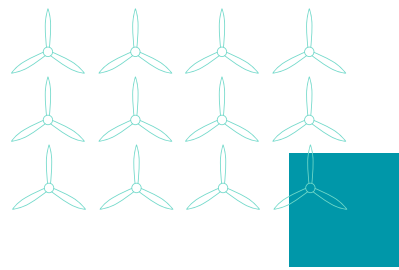


# Sustainable Procurement Code

# Foreword



**“The business activities of SSE have never felt so important. While the responsibility to provide electricity to millions of homes and businesses in the UK and Ireland has always been important, the urgency of climate change gives added impetus. Our business purpose and our strategy are wholly focused on providing the low carbon electricity infrastructure to create a net zero electricity system and avoid the worst effects of climate change.”**

While SSE directly employs many thousands of people and its investment could total in excess of £24bn+ over the next decade, I know we have little chance of achieving our business goals without the support and commitment of our supply chain partners. With over 6,000 suppliers on our books, and amongst them, companies we have worked closely with for many years, this Sustainable Procurement Code is designed to help current and prospective suppliers understand – and join – SSE’s strategy for sustainable growth.

## Taking Climate Action

First and foremost, an unwavering commitment to cut carbon emissions is something we would expect our supply partners to share. Reducing our carbon footprint, in line with the prevailing science and consistent with a 1.5-degree world, is something we expect to be talking to suppliers about for many years to come. The bottom line is that all of our operations must be net carbon zero by 2050 at the latest and we – and our suppliers - must plan how we will get there.

## Fairness to People and Communities

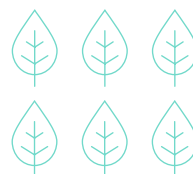
Secondly, the scale of the transformation to net zero – for both the economy and the country – means there are implications for people and their communities. Treating employees fairly, whether they are directly or indirectly employed is a fundamental principle for SSE. Our Sustainable Procurement Code sets out in detail our ambitions for the careful and close management of any human rights risk and the importance of adhering to international standards on labour rights. First class community relations must be the foundation of our development projects and sharing economic prosperity with people close to our low carbon investments continues to be an area of increasing importance to us.

## Doing the Right Thing

Finally, I want to reinforce our fundamental expectations of ethical business conduct and strongly believe quality supply relationships must be founded on integrity, honesty and mutual trust. That means there is zero tolerance in SSE of unethical business activity, and we would encourage any supplier to Speak Up in the event of wrong-doing.

I wouldn’t want our supply partners to consider our Sustainable Procurement Code as a tick-box exercise, nor would I want this Code to be interpreted as a one-way exercise. In fact, I hope the exact opposite occurs and that the Code stimulates high value discussions in our client-supplier relationships in the years and decades to come.

**Ronnie Fleming**  
Chief Procurement Officer



## About This Code

SSE's supply chain enables it to deliver its business strategy and create value. SSE therefore aims to work with suppliers and contractors to ensure its key values are supported, managed and, where possible, improved through stronger relationships, innovation and enhanced management of shared risks and opportunities.

This Sustainable Procurement Code outlines the expectations and requirements on SSE's suppliers and contractors, and their supply chains, when undertaking work on SSE's behalf. This goes beyond just complying with local laws and regulations and respecting internationally recognised human and labour rights: SSE also expects values and standards around sustainability and fairness to be upheld by those working in its supply chain. The updated code for 2024 now aligns with our [Sustainable Procurement Plan](#) and key actions that we have done from a group and business unit level.

Suppliers and contractors should be aware that SSE may require measurement, reporting and evidence of how they are meeting the expectations and requirements outlined within this Code. Suppliers are expected to adhere to this code not only because it is the right thing to do, but also because it is within their commercial interest. SSE widely poses sustainability questions within tenders and applies weighted evaluation models against sustainability responses to select successful tenderers. Further, suppliers are held to account on their sustainability requirements via contractual mechanisms.

## About SSE









SSE plc is a UK-listed energy company that employs around 14,000 people. It develops, builds, operates, and invests in low-carbon electricity infrastructure in support of the transition to net zero. This includes onshore and offshore wind, hydro power, flexible thermal generation, electricity transmission and distribution networks, and localised energy systems. It also provides energy products and services for businesses and other customers.

SSE's purpose is to provide energy needed today while building a better world of energy for tomorrow and its vision is to be a leading energy company in a net-zero world. In order to achieve this, SSE's strategy is to create value for shareholders and society in a sustainable way through the successful development, efficient operation and responsible ownership of energy infrastructure and businesses.

SSE has set four core business goals for 2030, directly aligned to the UN's Sustainable Development Goals (SDGs) most material to its business. Its 2030 Goals address the challenge of climate change at their core, ensuring SSE does this in a sustainable way that creates and shares value with shareholders and society.

SSE is also a partner of the Supply Chain Sustainability School which provides completely free guidance and resources on a wide range of sustainability topics for suppliers and contractors.

# SSE 2030 Core Business Goals

 <p><b>Cut carbon intensity by 80%</b></p>	 <p><b>Increase renewable energy output fivefold</b></p>	 <p><b>Enable low-carbon generation and demand</b></p>	 <p><b>Champion a fair and just energy transition</b></p>
<p>Reduce Scope 1 carbon intensity by 80% by 2030, compared to 2017/18 levels, to 61gCO<sub>2</sub>e/kWh.</p> 	<p>Build a renewable energy portfolio that generates at least 50TWh of renewable electricity a year by 2030.</p> 	<p>Enable at least 20GW of renewable generation and facilitate around 2 million EVs and 1 million heat pumps on SSEN's electricity networks by 2030.</p> 	<p>Be a global leader for the just transition to net zero, with a guarantee of fair work and commitment to paying fair tax and sharing economic value.</p> 

For more information, please visit [Sustainability | SSE](#)

# Definitions

- 'Supplier' and 'contractor' refers to all organisations within SSE's supply chain which provide goods, works, or services in return for payment.
- Where suppliers and contractors are 'required', this is a minimum standard or action which must be met by the supplier or contractor. Evidence of compliance must be provided to SSE if requested.
- When 'encouraged' is used, this indicates an aspirational action where SSE would like to see progress.

# Taking Climate Action



SSE's strategy is addressing the challenge of climate change at its heart. Its focus on core businesses of renewable electricity generation and economically-regulated electricity networks, complemented by provision of electricity from thermal sources, allows SSE to realise the opportunities presented by the transition to net zero. SSE's 2030 goal is to reduce Scope 1 carbon intensity by 80%, compared to 2017/18 levels, to 61gCO<sub>2</sub>e/kWh.

## Net Zero Carbon Emissions

SSE has a long-term goal of achieving net zero greenhouse gas (GHG) emissions across its scope 1 and scope 2 emissions by 2040 (subject to security of supply requirements) and for remaining scope 3 emissions by 2050. These net zero ambitions are supported

by its interim science-based targets aligned to a 1.5°C pathway. SSE's Net Zero Transition Plan clearly sets out for our stakeholders the key actions we will take to drive progress towards these targets.

## De-carbonising the energy supply chain

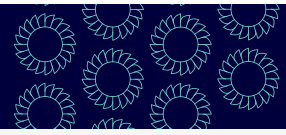
A core commitment amongst SSE's Science-Based Targets is to work pro-actively with its supply chain to set their own science-based targets so that 50% of its suppliers by spend will have a science-based target by 2024.

## Climate adaptation

SSE is mindful of the ways in which the physical impacts of climate change may impact its business in the future and has a number of mitigation measures in place to ensure business continuity.



# Suppliers and Contractors requirements:



## Net zero carbon emissions

### Suppliers and contractors are:

- Required to actively reduce, and where requested provide project-level reporting on the carbon impacts of construction works carried out for SSE, including the embodied carbon of construction materials procured by or on behalf of SSE.
- Required to provide product carbon footprints for any manufactured assets procured by or behalf of SSE in alignment with a relevant standard (e.g. ISO 14067, ISO 14025) or utilising an agreed product carbon footprint tool.
- Required to report annually on scope 1 and 2 Greenhouse Gas (GHG) emissions in line with recognised frameworks and standards (such as the GHG protocol in the UK Government's environmental reporting guidelines).
- Required to have carbon data externally validated to recognised standards (such as ISO14064 and ISAE3000) or by equivalent credible accredited third parties
- Required to ensure that any beyond value chain mitigation actions undertaken through the provision of goods and/or services to SSE are in alignment with recognised science and independent frameworks and that any avoided or removed emissions from those actions are accounted for separately from any claimed emissions reductions for the goods and/or services provided.
- Required to provide carbon reporting for works carried out at SSE sites, if requested by SSE.
- Encouraged to manage carbon impacts at the project level in accordance with a relevant standard (such as PAS 2080).
- Encouraged to provide costed options for carbon reduction on works carried out for SSE, including demonstration of where carbon reduction options can result in whole-life cost savings.

## Decarbonising the supply chain

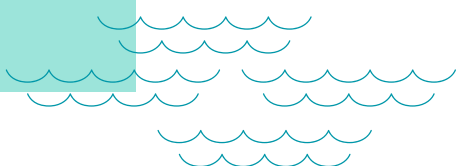
### Suppliers and contractors are:

- Required to have a net zero carbon reduction strategy and associated commitment or target in place, which is in line with the latest climate science and has a target year of no later than 2050.
- Required to have validated science-based carbon reduction targets, in line with a 1.5°C pathway, with an external validation body (such as [Science Based Target initiative](#) (SBTi)) or equivalent. Companies which are categorised as Small Medium Enterprises (SMEs) are encouraged to sign up to the SBTi's SME pathway.
- Encouraged to sign up to [Race To Zero](#) to support and build momentum around the transition to net zero.
- Encouraged to join up to decarbonisation initiatives relevant to their business (e.g. SteelZero, ConcreteZero, EV100)

## Climate adaptation

### Suppliers and contractors are:

- Required to strengthen their resilience and adaptive capacity to climate related hazards and natural disasters.
- Required to actively reduce impacts of climate change (i.e. physical acute and chronic impacts of climate and weather) on goods, works and services by offering climate resilient design alternatives where possible.
- Required to provide evidence of climate adaptation strategy and its implementation (such as detailed risk assessments), if requested by SSE.



# Protecting the Natural Environment



Delivering SSE's strategy means protecting and enhancing the environment in which it develops, constructs and operates assets. SSE has identified SDG 12 Responsible consumption and production, SDG 14 Life below water, and SDG 15 Life on land as material to its business. Its Environment Strategy is designed to ensure that environmental impacts are considered throughout SSE's operations and are carefully managed.

## Environmental management and Governance

SSE employs an environmental management system (EMS) across key areas of its business that interact with the environment. It is certified to ISO14001:2015 for around 100% of its business operations.

## Biodiversity

SSE seeks to protect and enhance valuable ecosystems, habitats and species within the areas it operates. For onshore large capital projects, all of SSE's Business Units have committed to delivering 'no net loss' in biodiversity on those projects consented from 2023 onwards and 'net gain' in biodiversity in those consented from 2025 onwards.

## Responsible Consumption and Production

SSE seeks to manage the impacts of its business activities and its supply chain on the environment by promoting circular economy, minimising waste generation and selecting materials that have a positive sustainable lifecycle impact.

SSE is working to embed the circularity principles of (1) eliminating waste, (2) circulating products and

materials and (3) regenerating nature. By embedding these principles into our operations we can to minimise our environmental impact, enhance operational efficiency, strengthen resilience to resource shortages and create value for stakeholders. adopt the waste hierarchy and increase recycling, while promoting diversion from landfill for any discarded materials. Our 2024/25 FY targets are to recycle a minimum of 50% of our discarded materials by tonnage and divert a minimum of 95% by tonnage from landfill.

## Energy Management

For a company like SSE, it is crucial that the energy used in its operations is used efficiently, as such, it has an annual reduction target of 7.19% against a 2020/21 baseline, to align with its ambition of achieving a net zero non-operational buildings (offices, depots and data centres) estate by 2035. This is supported by investment in energy efficiency measures and the use of 100% renewable energy in its non-operational buildings and aligns to the commitments set out in the Climate Group's global EP100 initiative, which SSE is a member of.

## Water

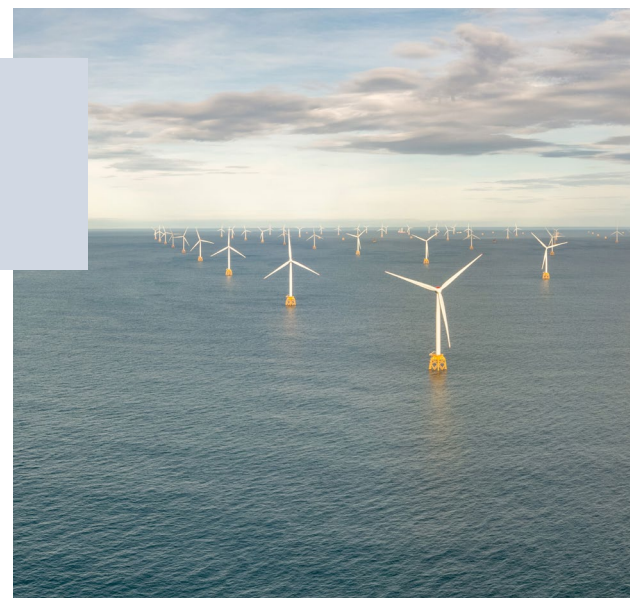
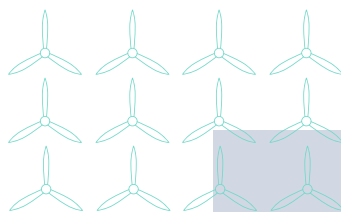
SSE depends on water in many ways across its operations, from use in electricity generation to being used as an amenity in its buildings. While none of SSE's core operations have an impact on water-stressed areas, SSE seeks to use water in a sustainable way and has committed to reduce its water use in buildings each year by 2.5%.

## Air Quality

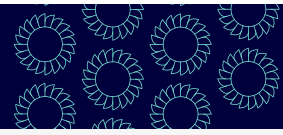
SSE continues to invest in operating practices and technologies that reduce or remove air pollutants and GHGs from its generation and operational processes.

## Responsible Sourcing

SSE understands and is concerned about the environmental and social risks of the materials it uses through its direct activities and supply chain. The effective management of these risks requires regular risk assessment and minimum requirements around the responsible sourcing of key products and materials.



# Suppliers and Contractors requirements:



## Environmental Management and Governance

### Suppliers and contractors are:

- Required to take appropriate steps to prevent impacts to the environment, protected species or protected habitats and always comply with legislative and regulatory requirements.
- Required to be certified to ISO 14001:2015 or equivalent.
- Required to identify and minimise risks and have a robust strategy to minimise any impact on the environment when completing works.
- Required to report all environmental incidents or permit breaches to SSE and where applicable to the Local Authority or relevant environment agency.
- Required to comply with Construction Environmental Management Plans (CEMPs), SSE Environmental Specification or works information.
- Encouraged to be proactive in offering and utilising best practice and innovative solutions to deliver positive environmental performance.

## Natural Environment

### Suppliers and contractors are:

- Required to work to protect the species and habitats on SSE's sites, this includes complying with planning conditions, ecological regulations and mitigation requirements.
- Required to support delivery of no net loss and where required deliver biodiversity net-gain requirements and management plans in collaboration with SSE on qualifying projects.
- Required to be proactive in recognising and mitigating the ecological and biodiversity risks.

## Responsible Production and Consumption

### Resource efficiency

### Suppliers and contractors are:

- Required to follow the waste hierarchy to design out waste and use resources efficiently by challenging unsustainable practices, selecting materials with sustainable lifecycle impact, utilising innovative designs and products with higher recycled or reused content and design products with an end-of-life use (such as cradle to cradle design).
- Required to provide circularity data such as lifespan/ durability of critical components (list provided by SSE), number repaired, remanufactured, refurbished etc if requested by SSE.
- Encouraged to maximise engagement to support the transition to a circular economy and consider memberships with organisations such as the Ellen Macarthur Foundation Business Network and Platform for Accelerating the Circular Economy (PACE)

### Responsible Waste Minimisation

### Suppliers and contractors are:

- Required to minimise waste to landfill and recycle all waste materials in line with SSE targets (95% diversion, 55% recycling by tonnage), providing reporting on request by SSE.

### For goods, with an emphasis on the lifecycle sustainability of the products, Suppliers and contractors are:

- Required to minimise the amount of raw materials, packaging and embedded carbon.
- Required to maximise the use of recyclates.
- Required to maximise product life span and ease recycling at the end of life.
- Encouraged to use environmentally 'benign' materials where possible.

### For physical services, which includes the supply and installation of equipment and / or use of consumables, Suppliers and contractors are:

- Required to prepare a Site Waste Management Plan, identifying all waste streams, waste prevention, reuse, recycling and diversion activity as well as disposal / treatment routes.

- Required to provide waste management data, in tonnage, including waste prevention and reuse, recycling and diversion from landfill, on request by SSE to evidence compliance to SSE targets.
- Required to comply with the relevant waste regulations, completing and providing relevant waste paperwork to SSE where required, demonstrating Duty of Care.

### Energy Management

#### Suppliers and contractors are:

- Required to take reasonable steps to reduce, where possible, energy use on sites for their direct operations and supply chains.
- Required to be proactive in enabling energy efficiency on sites.
- Required to have an energy management strategy in place (e.g. ISO 50001).
- Required to provide reporting of energy usage at a site level, if requested by SSE.
- Encouraged to engage with SSE on innovative products that could contribute to a reduction in energy use

### Water

#### Suppliers and contractors are:

- Required to actively reduce the volume of water used on development and operational sites and, if requested by SSE, measure the embodied water in the products bought.
- Required to adhere to environmental permits relating to water discharge and must not discharge or abstract without the necessary permissions in place.
- Required to provide reporting of water usage at a site level, if requested by SSE.
- Encouraged to be proactive in innovation of solutions to reduce water usage and consumption.

### Air Quality

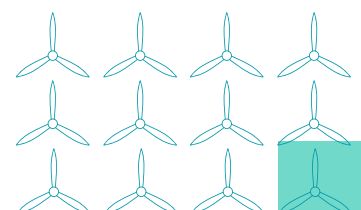
#### Suppliers and contractors are:

- Required to use the best practical methods to reduce or prevent emissions to air when planning or carrying out activities.
- Required to adhere to environmental permits relating to emissions to air and must not exceed permitted emissions without the necessary permissions in place.
- Encouraged to be proactive in the innovation of solutions capable of reducing emissions to air.

### Responsible Sourcing

#### Suppliers and contractors are:

- Required to source materials, products and services responsibly, using recognised industry standards.
- Required to have in place a responsible sourcing practice/policy for goods procured (e.g. BES 6001 Responsible Sourcing of Construction Products, BS EN 8902).
- Required to NOT use materials detailed in our Materials Black list unless evidence of a legal deviation can be provided.
- Required, when supplying or utilising materials in SSE's Grey list, to demonstrate that all possible measures have been taken to avoid or reduce the use of these materials on SSE's sites and provide a responsible sourcing strategy for the specific materials if requested.
- Required to ensure that all conditions set out under the Materials Guidance section are met when supplying or utilising materials from SSE's Specific Materials lists and always comply with legislative and regulatory requirements.
- Encouraged to have a sustainable procurement policy which is aligned with ISO 20400 or equivalent.
- Encouraged to adopt a responsible mineral sourcing policy aligned with international standards, such as the OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, commit to due diligence and risk management, extend responsible mining assurance schemes throughout their supply chains, and disclose lists of qualified smelters and refiners if requested by SSE.





# Providing affordable And clean energy



SSE has an important role in supporting its customers and consumers access affordable and clean energy. SSE businesses seek to ensure the transition to net zero represents value for customers by driving down the cost of generating electricity from renewables, providing low-carbon energy solutions and green services to customers, and carefully balancing consumer interests in electricity networks business plans. SSE's 2030 goal Increase renewable energy output fivefold, building a renewable energy portfolio that generates at least 50TWh of renewable electricity a year.

## Deliver value for energy customers

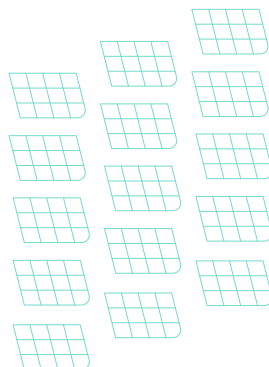
SSE seeks to deliver the best value and service for energy customers, ensuring that the transition to net zero is delivered in a way that represents value for money for all.

## Suppliers and Contractors requirements:

### Deliver value for energy customers

Suppliers and contractors are:

- Required to deliver the best value for money, whilst conducting responsible business practices with good working conditions, and work collaboratively with SSE to ensure it achieves the greatest all-round value from investments.
- Encouraged to showcase new and innovative technologies that are capable of providing technical and commercial benefits to current and future projects.



# Investing in industry, innovation and infrastructure



Technology and innovation remain crucial to enabling a secure and affordable transition to net zero. SSE's 2030 Goal, linked to SDG 9, is to enable at least 20GW of renewable generation and facilitate around 2 million EVs and 1 million heat pumps on SSEN's electricity networks by 2030.

## Innovation and technology

SSE seeks to work closely with its suppliers and contractors to develop the technologies, experience and skills that it needs to accelerate projects in support of net zero.

## Enable low-carbon generation and demand

It is understood that the electricity sector will be the first to decarbonise in order to support the decarbonisation of other sectors and allow the transition to net zero at pace. SSE seeks to accelerate this decarbonisation and has an

ambitious investment plan out to 2026 focused on low-carbon electricity assets and infrastructure. SSE has set clear innovation objectives to support its 2030 goal including, creating new markets and increasing revenue, increasing efficiency and performance, minimising risk and building future capabilities.

## Suppliers and Contractors are Encouraged to:

### Innovation and technology

Suppliers and contractors are:

- Encouraged to include innovative technology solutions, where applicable, in tender proposals and utilise green technologies on site to improve efficiencies and reduce negative impacts on the environment.

### Enable low-carbon generation and demand

Suppliers and contractors are:

- Encouraged to offer lower-carbon alternatives to conventional construction and transportation methods and utilise innovative technologies and materials, where possible, in collaboration with SSE.
- Encouraged to join the Climate Group's initiatives, such as EV100, EP100 and RE100, which focus on systems with the highest emissions and the greatest possibility to drive positive change to deliver a net zero energy system.

# Committed to Decent Work And Economic Growth



Change of the scale and nature needed to achieve net zero brings social consequences, impacting people – employees, consumers, communities, suppliers, and wider society – in many different ways. SSE has a responsibility to influence those impacts positively, which is why its alignment to SDG 8: Decent Work and Economic Growth is a core strand of its strategic approach. In aligning to SDG 8, SSE has committed to being a global leader for a just energy transition to net zero, with a guarantee of fair work and commitment to paying fair tax and sharing economic value.

## Health and Safety

At SSE, if it's not safe, we don't do it. The safety, health and wellbeing of employees and the people who work on the company's behalf is SSE's first priority. Above all else, everyone should get home safe. 'Safe Days' help SSE stay focused on taking care of everyone and the environment. When it comes to this – every safe day counts, and it is a key measure. On a 'Safe Day' SSE doesn't have a minor, serious or major incident (such as Reportable, Lost Time (1-7days) or Medical Treatment Injury, Major/Serious/Minor Environmental Incident/Permit Breach, RTC Class 1, HIPOS – High potential to harm people/Environment) for either SSE employees or contractors.

## Human rights

SSE has a zero tolerance of modern slavery in all its forms in its own business and supply chain and is committed to reducing human rights risk to as low as reasonably practicable. This means not using forced labour, servitude, slavery, human trafficking, debt bondage, forced or servile marriage, descent-based slavery or child labour, and the right to freedom of association and collective bargaining is respected. SSE's approach and activities to identify and prevent modern slavery and human trafficking are outlined in its [Modern Slavery Statement](#).

## Corruption and financial crime prevention

SSE has zero tolerance towards corruption, fraud and criminality (including financial crime), and the giving or receiving of bribes for any purpose. It seeks to minimise the Group's (including its directors' and employees') exposure to bribery, corruption and financial crime and maintain a culture where bribery or corruption is never acceptable.

## Employee voice

SSE respects the right of employees to join independent trade unions, have collective bargaining agreements and freedom of association. It also seeks to have open and two-way

dialogue with employees, actively listening to understand what matters to employees to inform and shape the improvements needed.

## Data Protection

At SSE, we collect and use all data responsibly and securely in compliance with data protection laws and regulations to protect ourselves and our customers.

## Payment of fair tax

SSE is a proud Fair Tax Mark accredited company and fully committed to paying the right amount of tax, in the right place, at the right time. It explicitly rules out the use of tax havens or an aggressive approach to tax avoidance, and discloses extensively on its tax affairs and payment of taxes.

## Prompt payment

SSE has voluntarily signed up to the obligations of the Prompt Payment Code which is accredited by the Institute of Credit Management. SSE is committed to the principles outlined within the Code and to the fair treatment of all suppliers.

## Social Value

SSE has been undertaking a variety of social action for years as listed in the below activities. However, we have not amalgamated these activities and placed a value on them in a structured way. We are just starting our social value journey and we want our suppliers to come with us.

## Inclusion and diversity

SSE is committed to ensuring colleagues, contractors and our suppliers understands the importance of inclusion and diversity and their role to power meaningful change, creating a work environment that allows everybody to thrive. SSE's Inclusion & Diversity Strategy focuses on bringing diversity into SSE, support everyone to stay on, and provide opportunities to progress up. The strategy involves four key areas of focus: Ambition; Education and Development; Inclusive Processes; and Employee Voice. More

information can be found on SSE's 2024 Inclusion & Diversity report.

## Local supply chains

SSE is committed to ensuring that real economic and social benefits flow to local businesses as a result of its investment in new energy infrastructure. It aims to promote sustainable domestic employment, increased local content and more competitive domestic supply chains. It does this through engagement with its suppliers as well as government, regulators and trade unions.

## Skills development and learning

SSE invests millions of pounds each year in skills development and learning programmes to ensure it has the skills needed for a net zero future. This includes everything from investing in early career programmes such as apprenticeships, trainee programmes and graduate programmes, to developing future leaders across its business. SSE was also one of five companies to develop the industry-wide [Skills Accord](#).

## The real Living Wage and Living Hours

SSE has been a UK Living Wage accredited employer since 2013, paying the voluntary real Living Wage rate to its employees and those that work regularly on its behalf in the UK. It also pays the Irish Living Wage to its employees in Ireland. In addition, in 2021 SSE was proud to be one of the first companies to achieve Living Hours accreditation, underlining its commitment to providing workers with secure, guaranteed working hours alongside a real Living Wage.

## Community engagement

SSE's support to communities in the areas where it operates is long-standing. Through a range of community investment and charitable giving programmes, SSE invests millions of pounds and euros across the UK and Ireland. It also has dedicated Community Liaison Managers who are employed to engage with community members close to its developments and assets.

# Suppliers and Contractors are Expected to:

## Health and safety

### Suppliers and contractors are:

- Required to respect SSE's health and safety culture, which is underpinned by our safety family values, and where appropriate SSE will seek evidence that its suppliers are compliant.
- Required to adhere to relevant HSE legislation where appropriate.
- Required to ensure staff are competent and provide the work methods, risk assessment, tools and equipment necessary to achieve the highest level of health and safety performance.
- Required to adhere to the Health and Safety clause set out in supplier contracts
- Required to provide reporting of accidents and incidents, when requested by SSE.
- Encouraged to adopt the SSE safety licence, "if it's not safe we don't do it" at a site level.

## Human Rights

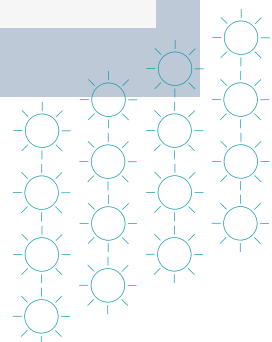
### Suppliers and contractors are:

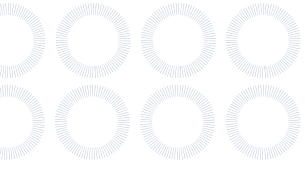
- Required to adhere to and implement SSE's Human Rights and Modern Slavery Clause within direct and supply chain operations.
- Required to comply with relevant modern slavery laws and commit to identify, prevent, mitigate, and remedy human rights risks within its business and supply chain, in line with the international human rights standards: the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD responsible business conduct guidelines. **This includes but is not limited to:**
  - Required to have carried out a human rights risk assessment across direct and supply chain operations and prioritise risks, conduct effective due diligence, and act to mitigate these risks.
  - Required to ensure employees and contractors working on SSE's behalf and other impacted stakeholder groups, such as communities and supply chain workers, have access to an anonymous means or grievance mechanism for reporting an actual or suspected human rights offence or risk.
  - Encouraged to ensure that the grievance mechanism is aligned to the UN Guiding Principles on Business and Human Rights.
  - Required to engage in remediation in the appropriate manor depending on the supplier/contractor connection to the human rights impact as outlined by the UNGPs and OECD. This may include remediating directly or working in collaboration with suppliers to ensure access to remediation. Demonstrate and disclose how implementation of remedy is monitored.
- Required to have trained relevant employees on human rights and modern slavery risks and are encouraged to engage their supply chains on high-risk goods and services to both raise awareness and collaborate to mitigate negative impacts to people and the environment.
- Required to report to SSE any actual or suspected instance of modern slavery or human rights abuses which could impact the company. This includes any instances linked to the supplier/contractor's direct operations or any instances linked to the supplier/contractor's supply chain operations when those activities are being carried out on behalf of SSE.

## Corruption and financial crime prevention

### Suppliers and contractors are:

- Required to implement the requirements detailed in SSE's Anti-Corruption and Bribery Clause.
- Required to implement controls and strategies to manage the risks and to comply with legal and regulatory obligations and reporting requirements relating to corruption.





## Employee voice

### Suppliers and contractors are:

- Required to have policies in place which cover the right to collective bargaining and freedom of association for workers.
- Encouraged to seek direct feedback and engage with employees on topics which are important to them, for example through employee engagement surveys.

## Payment of fair tax

### Suppliers and contractors are:

- Required to abide within both the spirit and letter of applicable tax laws and, where possible, to consider the standards of tax disclosure set by the independent Fair Tax Foundation.

## Prompt Payment

### Suppliers and contractors are:

- Required to adopt an approach which provides all parties with quick resolution of invoices and ensure queries or issues are managed effectively.
- Required to pay suppliers within their contractually agreed timeframe.
- Encouraged to follow the principles of the UK's [Prompt Payment Code](#).

## Social Value

### Suppliers and contractors are:

- Required to capture social impacts they are undertaking across SSE projects
- Required to report those social impacts in a social value application, if requested by SSE.
- Encouraged to improve their social value activities across their organisation.

## Inclusion and Diversity

### Suppliers and contractors are:

- As a minimum, respect the people they employ directly or indirectly and offer a workplace that is free from discrimination, harm, intimidation, harassment, or fear. This expectation extends to cover working environments that include our employees.
- Required to have a policy outlining that sexual harassment will not be tolerated and is subject to disciplinary action. Your workers should be made aware of this policy and the possible consequences, and we expect you to take appropriate action should a situation of sexual harassment arise.
- Required to provide evidence of policies and practices that result in improved inclusion and diversity of the workforce and provide information on the results of those practices, if requested by SSE.
- Encouraged to promote greater inclusion and the benefits that increased diversity brings to the workplace, ensuring policies and processes are inclusive to support everyone.
- Encouraged to monitor, report and understand their diversity data (such as gender pay gap)
- Encouraged to engage and collaborate in meaningful partnerships, such as UN Global Compact, #Equalby30 or relevant equivalent, to deliver successful inclusion and diversity initiatives within their direct and supply chain operations.

## Community Engagement

### Suppliers and contractors are:

- Required to form positive local relationships so that any issues can be resolved constructively and the direct benefit from significant capital investments can be shared with local communities.
- Required to respect Indigenous Peoples' rights and their rights to Free, Prior and Informed Consent (FPIC), including their right to define the process by which FPIC is achieved. Required to relay this expectation to suppliers throughout the value chain.



- Required to ensure respect for land rights of legitimate tenure rights holders, including where land and ownership rights are customary and/or not formally recorded, supported by clear processes to resolve conflicts and listen to and respect communities' concern. In cases where physical and economic displacement cannot be avoided, Use the International Financial Corporation (IFC) Performance Standard 5 (Land and Acquisition and Involuntary Resettlement) to guide the process. Required to relay this expectation to suppliers throughout the value chain.
- Required to commit to recognise the valuable role of Human Rights and Environmental Defenders, and ensure effective engagement and consultation with HREDs at all stages of the due diligence process. Required to relay this expectation to your upstream value chain.
- Required to deliver or support the delivery of robust and continuous stakeholder consultation for SSE and supply chain sites, ensuring careful deliberation with all members of affected communities, and implement standards for the responsible delivery of projects addressing key stakeholder interests.
  - Including placing particular and special attention on the needs groups that are at higher-risk of human rights abuses during stakeholder engagement processes, with specific attention paid to the needs of traditionally marginalised groups.
- Required to have in place education and employability programmes, such as apprenticeships and graduate programmes, which promote the employee skills development and / or local employment.
- Encouraged to contribute to the community through donations, investments and volunteering initiatives.
- Encouraged to be a signatory to the [Considerate Constructors Scheme \(CCS\)](#).

## Local supply chains

### Suppliers and contractors are:

- Required to have measures in place to maximise opportunities for local people, supply chains and economies surrounding SSE sites. There may be a requirement to provide evidence of site-specific plans to SSE.
- Encouraged to work closely with SSE to promote and support the development of competitive domestic and local supply chains.
- Required to provide details of spend with local suppliers and subcontractors, when requested by SSE ("Local" is defined as within a 50-mile radius of the site unless otherwise defined by SSE)
- Required to provide reporting of attributed spend with Small Medium Enterprises (SMEs), if they are not categorised as "Small" or "Medium"- sized Companies, if requested by SSE.

## Skills development and learning

### Suppliers and contractors are:

- Required to have in place education and employability programmes which promote the development of employee skills as well as local employment, including graduate programmes and apprenticeships.
- Required to provide reporting of training and apprenticeships programmes, if requested by SSE.

## The real Living Wage and Hours

### Suppliers and contractors are:

- Required to pay the enhanced voluntary real Living Wage rate as set by the UK's Living Wage Foundation to relevant employees contracted or subcontracted in the UK, subject to the conditions detailed within SSE's Living Wage Clause. Evidence of compliance with SSE's Living Wage Clause may be requested, and suppliers/contractors should cooperate in good faith with all reasonable requests made by SSE for information. They should allow for, and contribute to, audits and inspections to demonstrate compliance if required.
- Required to resolve any instances of non-compliance in accordance with SSE's instructions, where these are issued, which shall include backdating any applicable payments.
- Encouraged to provide [Living Hours](#) to all employees working on SSE projects
- Encouraged to become Living Wage accredited employers through the UK's [Living Wage Foundation](#).

# Materials Guidance

## The Materials Black List

The following list of materials must not be used on any SSE sites unless there is a validated Legal deviation in place.

- Asbestos
- Cadmium
- Chlorinated polyethylene and chlorosulfonated polyethylene (CSPE)
- Chlorofluorocarbons (CFCs)
- Chloroprene (neoprene)
- Formaldehyde (added)
- Halogenated flame retardants, Hydrochlorofluorocarbons (HCFCs)
- Mercury
- PCB's (polychlorinated biphenyls)
- Petrochemical fertilizers and pesticides,
- Phthalates
- Polyvinyl chloride (PVC)
- Methyl Bromide
- Materials containing micro bead plastics, Wood treatments containing creosote and arsenic or pentachlorophenol

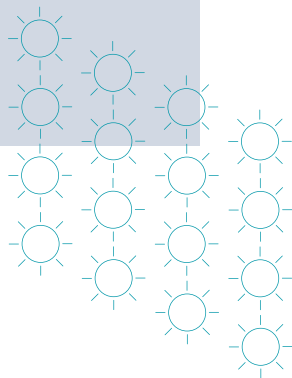
## The Materials Grey List

The use of following materials has been identified as harmful to the environment and living creatures and should be avoided or, where no alternative can be sourced, should be minimised on all SSE sites.

- Single use plastics
- Fibreglass
- Volatile organic compounds (VOCs)
- Cadmium
- Cement and virgin aggregates
- Halogenated flame retardants (HFRs)
- Scarce minerals
- Lead
- Polyvinylidene Chloride (PVDC)
- Mercury
- Silica

The following minerals are classified as rare, scarce or have an environmentally harmful extraction and refining process. Where these minerals are required, every effort must be made to utilise recycled material and a responsible sourcing strategy must be in place for the extraction of new minerals.

- Lithium
- Nickel
- Manganese
- Rare earths (neodymium and dysprosium)
- Cadmium
- Indium
- Gallium
- Selenium
- Silver
- Tellurium
- Aluminium
- Zinc
- Silicon
- Nickel
- Cobalt
- Iron
- Chromium
- Graphite
- Titanium
- Molybdenum
- Copper



# The Specific Materials List

Where the following materials are required on SSE sites suppliers and contractors must ensure that the below conditions are met.

- All timber and timber products should be sourced from legal and sustainable sources, certified under the Forest Stewardship Council ("FSC") or Programme for the Endorsement of Forest Certification ("PEFC")
- All timber and wood packaging supplied must meet UK legal standards and be free of pollutants and toxic chemicals. Further to this, deliveries from Non-EU countries must be free of Methyl Bromide. All treated timber products supplied must have a certificate of treatment provided with delivery.
- All Steel and steel products should be sourced and produced responsibly under the CARES Sustainable Constructional Steel Scheme or by adhering to the Framework Standard for Responsible Sourcing (BES 6001).
- All aluminium should be sourced and produced responsibly; SSE expect aluminium to be sourced via the Aluminium Stewardship Initiative (ASI).
- **Hydrotreated Vegetable Oil (HVO)** – If your organisation or subcontractors are procuring HVO and using it on SSE sites, ensure that it is from an RFAS-approved supplier registered on their website, and that supporting evidence documentation – the Renewable Fuel Declaration – is requested from the supplier. Additionally, all carbon savings reported using HVO instead of Diesel must include Scope 1, Scope 3 and Out of Scopes – biogenic carbon emissions. We also require it to be in-line with certified to EN 15940. If SSE require further due diligence we may request further documents including checking the ISCC website that the certificates of suppliers further up the supply chain haven't been suspended (a temporarily invalid certificate), expired (validity has run out and a new audit is required), withdrawn (prematurely cancelled by the Certification Body due to a non-compliance) or excluded.
- **Concrete** – Where applicable, restrict the use of CEM I concretes across SSE assets by using blended mixes with a preference to Limestone Fines in the short term and Calcified Clays in the long term in line with BS 8500. Reduce the over-engineering of concrete specifications and offer alternatives to design standards. Look to offer next-gen low carbon concretes as part of trials for non-critical assets in SSE projects. Look to offer alternative processes and pouring methods to improve cure times, promote health & safety and reduce carbon e.g. 3D Concrete Printing. Where possible, offer recycled aggregate as an alternative to primary aggregate in concrete blends. Source concrete local to the project operations, where possible to reduce transport emissions associated with embodied carbon of the concrete.





# Ethics and Culture

SSE's [Doing the Right Thing guide to good business ethics](#) is a general guide which supports the adoption of the right values, attitudes and behaviours to contribute to an ethical business culture at SSE. The information within the guide applies to all SSE employees, as well as people employed by other organisations to work on SSE's behalf.

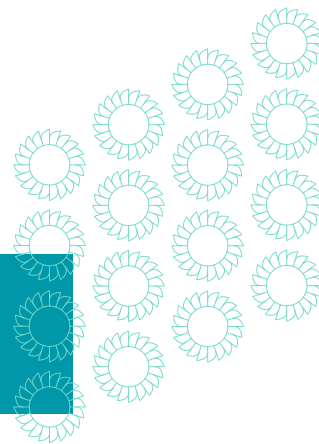
The guide covers a wide range of topics, from human rights and modern slavery, to managing data and cyber security. SSE's unwavering commitment to robust health and safety standards are also outlined. Suppliers and contractors should familiarise themselves with this guide and SSE's expectations for ethical business behaviour.

## Speaking up against wrongdoings and violations of this code

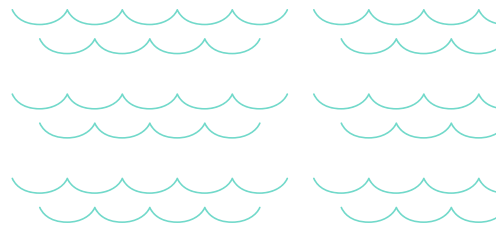
Speaking up against wrongdoing is a key element of SSE's approach to good business ethics and doing the right thing. Detailed information on how to speak up can be found in SSE's [Doing the Right Thing guide to good business ethics](#). SSE expects its suppliers and contractors to have robust ethical business policies and guidance in place which support the creation of a healthy business culture, in which employees feel safe to speak up about suspected incidents of wrongdoing without fear of repercussion.

Anyone who believes that an SSE employee, or anyone working on behalf of SSE, has engaged in wrongdoing should report the matter immediately. This can be done by emailing SSE's independent speak up channel, SafeCall, at [sse@safecall.co.uk](mailto:sse@safecall.co.uk) or SSE's Security and Investigations team at [speakup@sse.com](mailto:speakup@sse.com) or by reporting instances of criminal behaviour to the relevant authority.

Suppliers, contractors and those working on their behalf should report any specific potential violation of this Code to [sustainableproviders@sse.com](mailto:sustainableproviders@sse.com). A supplier's relationship with SSE will not be affected by an honest report of potential misconduct.

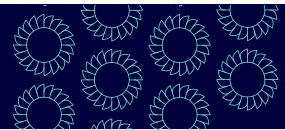


# Partnerships & collaborations



SSE understands the importance of working with clients, suppliers, governments, and other external stakeholders to create additional value. That is the same when it comes to supply chain sustainability, where they have partnered and collaborated through the following organisations to facilitate change in the industry around key sustainability topics. Collaboration around supply chain sustainability has many benefits including standardisation, best practice sharing and group thinking approaches, enabling SSE and its supply chain to excel on their sustainability journeys.

## Powering Net Zero Pact



The Powering Net Zero Pact (“the Pact”) is a new initiative created by SSE with 10 other founding partners as a legacy of COP26. The Pact brings together companies across all tiers of the power sector globally – including civils, shipping, renewables, electrical engineering, and others – to achieve a fair and just energy transition to net zero.



Over the last year, the 11 founding partner companies of the Pact – which, alongside SSE, includes: Balfour Beatty; DEME Group; GE Renewables; Hitachi Energy; NKT; RJ McLeod; Siemens Energy; Siemens Gamesa; Subsea 7; and Vestas, the 10 members to the Pact: BAM Nuttall; Nexans; Linxon; James Fisher; Jan De Nul; Fugro; Eiffage Smulders; Black & Veatch; Jacobs and Scottish Power and the new 9 signatories to the Pact: Saipem; COWI; Capgemini UK; Ramboll; National Grid; Strabag; Brush and EMR – met on a regular basis to agree areas of focus, shared commitments, and topics for future collaboration.

The Pact focuses on five areas of ambition: achieving net zero carbon emissions; protecting and enhancing the natural environment; transitioning to a circular economy; guaranteeing fair work and sustainable jobs; and adding value to local communities. Each area of ambition has a shared commitment and area for collaboration that aim to deliver tangible action.

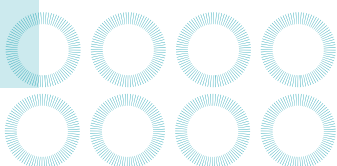
Any organisation that wants to be involved in driving forward a just energy transition to net zero can become a Powering Net Zero Pact signatory and part of a network of leading global companies committed to working together to deliver real change.

### Signing up to the Pact

To sign up to the Pact, companies must:

- Be involved in some part of the power sector;
- Meet all five of the shared commitments; and
- Be willing to participate in an action-focused working group for at least one of the five collaboration topics.

More information can be found at [sse.com/pnzp](https://sse.com/pnzp) or by emailing [poweringnetzeropact@sse.com](mailto:poweringnetzeropact@sse.com)



## Supply Chain Sustainability School

**SSE is a proud partner of the Supply Chain Sustainability School, a collaboration between companies who have a mutual interest in building sustainability expertise and practices within their organisations and throughout their supply chain.**

Organisations can access the School's wide range of guidance, resources and CPD accredited training materials completely free of charge. SSE is using its partnership with the School to support its supply chain partners to mature their sustainability approach and may require suppliers and contractors to undertake training modules, attend training workshops, implement measures and access resources provided through the school where relevant. This year SSE are embedding learning pathways for suppliers to adopt and use across their business.

More information about the Supply Chain Sustainability School and the free resources available can be found on its website [Supply Chain Sustainability School](#).

SUPPLY CHAIN SUSTAINABILITY

**SCHOOL**

## Ecovadis

**SSE is a proud partner of Ecovadis, a global sustainability rating company based on international standards, to conduct individual sustainability performance assessments of our supply chain partners.**

In the months ahead SSE will begin their programme of engagement on this and be looking for the support of their supply chain.

A critical step in the sustainability strategy is to gain insight and visibility on SSE's partners' and their suppliers' Sustainability performance. We have launched our supplier engagement strategy with key supply chain stakeholders. We are asking our suppliers to proactively engage with EcoVadis, where you will receive a sustainability scorecard with detailed insights into key strengths along with areas of improvement. If you would like to sign please click [here](#).

ecovadis

## Loop

**SSE has partnered with Loop, as our social value data collection tool. Their mission is to help organisations better measure, manage and therefore maximise their social value with the resources available**

Through this platform we can capture your social value, for free, that you can share with all your clients to show your impact on SSE projects.

 **loop**  
The Social  
Value People

# Supporting Documents and Resources

## SSE Links

- [Annual Report](#)
- [Sustainability Report](#)
- [Supporting a Just Transition](#)
- [Modern slavery statement](#)
- [Doing the right thing](#)
- [SSE Group Procurement Policy](#)
- [SSE Group Human Rights Policy](#)

## External Websites

- [EcoVadis](#)
- [Science Based Targets initiative](#)
- [Prompt Payment Code](#)
- [Considerate Constructors Scheme](#)
- [Living Wage Foundation](#)
- [Irish Living Wage Technical Group](#)
- [Supply Chain Sustainability School](#)
- [The Skills Accord](#)

