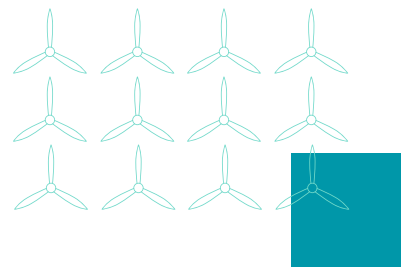




Sustainable Procurement Code

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.”

SSE directly employs approximately 15,000 people and plans to investment £33bn over the five years to 2030. And 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

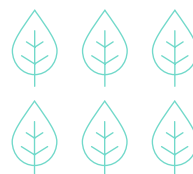
Secondly, the scale of the transformation to net zero – for both the economy and the country – means there are implications for people and their communities. Treating employees fairly, whether they are directly or indirectly employed is a fundamental principle for SSE. Our Sustainable Procurement Code 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.

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 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

UK-listed and headquartered in Perth, Scotland, SSE is a major contributor to the economies in the UK and Ireland. SSE employs around 15,000 people and is real Living Wage and Fair Tax Mark certified. SSE 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.

Sustainability is embedded into the way SSE operates. At the highest level it underpins SSE's strategy which is centred around creating value for shareholders and society in a sustainable way through the successful development, efficient operation and responsible ownership of energy infrastructure and businesses. Delivery of this strategy is guided by SSE's 2030 Goals – four core business goals, directly aligned to the UN Sustainable Development Goals (SDGs) most material to its business.

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 Goals

SSE's 2030 Goals provide a framework to ensure SSE plays a meaningful role in addressing the challenge of climate change in ways that are fair to working people, consumers and communities.

For more information about SSE's 2030 Goals and its approach to sustainability, visit [SSE | Sustainability](#).

Our 2030 Goals

We work to deliver social and environmental benefits that are recognised and supported by our stakeholders. This is measured by four business goals aligned to the UN Sustainable Development Goals.



Cut carbon intensity by 80%



Increase renewable energy output fivefold



Enable low-carbon generation and demand



Champion a fair and just energy transition

Definitions

- 'Supplier' and 'contractor' refers to all organisations which provide goods, works, or services directly to SSE 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



The energy sector has a critical role to play in supporting the delivery of clean power. SSE is focused on decarbonisation of its operations, reducing value chain emissions and engaging suppliers and customers to drive progress in emissions reduction. SSE's longer-term net zero target is supported by near term science based targets.

Net Zero Carbon Emissions

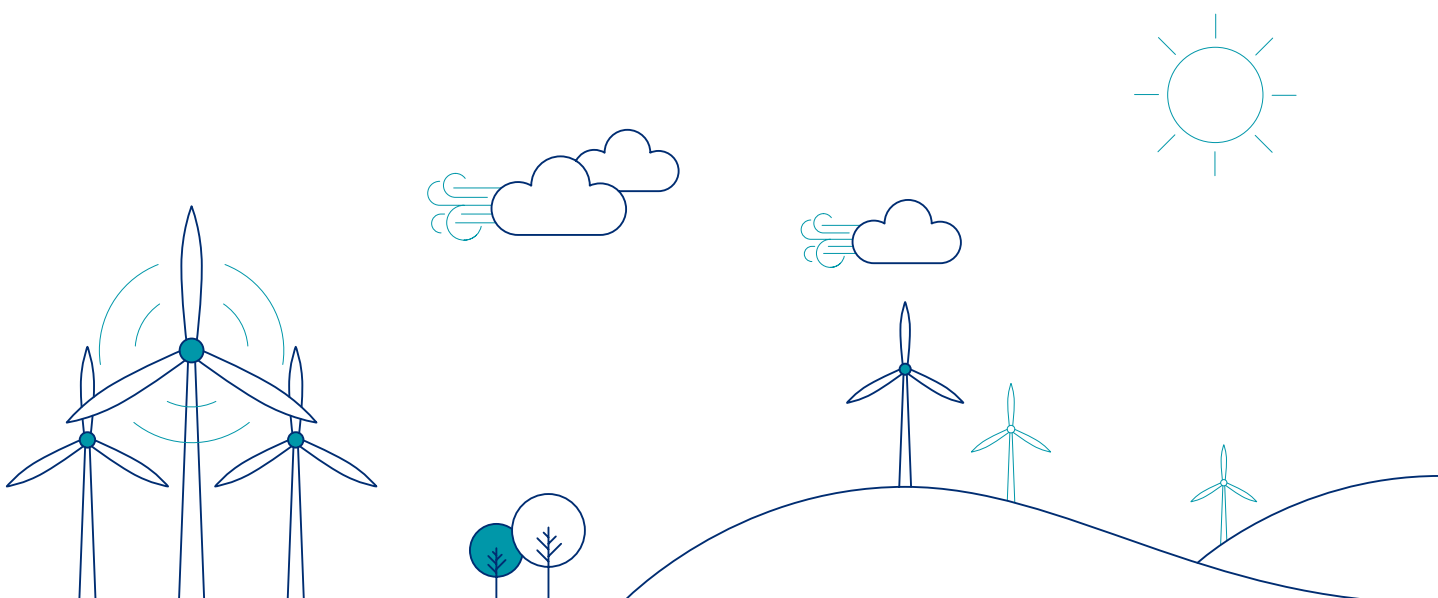
SSE has a long-term goal of achieving net zero greenhouse gas (GHG) emissions across its scope 1 and scope 2 emissions by 2040 (subject to security of supply requirements) and for remaining scope 3 emissions by 2050. These net zero ambitions are supported by near-term science-based targets aligned to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

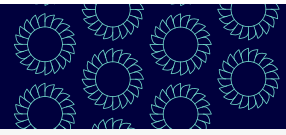
A core commitment amongst SSE's Science-Based Targets is to work pro-actively with its supply chain to set their own science-based targets so that 90% of its suppliers by spend will have a science-based target by 2030.

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 are:



Net zero carbon emissions

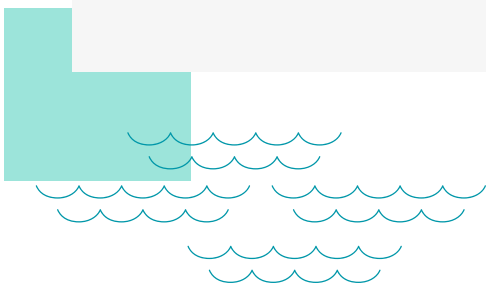
- Required to provide product carbon footprints for any manufactured assets procured by or behalf of SSE in alignment with a relevant standard (e.g. ISO 14067, ISO 14025) or utilising an agreed product carbon footprint tool.
- Required to ensure that any Beyond Value Chain Mitigation actions undertaken through the provision of goods and/or services to SSE are in alignment with recognised science and independent frameworks. Any avoided or removed emissions 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.
- Required to provide carbon border adjustment mechanism (CBAM) / emissions trading scheme (ETS) costs in any cost estimates, where applicable.
- Encouraged to have carbon data externally validated to recognised standards (such as ISO14064 and ISO14067) or by equivalent credible accredited third parties.
- 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

- Required to have and report progress against science-based carbon reduction targets, in line with a 1.5°C pathway with a net zero target no later than 2050, validated with an external 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

- Required to assess and mitigate physical climate risks on goods, works, and services, in line with the EU Taxonomy's criteria for climate change adaptation (Appendix A) by offering climate resilient design alternatives where possible.
- Encouraged 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 operates. SSE's Environment Strategy is designed to ensure that environmental impacts are considered throughout its operations and are carefully managed. It is framed by three SDGs that focus on protecting nature and responsible resource use.

Environmental management and Governance

SSE is committed to minimising environmental risk and the impacts of its activities. SSE employs an environmental management system (EMS) ISO14001:2015 across 100% of its business operations.

Nature

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, Production and the Circular Economy

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

SSE is working to embed the principles of circularity; (1) eliminating waste, (2) circulating products and materials and (3) regenerating nature. By embedding these principles SSE can minimise the environmental impact by diverting materials from landfill, strengthening our resilience to resource shortages and create value for stakeholders.

Energy Management

For a company like SSE, it is crucial that the energy used in its operations is used efficiently. SSE 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. As of 2025, 99.54% of electricity supplied is sourced from renewable generation. SSE aligns to the commitments set out in the Climate Group's global EP100 initiative, which SSE is a member of.

Water

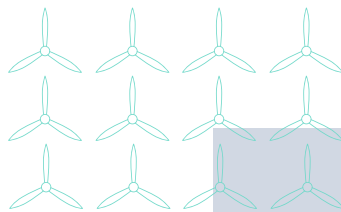
SSE depends on water in many ways across its operations, from use in electricity generation to being used as an amenity in its buildings. While none of SSE's core operations have an impact on water-stressed areas, SSE seeks to use water in a sustainable way.

Air Quality

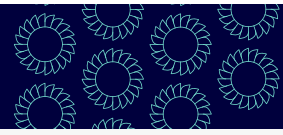
SSE continues to invest in operating practices and technologies that reduce or remove air pollutants and GHGs from its generation and operational processes.

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 are:



Environmental Management and Governance

- Required to identify and minimise risks and have a robust strategy to minimise any impact on the environment, protected species or protected habitats when completing works.
- Required to always comply with legislative and regulatory requirements.
- Required to report all environmental incidents or permit breaches to SSE and where applicable to the relevant regulatory authority.
- Required to comply with Construction Environmental Management Plans (CEMPs), SSE Environmental Specification and/or Works Information related to environment and sustainability.
- Required to be certified to ISO 14001:2015 or equivalent.

Nature

- Required to work to protect the species and habitats on SSE's sites, this includes complying with instructions, planning conditions, 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 recognizing, mitigating and reporting nature related risks.

Circular Economy & Waste Management

- Required to follow the waste hierarchy to design out waste and use resources efficiently. Where possible, selecting materials with sustainable lifecycle impact, utilising innovative designs and sourcing products with higher recycled or reused content. Where relevant, design products with end-of-life reuse or recycling in mind.
- Required to minimise waste to landfill and recycle all waste materials in line with SSE targets and providing reporting on request by SSE.
- Required to provide circularity data, if requested by SSE.
- Required to comply with the relevant regulations, completing and providing evidence to SSE where required.
- Encouraged to maximise engagement to support the transition to a circular economy and consider membership with related organisations.

Energy Management

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

Water

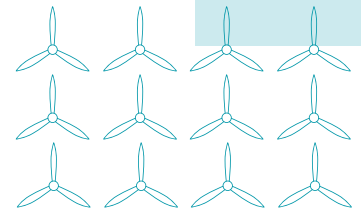
- Required to actively reduce the volume of water used on development and operational sites and, if requested by SSE, measure the embodied water in the products bought.
- Required to adhere to environmental permits relating to water discharge and must not discharge or abstract without the necessary permissions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

Air Quality

- 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.

Responsible Sourcing

- Required to source materials, products and services responsibly, using recognised industry standards.
- Required to ensure that all conditions set out under the Materials Guidance section are met when supplying or utilising materials and always comply with legislative and regulatory requirements.
- Encouraged to have in place a responsible sourcing practice/policy for goods procured (e.g. BES 6001 Responsible Sourcing of Construction Products, BS EN 8902).
- 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



One of the biggest impacts SSE can have on affordability for energy consumers is by investing in, and developing, new sources of cheap renewable generation, which is core to its strategy. SSE also supports its own customers through providing low-carbon energy solutions and green services and ensures access to secure and reliable energy.

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 are:

Deliver value for energy customers

- 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.



Investing in industry, innovation and infrastructure



Delivering energy infrastructure at pace and scale, means SSE must invest in new and emerging technologies while working with suppliers to create a more sustainable supply chain. Innovation underpins this approach – driving deployment of renewables, developing smart, resilient networks and demonstrating practical solutions that enable the transition to clean power.

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 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:

Innovation and technology

- 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

- 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 impacts people – employees, consumers, communities, suppliers, and wider society – in many different ways. SSE has a responsibility to influence those impacts positively, which is why it has committed to championing a just energy transition, with a guarantee of fair work and commitment to paying fair tax and sharing environmental, social and 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 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.

Human rights

SSE is committed to respecting all internationally recognised human rights and has zero tolerance for modern slavery in any form across its own operations and supply chain. In line with the UN Guiding Principles on Business and Human Rights, SSE seeks to identify, prevent, mitigate, and account for human rights risks and impacts through ongoing due-diligence processes. This includes prohibiting the use of forced labour, servitude, slavery, human trafficking, debt bondage, and child labour

SSE expects all business partners to respect workers' rights to freedom of association and collective bargaining. SSE's approach, actions, and progress in identifying and addressing risks of human rights abuses and modern slavery are detailed in its Human Rights Report and 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 is committed to being clear, fair and collaborative with all suppliers and to ensuring that they are paid on time.

Social Value

SSE delivers a wide range of social value activities in the places in which we work and some of these activities are listed below. SSE is making good progress on its journey to improving the way it measures and reports on the social impact of its investments 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 Inclusion and Diversity website](#).

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.

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. SSE also pays the Irish Living Wage to its employees in Ireland.

In addition, SSE was proud to become Living Hours accredited in 2021 and Living Pension accredited in 2023 making it one of the first UK companies to adopt all three schemes. This underlines our commitment to providing workers with secure, guaranteed working hours alongside a real Living Wage and financial wellbeing in retirement.

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 staff and teams who are employed to engage with community members close to its developments and assets.

Suppliers and Contractors are:

Health and safety

- 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.
- 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 SHE specification 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

- Required to adhere to and implement SSE's Human Rights Clause within direct and supply chain operations. This includes, but is not limited to:
 - Complying with relevant human rights laws and aligning with international human rights standards: the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD responsible business conduct guidelines
 - Implementing risk-based human rights due diligence and prioritising salient risks where severity/likelihood is highest.
 - Ensuring employees, contractors working on SSE's behalf, and other impacted stakeholder groups, such as communities and supply chain workers, have access to and are made aware of an anonymous grievance mechanism or means for reporting an actual or suspected human rights risk or offence, and prohibiting retaliation against anyone raising concerns.
 - Where a Supplier causes or contributes to harm, it must provide for or cooperate in remediation and monitor & demonstrate effectiveness of remedies to SSE.
- Required to train relevant employees (and where appropriate, contractors) on human rights risks and reporting mechanisms
- Required to inform SSE if purchasing terms, timelines, or pricing create foreseeable risks of human rights, and propose risk-mitigating alternatives and collaborate on responsible contracting/ purchasing practices.
- Encouraged to cascade these expectations to, and use leverage with, sub-suppliers, focusing engagement on high-risk goods, services, and geographies, and collaborate to mitigate and address adverse impacts.

Corruption and financial crime prevention

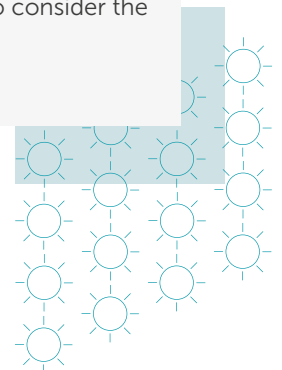
- Required to implement the requirements detailed in SSE's Anti-Corruption and Bribery Clause.
- Required to implement controls and strategies to manage the risks and to comply with legal and regulatory obligations and reporting requirements relating to corruption.

Employee voice

- 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

- 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.



Fair Payment Code & Prompt Payment Code

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

Social Value

- Required, where applicable, to capture social impacts related to their work on qualifying SSE projects using any SSE prescribed metrics and systems
- Encouraged to promote and support the development of competitive domestic and local supply chains.
 - In SSE, the definition of 'local' can vary depending on the project type and location. For any qualifying projects requiring social value data collection, SSE will clearly state the definition of 'local'.
 - If no definition of 'local' is provided, please assume 'within a 50-mile radius of the site'.
- Encouraged to collaborate with SSE to identify the most impactful social value deliverables for qualifying projects.

Inclusion and Diversity

- 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 comply with legislation related to sexual harassment, which includes having 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 (and are required to comply with any legal reporting frameworks 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

- Required to build and maintain positive relationships with community stakeholders through meaningful consultation on the impacts and benefits of capital investments. Community concerns must be addressed in a timely and constructive way.
- 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 of 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.
- Encouraged to have in place education and employability programmes, such as apprenticeships and graduate programmes, which promote the employee skills development and / or local employment. Education and employability programmes should compliment local skills and education strategies and plans.
- Encouraged to contribute to the community through donations, investments and volunteering initiatives.
- Encouraged to be a signatory to the [Considerate Constructors Scheme](#) (CCS).

The real Living Wage and Hours

UK based suppliers:

- Required to pay 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 UK Living Wage Clause.
- Encouraged to provide Living Hours and Living Pensions to relevant employees contracted or subcontracted in the UK on SSE works or services.
- Encouraged to become Living Wage accredited employers through the UK's [Living Wage Foundation](#).

Ireland based suppliers:

- Required to pay the [Irish Living Wage](#) as set by The Living Wage Technical Group to relevant employees contracted or subcontracted in Ireland, subject to the conditions detailed within SSE's Irish Living Wage Clause.

Global based suppliers:

- Required to pay employees, contractors, and subcontractors in compliance with applicable local employment laws, including those requiring the payment of a minimum wage or such other specified wage

All suppliers:

- Required to provide evidence of compliance with SSE's (UK/ Irish) Living Wage Clause if requested. Suppliers 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.



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
- Chlorinated polyethylene and chlorosulfonated polyethylene (CSPE)
- Chlorofluorocarbons (CFCs)
- Chloroprene (neoprene)
- Formaldehyde
- Halogenated flame retardants (HRDs)
- 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

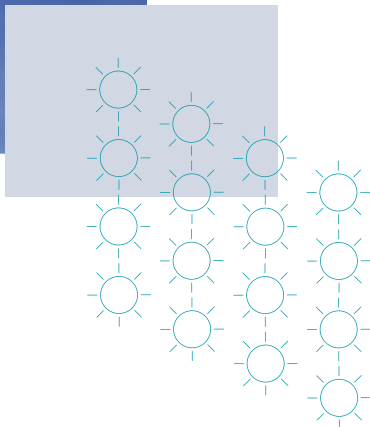
The Materials Grey List

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)
- Cement and virgin aggregates
- SF6 (Sulphur hexafluoride)
- Scare minerals
- Lead
- Polyvinylidene Chloride (PVDC)
- 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
- 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).

All **Hydrotreated Vegetable Oil (HVO)** should be sourced from a Renewable Fuels Assurance Scheme (RFAS) approved supplier with supporting evidence (the Renewable Fuel Declaration) and be certified to EN 15940.

Concrete

- Where applicable, restrict the use of CEM I concretes 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.
- Where possible, offer recycled aggregate as an alternative to primary aggregate in concrete blends.



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

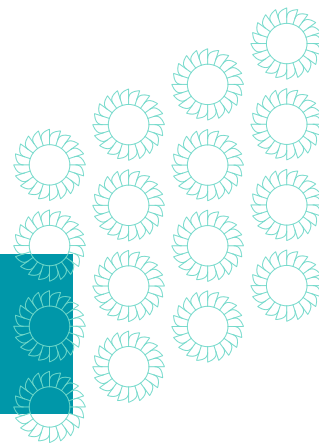


Speaking up against wrongdoings and violations of this code

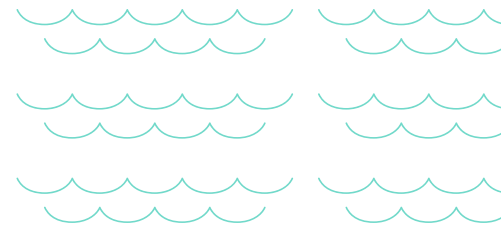
Speaking up against wrongdoing is a key element of SSE's approach to good business ethics and doing the right thing. Detailed information on how to speak up can be found in SSE's Doing the Right Thing guide. SSE expects its suppliers and contractors to have robust ethical business policies and guidance 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 or SSE's Security and Investigations team at 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 sustainablesuppliers@sse.com. A supplier's relationship with SSE will not be affected by an honest report of potential misconduct.

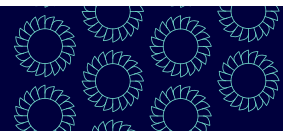


Partnerships & collaborations

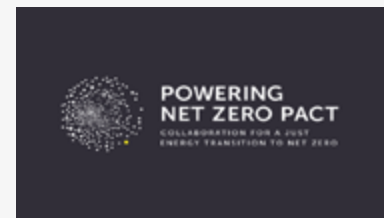


SSE understands the importance of working with clients, suppliers, governments, and other external stakeholders to create additional value. Collaboration has many benefits including standardisation, sharing best practice and group thinking approaches, enabling SSE and its supply chain to excel on their sustainability journeys.

Powering Net Zero Pact



The Powering Net Zero Pact (“the Pact”) is an 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.



The Pact now has 40 members which meet on a regular basis. It 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.

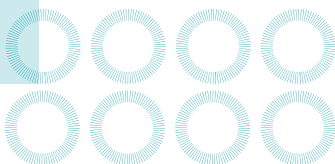
Any organisation that wants to be involved in driving forward a just energy transition to net zero can become a Powering Net Zero Pact signatory and part of a network of leading global companies committed to working together to deliver real change.

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.

For more information please contact: 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.

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

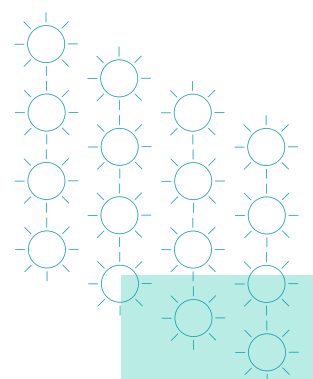
A critical step in our sustainability strategy is to gain insight and visibility on our partners' and their suppliers' sustainability performance. We have launched our supplier engagement strategy with key supply chain stakeholders. We are asking our suppliers to proactively engage with EcoVadis, where 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](#).



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 social value generated on qualifying projects. Each supplier will have access to their own dashboard and understand the positive social value your organisation generates and share this data with other clients.



Supporting Documents and Resources

SSE Links

- [Annual Report](#)
- [Sustainability Report](#)
- [Modern slavery statement](#)
- [SSE Group Procurement Policy](#)
- [SSE Group Human Rights Policy](#)

External Websites

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

