

**ENERGINET**

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## APPENDIX – LABOUR CLAUSE

### 1. OBLIGATION

- 1.1 The Supplier undertakes to ensure that the employees employed by the Supplier and any sub-suppliers who contribute in Denmark to the performance of the assignment receive salary or wages (including special benefits) and work under employment conditions which are not less favourable than those applicable to work of the same type in accordance with a collective agreement concluded by the most representative labour market parties in Denmark within the relevant industrial area and which apply to the entire Danish area, cf. the Danish Ministry of Employment's circular on labour clauses in public Agreements.
- 1.2 In this connection, several collective agreements which have been concluded with the same employers' association and under the same employee organisation and under terms and conditions which must be regarded as uniform and which overall apply nationally are also regarded as one collective agreement applicable in the whole Danish area.

### 2. REQUIREMENTS FOR THE SUPPLIER

- 2.1 The Supplier must ensure that employees of the Supplier and any sub-suppliers are informed about the applicable working conditions and this labour clause. The Supplier is responsible for providing this information in a way that ensures that the individual employee understands the information. When hiring employees who do not speak and understand Danish or English, the information must be provided in the employee's mother tongue, for example via an interpreter.
- 2.2 The Supplier must ensure that employees of the Supplier and any sub-supplier have received an employment Agreement within seven working days after commencement of the work.
- 2.3 The Supplier must ensure that employees of the Supplier and any sub-suppliers are covered by valid workmen's compensation insurance.
- 2.4 If foreign labour is used, the Supplier must ensure that only employees with a valid residence and work permit are used by the Supplier and any sub-suppliers.
- 2.5 The Supplier must ensure that the Supplier and any sub-suppliers that have an obligation to notify the Register of Foreign Service Providers (RUT) comply, at their own initiative, with the obligations that the duty of notification entails.
- 2.6 If employees of the Supplier or the sub-suppliers cannot reasonably commute between the place of work and their home address or do not have their permanent address in Denmark, accommodation must be provided in accordance with the applicable legislation, and any payment for this must be reasonable in relation to the nature and type

of the accommodation. The individual employee must be able to choose not to use the accommodation provided, and any payment for accommodation must not form part of the employee's salary or wages. There must be a tenancy agreement that Customer can request on demand.

2.7 Overnight stays are not allowed at the work site.

2.8 Until the expiry of the Agreement, the Supplier must keep an updated list of the persons and businesses engaged in the performance of the Agreement on the work site. The list must comprise the persons employed on the work site at any given time, regardless of whether these persons are employed with the Supplier or a sub-supplier.

As an integral part of the list, it must be possible to identify the individual person, for example with employee number, as well as the employee's time registration for arrival and departure on the work site.

Arrival and departure registrations must be made digitally, for example by gate registration or via an app solution. If the Supplier's digital solution does not meet Customer's requirements, Customer reserves the right to demand an improved solution.

The Supplier is responsible for ensuring that this list can be supplied to Customer on demand at any given time.

### 3. DOCUMENTATION AND MONITORING OF COMPLIANCE WITH THE LABOUR CLAUSE

3.1 Customer may at any given time request relevant documentation of compliance with the labour clause. This applies regardless of whether the documentation concerns employees of the Supplier or its sub-suppliers.

The Supplier and any sub-suppliers must submit the documentation directly to Customer. Customer will become the data controller for the documentation submitted in this connection. Documentation is sent via secure email directly to Team Fair Pay at [socialdumping@energinet.dk](mailto:socialdumping@energinet.dk) or via [e-boks.com](mailto:e-boks.com).

The Supplier is responsible for ensuring that all submitted documentation, whether it concerns the Supplier or the sub-suppliers, is in either Danish or English. Customer reserves the right to reject documentation that does not comply with the above requirements.

3.2 The Supplier is obliged to immediately grant access to or submit information regarding sub-section 2.3 (valid workmen's compensation insurance), sub-section 2.5 (RUT registration) and sub-section 2.8 (the list) upon receipt of Customer's written request for this.

3.3 Upon written request and within ten working days, the Supplier is obliged to provide relevant documentation for both its own and any sub-suppliers' employees, such as payslips and time sheets, payroll accounts and employment Agreements, pension payments, e-income receipts from the Danish Tax Agency per employee with an overview of the Supplier's and sub-suppliers' paid withholding tax ('A-tax') for the employees in question. The list of documentation requirements is not exhaustive.

For persons for whom the information is reported to the tax authorities of other countries, corresponding information must be provided.

Customer may request the Supplier to complete a questionnaire on the documentation in question. The completed questionnaire must be received by Customer no later than five working days after receipt of the request.

3.4 The Supplier must ensure that any documentation regarding this labour clause is maintained throughout the term of the Agreement and until any pending matters under the labour clause have been resolved.

3.5 The Supplier must ensure that personal data are processed in conformity with the data protection legislation in force at any given time. Access to the list, cf. sub-section 2.8, or submission of documentation, cf. sub-sections 3.1-3.3, must therefore be in compliance with the data protection legislation in force at any given time. The Supplier must ensure that a consent, if necessary, from the individual employee has been obtained in conformity with the

data protection legislation for the disclosure of information described above, so that the stipulated deadline of ten working days can be complied with.

- 3.6 Customer may seek advice from relevant employers' associations and/or employee organisations for the assessment of whether the Supplier or sub-suppliers have complied with the labour clause.
- 3.7 Customer may disclose information about the Supplier's compliance with the labour clause to the Danish Tax Agency, the Police, or the Danish Working Environment Authority if such disclosure is regarded as being of material importance to the activities of these authorities. Correspondingly, Customer may disclose information regarding the Supplier's compliance with the labour clause to the police on suspicion that a criminal offence has been committed.
- 3.8 Customer or a representative of Customer reserves the right to make unannounced visits on the work site on an ongoing basis to verify compliance with the labour clause.

## **4. SANCTIONS FOR NON-COMPLIANCE WITH THE LABOUR CLAUSE**

### **4.1 Withholding and set-off of remuneration**

- 4.1.1 If the Supplier or its sub-suppliers do not comply with the obligations under section 1 of the labour clause, Customer may withhold and set off amounts against the Supplier's remuneration on an ongoing basis to safeguard the employees' terms of pay and employment in pursuance of the labour clause. The amount withheld and set off may also include reasonable costs for calculation, verification, and disbursement of compensation to the employees. The withheld and offset amount will only be disbursed to the Supplier if the Supplier satisfactorily documents that correct back payment has been made to the affected employees.
- 4.1.2 If the condition for withholding and setoff of remuneration, cf. sub-section 4.1.1, has been met, and the withheld remuneration cannot be disbursed to the employees concerned, the amounts will accrue to Customer.

### **4.2 Penalty for non-submission of documentation**

- 4.2.1 The Supplier will incur a penalty if the time limit of ten working days for submission of documentation is not met, cf. section 3 of the labour clause. For each required document for each employee, the penalty will amount to DKK 1,000 per commenced working day until the Supplier has submitted the required documentation. The amount may be withheld and set off against the Supplier's remuneration on an ongoing basis.
- 4.2.2 If the Supplier has not submitted the required documentation within 60 calendar days of the request, Customer will calculate a claim for back payment on a discretionary basis, for example based on observations and the scope of work performed. The penalty will then cease in pursuance of sub-section 4.2.1 unless a new documentation claim arises. The penalty will then be calculated in pursuance of sub-section 4.3. The amount may be withheld and set off against the Supplier's remuneration on an ongoing basis.
- 4.2.3 The Supplier will be liable to pay a penalty if access to the list is not granted in conformity with sub-sections 2.8 and 3.2. This penalty amounts to DKK 10,000 per commenced working day until the Supplier has granted access to the list. The amount may be withheld and set off against the Supplier's remuneration on an ongoing basis.

### **4.3 Penalty for non-compliance with the labour clause**

- 4.3.1 The Supplier will be liable to pay a penalty for any breach of the labour clause. The penalty amounts to 1‰ of the Agreement sum, however, minimum DKK 10,000 and maximum DKK 50,000 per commenced working day until

the breach has been brought to an end, and this has been documented to Customer. The amount may be withheld and set off against the Supplier's remuneration on an ongoing basis.

- 4.3.2 In the event of underpayment of an employee of the Supplier or a sub-supplier of more than 15 %, the Supplier will be subject to an additional penalty of DKK 1,000 for each employee per commenced working day until the breach has been brought to an end. In the event of underpayment of an employee of the Supplier or a sub-supplier of more than 50 %, the Supplier will instead be subject to a penalty of DKK 3,000 for each employee per commenced working day until the breach has been brought to an end. The amount may be withheld and set off against the Supplier's remuneration on an ongoing basis.

#### 4.4 General provisions on sanctions

- 4.4.1 The sanctions stipulated in sub-sections 4.1-4.3 may be applied concurrently. A penalty may thus be added to a withheld amount.
- 4.4.2 The sanctions in pursuance of sub-sections 4.1-4.3 do not exempt the Supplier from compliance with the obligation to perform the Agreement.
- 4.4.3 The Supplier's material or repeated breach of the labour clause will entitle Customer to terminate the Agreement in full or in part. Material breaches are, for example, gross or repeated breaches of the provisions in sections 1 and 2 of the labour clause. Gross breaches are, for example, underpayment of 15% or more of the total salary or wages (including special benefits) calculated per employee. Repeated breaches also include multiple breaches ascertained under this Agreement and other Agreements between the parties.
- 4.4.4 If a sub-supplier is in breach of the labour clause, Customer may demand that the Supplier terminates the cooperation with the sub-supplier in question. The termination of cooperation with a sub-supplier pursuant to this provision does not entitle the Supplier to damages, remuneration or other financial compensation, nor does such termination entitle the Supplier to an extension of a time limit.

### 5. LIABILITY FOR SUB-SUPPLIERS

- 5.1 The Supplier must provide information about the name, contact details and legal representative of all sub-suppliers. The obligation pursuant to this provision applies to all sub-suppliers throughout the term of the Agreement. The Supplier is responsible for regularly updating a list of all sub-suppliers, which can be handed over to Customer immediately upon request.
- 5.2 The Supplier has the same liability under the labour clause and the resulting access/documentation obligation, regardless of whether the assignment under the Agreement is performed by the Supplier itself or by a sub-supplier. This includes that the Supplier must ensure that any sub-suppliers meet their obligations under the labour clause in connection with performance of the Agreement. The Supplier's obligation to document or account for the compliance with the labour clause also includes documentation of and account for sub-suppliers' performance and compliance.
- 5.3 If sub-suppliers do not comply with the labour clause, Customer can impose sanctions for the non-performance on the Supplier as if it were the Supplier itself that had breached its obligation(s) under the labour clause.