2. AGREEMENT CSR REQUIREMENTS

2.1 General requirements

DALO wishes that the Agreement be performed while observing the principles of the UN Global Compact initiative.

The principles of the UN Global Compact are as follows:

Human rights

Businesses should

support and respect the protection of internationally proclaimed human rights; and ensure that they are not complicit in human rights abuses.

Labour standards

Businesses should

uphold the freedom of association and the effective recognition of the right to collective bargaining;

support the elimination of all forms of forced and compulsory labour;

support the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.



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The environment

Businesses should

support a precautionary approach to environmental challenges;
undertake initiatives to promote greater environmental responsibility; and
encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Businesses should

work against corruption in all its forms, including extortion and bribery.

In the performance of the Agreement, the Supplier shall assume social responsibility as set out in the conventions on which the above principles are based. The Supplier assumes social responsibility by committing to observe the requirements set out below in the performance of the Agreement.

2.2 Human rights

In the performance of the Agreement, the Supplier undertakes to comply at all times with applicable law aiming to prohibit discrimination on the basis of race, color, religion or faith, political beliefs, sexual orientation, age, handicap, or national, social or ethnic origin, or aiming to ensure ethnic equal treatment.

In the performance of the Agreement, the Supplier thus commits to comply with the basic human rights as set out in principles 1 and 2 of the UN Global Compact.

2.3 Labour standards

In the performance of the Agreement, the Supplier shall ensure that basic labour standards are complied with, including:

1. that the products/services supplied, in whole or in part, are not produced in contravention of the general ban on forced and compulsory labour as set out, inter alia, in ILO Convention nos. 29 and 105,
2. that the products/services supplied, in whole or in part, are not produced in contravention of the general ban on the use of child labour as set out, inter alia, in ILO Convention nos. 138 and 182,



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3. that the products/services are produced, in whole or in part, in conditions where the general principle regarding the freedom of association and the effective recognition of the right to collective bargaining as set out, inter alia, in ILO Convention nos. 87, 98, and 135 are upheld.
4. that the products/services supplied are produced, in whole or in part, in conditions where the general principle on the right to fair pay as set out, inter alia, in ILO Convention nos. 26 and 131 and Article 23 (3) of the UN Universal Declaration of Human Rights is upheld.
5. that the products/services supplied are produced, in whole or in part, in conditions where the general principle on the right to fair hours of work as set out, inter alia, in ILO Convention nos. 1 and 30 and Article 24 of the UN Universal Declaration of Human Rights is observed.
6. that the products/services supplied are produced, in whole or in part, in conditions where the general principle on the right to occupational safety and health as set out, inter alia, in ILO Convention no. 155 is observed.

In the performance of the Agreement, the Supplier shall thus comply with basic labour rights, including the ban on child labour and forced or compulsory labour as set out in principles 3, 4, 5 and 6 of the UN Global Compact.

2.4 The environment

In the performance of the Agreement, the Supplier shall promote the protection of natural resources and the environment in order to promote a sustainable development of the conditions of human beings and the preservation of animal and plant life.

In the production and supply of the Deliverables under the Agreement, the Supplier shall particularly to the best of its ability strive to

- prevent and fight pollution of air, water, soil and subsoil and any vibration and noise nuisance,
- use hygienic processes for the protection of the environment and human beings,
- reduce use and waste of raw materials and other resources,
- promote the use of cleaner technology and
- promote recycling and reduce problems of disposal of waste.



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In this respect, emphasis is placed on what is obtainable when using the best technology available, including less polluting raw materials, processes and facilities and the best possible anti-pollution measures.

In the performance of the Agreement, the Supplier shall thus contribute to the preservation of natural resources and the environment as set out in principles 7, 8 and 9 of the UN Global Compact.

In this Agreement, the principles are implemented by the Supplier's compliance with specific requirements with respect to the quality of the products/services and minimum requirements of environmental protection and energy efficiency.

2.5 Anti-corruption

A final judgment for corruption during the term of Agreement, including active bribery as defined in Article 3 of the Council Act of 26 May 1997 and Article 3(1) of Council Joint Action 98/742/RIA, respectively, shall be considered material breach, cf. the provisions of the Agreement regarding termination and section 5 in this Appendix.

In addition, any other incident of abuse of entrusted power for private gain shall be deemed to constitute corruption, such as:

- Passive corruption
- Embezzlement
- Fraud
- Criminal breach of trust
- Misconduct

DALO may choose not to terminate the Agreement if, in DALO's opinion, a termination is disproportionate to the actions of the Supplier. In this respect, DALO will consider the measures taken by the Supplier to avoid repetition and the extent to which the Supplier's procedures have been adequate at the time of the breach.



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2.6 The Supplier's obligations

As set out above, the Supplier's obligations under the Agreement only extend to compliance with the mentioned requirements "in the performance of the Agreement". The Supplier's obligations thus only concern what is delivered under the Agreement.

When assessing whether the Supplier in its performance of the Agreement is liable for any non-compliance of the requirements mentioned, the Supplier's own production processes and methods shall be taken into account as well as whether the Supplier's conduct otherwise in the performance of the Agreement may have had an impact, including the Supplier's choice of Subcontractors or choice of components for the products/services.

3. DOCUMENTATION

3.1 General documentation

Except as set out specifically in the Agreement, DALO will not in general request documentation that the Supplier in the performance of the Agreement complies with the above requirements regarding production processes and methods.

It is a condition, however, that the Supplier no later than 30 Days from DALO's written request complies with the following documentation requirements:

1. Statement from the Supplier's management and other documentation

In this statement, the Supplier shall make representation ensuring, on a continuous basis, the compliance of the above requirements regarding human rights, cf. section 2.2, labour standards, cf. section 2.3, the environment in the performance of the Agreement, cf. section 2.4 and anti-corruption, cf. Section 2.5.

2. Reporting of practical measures

In this document, the Supplier shall describe the practical measures taken to ensure the compliance of the requirements mentioned. The document may include a description of obligations undertaken, systems implemented and other measures initiated.



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3. Reporting of results

In this document, the Supplier shall describe the method according to which the initiatives taken are measured. In this respect, standards such as Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines may be used.

The documentation requirements shall be deemed to be complied with when the Supplier has drafted a so-called "Communication on progress" (COP) published on UN Global Compact's webpage. DALO also accepts other types of documentation as long as they fulfil the documentation requirements stipulated.

As a general rule, DALO will not request the documentation mentioned above unless prompted by special circumstances, such as a suspicion based on concrete observations.

If DALO has doubts as to whether the Supplier complies with the requirements set out above regarding human rights, cf. section 2.2, labour standards, cf. section 2.3 and the environment, cf. section 2.4. DALO will as a rule initiate a close dialogue with the Supplier in order to clarify matters of dispute.

The procedure set forth in this clause shall not affect the labour clause or the documentation that can be required according to the labour clause, cf. section 1.

3.2 Procedure in case of suspicion based on concrete observations of non-compliance of requirements regarding human rights, labour standards, or environmental protection

In case of suspicion based on concrete observations regarding non-compliance of the requirements concerning human rights, cf. section 2.2, labour standards, cf. section 2.3, environmental protection, cf. section 2.4 and/or anti-corruption, cf. Section 2.5 in the manufacture of any Deliverables, or part thereof, the Supplier shall promptly, at DALO's request, submit a written statement and documentation of the production processes and/or methods according to which the Deliverables included in the performance of the Agreement have been manufactured and/or otherwise delivered and submit any necessary documentation of the materials used in the Deliverables.

The Supplier shall inform whether its own actions in connection with the performance of the Agreement have an impact on the compliance of the above requirements regarding human rights, labour standards and environmental protection and/or anticorruption including its choice of Subcontractors or components.



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The statement and the supporting documentation shall include any certificates and/or other relevant required documentation to substantiate the production processes and/or methods used as well as the materials used in the Deliverables.

On the basis of the written statement and documentation, etc., and taking all relevant circumstances into consideration, DALO will make a concrete assessment of the individual incident.

4. DEFECTS

A Defect shall be deemed to exist if any Deliverables supplied, in whole or in part, including components of the Deliverables, have been manufactured according to manufacturing processes or is otherwise delivered under methods where the requirements set out in this Appendix regarding human rights, labour standards, environmental protection, and/or anti-corruption have not been observed.

In case of suspicion, based on concrete and strong indications of failure to observe any requirements regarding human rights, cf. section 2.2, labour standards, cf. section 2.3, environmental protection, cf. section 2.4 and/or anti-corruption, cf. Section 2.5 during the performance of the Agreement, in whole or in part, the procedure set out in this Appendix shall be followed. This procedure includes, at DALO's request, a prompt written statement and documentation, etc., from the Supplier, whereupon DALO will make a concrete assessment of the individual incident.

Suspicion based on concrete and strong indications may be deemed to exist, inter alia, if proceedings are brought against the Supplier for violation of human rights, cf. section 2.2., labour standards, cf. section 2.3, environmental requirements, cf. section 2.4, and/or anti-corruption, cf. Section 2.5 connected to the performance of the Agreement in whichever country the proceedings may be brought. If the Supplier becomes aware of having violated the aforementioned requirements, or if proceedings are brought against the Supplier for such violations, the Supplier must immediately, on its own initiative, inform DALO.

Failure to deliver the documentation required in clause 3.1 of this Appendix within 30 Days, failure to deliver the statement and the documentation required promptly in clause 3.2 (in case of suspicion) and/or failure to inform DALO on its own initiative in case of a violation or proceedings brought against the Supplier, shall furthermore be construed as a failure to comply.



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When assessing whether the Supplier is liable for any performance of the Agreement in contravention of this Appendix, the Supplier's own production processes and methods shall be taken into account as well as whether the Supplier's conduct otherwise in the performance of the Agreement may have had an impact, including the Supplier's choice of Subcontractors or choice of components for the Deliverables supplied.

In the event of a Defect due to violation of human rights, cf. section 2.2., labour standards, cf. section 2.3, the environmental requirements, cf. section 2.4 and/or anti-corruption, cf. Section 2.5 set out in this Appendix, DALO shall be entitled to demand:

- That the Supplier promptly remedies the Defect upon DALO's request to this effect,
- That the Supplier, henceforth, in the performance of the Agreement, comply with the requirements set out in this Appendix regarding human rights, cf. section 2.2 labour standards, cf. section 2.3 , environmental protection, cf. section 2.4, and anti-corruption, cf. Section 2.5 and
- That the Supplier compensates in full any damage caused, including payment of adequate compensation. The assessment of whether any damage caused in the performance of the Agreement has been compensated in full shall not be affected by the provisions of any national rules on tort, governing the incident in question, only providing for partial indemnification.
- [That the Supplier pays DALO a liquidated damage of [beløb svarende til 2 % af rammeaftalens skønnede volumen]

5. BREACH

Reference is made to the provisions of the Agreement regarding termination.