



Babcock & Wilcox Enterprises, Inc.  
**Supplier Code of Conduct**

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## ***Committed to Integrity***

Babcock & Wilcox (B&W) strives to conduct business with individuals and organizations who share our commitment to high ethical standards and who operate in a socially and environmentally responsible manner. We believe that society and business are best served by responsible business behaviors and practices. Fundamental to this belief is the understanding that a business must, at a minimum, operate in full compliance with all applicable laws, rules and regulations.

To reinforce the standards to which we are committed, and to which we hold our business partners, B&W developed this Supplier Code of Conduct, which contains principles and standards recognized and adopted by a wide spectrum of industries.

## ***Expectations***

B&W sets high standards for conducting business ethically and in accordance with the law. We expect the same commitment from our Suppliers (including contractors, subcontractors and vendors) and Third Party Intermediaries (TPIs). This Supplier Code of Conduct presents basic principles for Suppliers and TPIs in dealing with B&W. We consider these principles in our selection of Suppliers and TPIs and monitor to ensure compliance.

As part of an initial screening of new Suppliers and TPIs, B&W seeks assurance of compliance with this Supplier Code of Conduct. By doing business with B&W, all Suppliers and TPIs agree to comply with the requirements and meet the expectations set forth in this Supplier Code of Conduct.

It is up to each Supplier and TPI how to meet and demonstrate compliance with the principles and standards as stated in the Supplier Code of Conduct. B&W shall retain audit and inspection rights to verify compliance.

Our Suppliers and TPIs must apply these or similar principles to the Suppliers and TPIs with whom they work in providing goods and services to B&W.

### ***Suppliers and TPIs Are Expected To:***

- Firmly adhere to ethical business practices focusing on the ethical treatment of people and the economic, environmental and social sustainability of the communities in which they live, work and source materials
- Integrate, communicate and apply these principles
- Operate in full compliance with all applicable laws, rules and regulations
- Implement a business strategy that promotes continuing compliance with these principles over time

# BUSINESS ETHICS AND COMPLIANCE

*Suppliers and TPIs shall conduct their business in an ethical manner and act with integrity.*

## **Corruption and Anti-bribery**

B&W Suppliers and TPIs shall comply with all applicable laws and regulations on corruption, bribery, prohibited business practices, and extortion. Furthermore, Suppliers and TPIs must not offer or accept bribes, kickbacks, improper payments, or unlawful incentives of any kind to or from their business partners, government officials or other third parties, either directly or indirectly for the purpose of, or in a way that may give the impression that the purpose is for:

- Influencing judgment or conduct of any individual or company
- Ensuring a desired outcome or action of any individual or company
- Obtaining a benefit we are not legally entitled to receive; or
- Securing or retaining business from, or otherwise influencing any government official, political party, political candidate, or official.

Payments of any kind including facilitating payments (also referred to as grease payments) or offers to pay or give anything of value to any official or representatives of such officials in order to further B&W business are not permitted.

Suppliers and TPIs shall work against corruption in all its forms and must comply with all applicable anti-bribery/anti-corruption laws, including, but not limited to, the Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act.

## **Gifts & Entertainment**

We understand and recognize that gifts and entertainment can be used in positive ways to build relationships. Strong relationships with our Suppliers and TPIs are vital to our work; however, giving and receiving gifts or entertainment can potentially affect the independence of our judgment and that of our customers, and may create the appearance of favoritism or a conflict of interest. Suppliers and TPIs should not provide any gift or entertainment that might influence, or appear to influence, a decision in relation to the Supplier or TPI.

B&W operates in many countries with unique local traditions. In many cultures, gifts and entertainment are integral to good business practice. In these cases, giving or receiving gifts or entertainment is permissible only if the reason for the gift or entertainment is appropriate and complies with B&W's gift and entertainment policy.

While promotional logo items are generally acceptable, cash, gift cards or other cash equivalents are prohibited. Good judgment and high ethical standards are prerequisites to all business dealings.

If the Supplier or TPI is in a bid process or contract negotiations with B&W, the Supplier or TPI must not offer gifts or entertainment of any kind to a B&W employee involved in this process or employees in positions involving direct influence over the Supplier or TPI's work for B&W.

### ***Conflicts of Interest***

Suppliers and TPIs must avoid any interaction that might conflict or appear to conflict with the interests of B&W. Conflicts of interest can arise in many circumstances. The most common conflicts are personal or financial interests. All actual or potential conflicts of interest must be disclosed to B&W management as soon as possible and documented.

### ***Fair Business Competition***

Fair competition laws forbid agreements or activities that restrain trade or limit competition. B&W is committed to fair competition in compliance with applicable laws. Suppliers and TPIs must not enter into agreements or actions that illegally restrain trade or restrict competition. Suppliers and TPIs must not offer our employees any confidential information about a B&W competitor.

Suppliers and TPIs shall conduct their business consistent with fair and vigorous competition and in compliance with applicable antitrust laws. Suppliers and TPIs are required to conduct their activities in such a manner as to avoid not only antitrust offenses, but even the appearance of such an offense.

### ***Influencing Bids and Contract Negotiations***

Suppliers and TPIs shall safeguard and maintain the integrity of B&W's bid and contract negotiation process. Suppliers and TPIs shall refrain from initiating or participating in private discussions about a bid or proposed contract (prior to an award) with any B&W employee or business contact not specifically authorized to speak on B&W's behalf in order to influence the outcome of a bid or contract award. This prohibition does not apply to a Supplier or TPI's disclosure and notification of potential conflicts of interest or reporting of violations or concerns.

### ***Integrity of Records and Accounting Procedures***

All financial books and records must conform to generally accepted accounting principles. Records must be complete and accurate in all material respects. Records must be legible, transparent and accurately reflect all transactions and payments.

## ***Trade Compliance***

Suppliers and TPIs must comply with all applicable import and export controls, embargoes, sanctions and other trade compliance laws of the United States as well as the laws of applicable countries where transactions occur.

Compliance with the letter and spirit of all applicable import, export, and trade compliance laws is mandatory. Suppliers and TPIs shall ensure that any transfer of products, services, software, equipment, information, items, or knowledge across U.S. and other borders is lawful. Suppliers and TPIs shall also ensure that they do not engage in any impermissible transactions with denied parties, embargoed/sanctioned countries, or their nationals.

To ensure compliance, Suppliers and TPIs are required to ensure that all applicable parties in each transaction are screened to prevent denied party involvement and/or to identify any restrictions against each party; ensure end users are screened so no goods and services are transferred for prohibited or restricted end uses; ensure countries are screened to determine whether individuals or entities located in or associated with certain embargoed countries or countries otherwise subject to U.S. and/or local government trade restrictions, are involved in or would benefit from the transaction; ensure orders are screened against diversion risks; and assist in ensuring B&W does not cooperate with or agree to illegal boycott language.

Suppliers shall provide to B&W the applicable export classifications including (where applicable) the dates and reference numbers issued by the U.S. Bureau of Industry & Security or other governmental authority with applicable jurisdiction. Suppliers shall also provide the applicable country of origin to evidence legal and responsible sourcing. Suppliers shall include the export classifications and country of origin information in the packing list with the goods or when sooner requested by B&W. When applicable, Suppliers are responsible for obtaining, at their sole expense, any export license or approval regarding the export of Supplier's goods.

## ***Protection of Physical Assets and Proprietary Information***

B&W's assets – both physical and intellectual – are highly valuable and are used to advance B&W's business purposes and goals. All Suppliers and TPIs shall safeguard and use confidential information only as authorized by B&W and ensure that all privacy and intellectual property rights of B&W and its employees are protected.

Unless authorized in writing by B&W, Suppliers and TPIs shall not share B&W confidential or proprietary information that they have acquired with any third party.

Suppliers and TPIs shall ensure, and be prepared to demonstrate, that they have appropriate safeguards in place to protect B&W's confidential information. Suppliers and TPIs shall also ensure that all confidential or proprietary information and/or materials of B&W are properly destroyed or returned upon termination of the relationship with B&W.

## Conflict Minerals

Suppliers shall take reasonable steps to ensure that products supplied to B&W are conflict-free, meaning the products do not contain minerals that directly or indirectly finance or benefit armed groups, or are under the control of armed groups in the Democratic Republic of Congo or adjoining countries. Suppliers shall source components and materials responsibly, in a manner that shows respect for human rights, ethics, and environmental responsibility.

Suppliers shall exercise due diligence, as applicable, on the sourcing of conflict minerals (tantalum, tin, tungsten and gold) and perform a reasonable country of origin inquiry with respect to such conflict minerals, including requiring their suppliers and sub-suppliers to engage in similar due diligence. Suppliers will, upon request, provide annual disclosures concerning the use and sourcing of conflict minerals in goods and the upstream supply chain of goods in the format specified by B&W.

# ENVIRONMENTAL, HEALTH, SAFETY & QUALITY

*Suppliers and TPIs shall provide a safe and healthy working environment and operate in an environmentally responsible and efficient manner. Suppliers and TPIs will integrate quality into their business processes.*

## **Supplier Selection and Management**

Safety is a core value at B&W. We define success as each employee, Supplier, TPI and visitor finishing each and every day injury- and incident-free. To support this vision, B&W works with businesses that hold the same values as we do. We pre-qualify our Suppliers to a set of Environmental, Health & Safety (EH&S) standards. Pre-qualification is an assessment of a Supplier's ability to meet B&W's EH&S and insurance requirements before being engaged to perform service on a B&W project or property. This level of involvement continues at project sites where work is performed, often at our customer sites. Our core processes will guide our decisions at project sites.

## **Worker Protection**

Suppliers and TPIs shall protect workers from overexposure to chemical, biological and physical hazards and overly physically demanding tasks in the workplace as well as from risks associated with any infrastructures used by their employees. Suppliers and TPIs will provide appropriate controls, safe work procedures, preventative maintenance, and necessary technical protective measures to mitigate health and safety risks in the workplace.

## **Process Safety**

Suppliers will have safety programs in place for managing and maintaining all their production processes in accordance with applicable safety standards. For hazardous installations, Suppliers will conduct specific risk analysis and implement measures that prevent the occurrence of incidents. Suppliers and TPIs responsible for the transportation of dangerous or hazardous materials must have processes in place to ensure the safety and protection of the general public, involved persons, B&W assets, and the environment.

## **Emergency Preparedness and Response**

Suppliers and TPIs shall identify and assess emergency situations in the workplace and minimize their impact through prevention training and by implementing emergency plans and response procedures.



## ***Hazard Information***

Suppliers and TPIs shall make safety information relating to hazards available to educate, train and protect workers from such hazards.

## ***Environmental Authorizations***

Suppliers and TPIs shall comply with all applicable environmental regulations. Suppliers and TPIs shall obtain all required environmental permits, licenses, and information registrations and shall follow all applicable operational and reporting requirements.

## ***Quality***

B&W delivers products and projects that meet the customer's contractual requirements, applicable code standards and required regulatory statutes. We view our Suppliers and TPIs as an extension of our own processes and expect the same high quality.

## LABOR & HUMAN RIGHTS

*Suppliers and TPIs are expected to protect the human rights of their employees and to treat them with dignity and respect.*

### **Modern Slavery**

Suppliers and TPIs shall not utilize modern slavery methods in their supply chains. Modern slavery refers to activities resulting in an abhorrent abuse of human rights including the offences of slavery, servitude, forced or compulsory labor and human trafficking. Without limiting the generality of the foregoing, Suppliers and TPIs shall comply, and shall ensure that each of their subcontractors comply, with all applicable laws, statutes and regulations regarding modern slavery and human trafficking including, but not limited to, the U.K. Modern Slavery Act 2015 and any successor legislation.

### **Fair Treatment**

Suppliers and TPIs shall provide a workplace free of harsh and inhumane treatment and threats of such treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse of workers.

### **Harassment and Discrimination**

Suppliers and TPIs shall adhere to the fundamental principle of equal treatment of all employees. Suppliers and TPIs shall provide a workplace free of harassment and discrimination. Discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, genetic information, religion, national origin, citizenship status, veteran status or any other category protected by applicable law is not permitted.

### **Child Labor and Young Workers**

Suppliers and TPIs must prohibit the employment of individuals under the legal minimum working age of the jurisdiction or country where the Supplier or TPI operates, unless that requirement is below the standards established by the International Labor Organization (ILO) (which generally requires workers to be 15 years old or older for non-hazardous conditions and 16 years old or older for positions identified as potentially hazardous). In such cases, the Supplier and TPI must meet the ILO standards.



## ***Wages, Benefits and Working Hours***

Suppliers and TPIs must comply with all applicable work hour laws and regulations and shall pay workers according to applicable wage laws including minimum wages, overtime hours, and mandated benefits. Suppliers and TPIs shall communicate with the worker the basis on which they are being compensated in a timely manner. Suppliers and TPIs are also expected to communicate with the worker whether overtime is required and the wages to be paid for such overtime.

## ***Privacy & Data Protection***

Suppliers and TPIs shall respect individuals in a manner consistent with the rights to, and shall comply with, all applicable laws and regulations related to privacy and data protection. Suppliers and TPIs shall at all times use information about people appropriately for necessary business purposes and protect such information from misuse in order to prevent harm to individuals such as discrimination, persecution or other damage to reputation and personal dignity, impact on physical integrity, fraud, financial loss, or identity theft.

## ***Freedom of Association***

Suppliers and TPIs shall comply with all applicable laws relating to employees' rights to engage in concerted activity or collective bargaining.

## RAISING CONCERNS

*Employees of Suppliers and TPIs should begin by contacting their own company to resolve internal ethics and compliance concerns.*

### **Identification of Concerns**

Suppliers and TPIs shall encourage all workers to report concerns or illegal activities without threat of retaliation, intimidation or harassment; and shall investigate and take corrective action, as needed.

Suppliers and TPIs who believe that a B&W employee, or anyone acting on behalf of B&W, has engaged in illegal or otherwise improper conduct must report the matter promptly to the B&W Integrity Line. B&W prohibits retaliation in any form against a person for reporting a concern in good faith. B&W's goal is to have a work environment where our employees, Suppliers and TPIs feel safe to report issues without fear of retaliation.

The B&W Integrity Line is available 24 hours a day, 7 days a week and is staffed by an outside organization, and you have the option to remain anonymous when you call. The operator will not provide advice but will relay the information to the B&W Ethics and Compliance Department and give you a report number, PIN and a follow-up date. Although questions and concerns raised to the B&W Integrity Line are sent to the Ethics and Compliance Department for review and investigation, no identifying information is forwarded without your consent.



 **CONTACT US**

#### **B&W Integrity Line - Phone**

**1-888-475-0003 (U.S./Canada)**

**866-800-4525 (U.K.)**

[International Phone Number Listing](#)

#### **B&W Integrity Line - Web**

[www.babcockandwilcox.ethicspoint.com](http://www.babcockandwilcox.ethicspoint.com)

#### **Email**

Email: [ethics@babcock.com](mailto:ethics@babcock.com)

B&W Ethics & Compliance receives, investigates and tracks alleged violations of the Code of Business Conduct and applicable law.