



MODERN SLAVERY STATEMENT 2021



ABOUT SSE

SSE is led by its purpose to build a better world of energy for tomorrow and is involved in the generation, transmission and distribution of electricity, and also in the supply of energy and related services to customers in the UK and Ireland. Over 2020/21, it directly employed around 12,000 people in the UK and Ireland. Read more about SSE on pages 1-4.

ABOUT THIS STATEMENT

This is SSE's sixth Modern Slavery Statement ('the Statement') responding to the requirements of the Modern Slavery Act 2015 ('the Act'). This statement is made pursuant to section 54(6) of the Act and constitutes SSE's slavery and human trafficking statement for the financial year ending on 31 March 2021. All of SSE's previous Modern Slavery Statements can be found on sse.com/sustainability/policies-and-assurances.

SSE has zero tolerance of modern slavery in all its forms and has a responsibility to understand the risks within its own business and supply chain and to ensure ongoing management of those risks.

SSE supports and is fully committed to upholding the UN Guiding Principles on Business and Human Rights, the aims of the UN Sustainable Development Goals, the principles underpinning the UN Global Compact, of which it is a signatory, the International Bill of Human Rights and the fundamental rights set out by the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work.

Since it published its first Modern Slavery Statement in 2016, SSE has aimed to be increasingly transparent about its approach to modern slavery whilst also ensuring this approach continues to develop. SSE actively encourages feedback on the content of this Modern Slavery Statement from its stakeholders. Please get in touch by emailing sustainability@sse.com.

This statement was approved by the SSE plc Board of Directors on 22 July 2021.

This statement sets out the steps taken by SSE between 1 April 2020 and 31 March 2021 to identify and prevent modern slavery and human trafficking existing within its business and supply chains.



Gregor Alexander
Finance Director, SSE plc

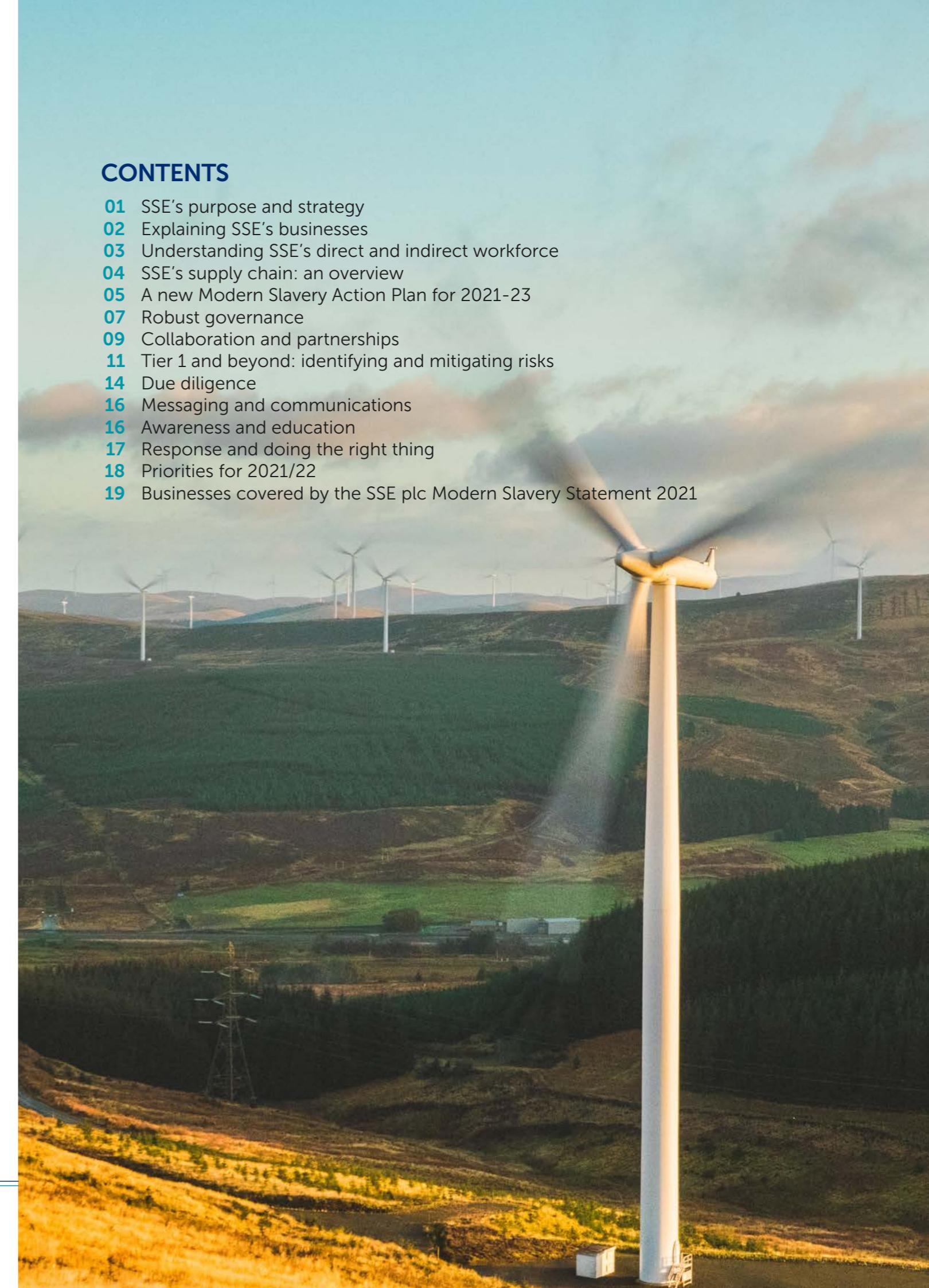
WHAT IS MODERN SLAVERY?

The definition of modern slavery is broad and includes forced labour, servitude, slavery, human trafficking, debt bondage, forced or servile marriage, descent-based slavery and child labour.



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SSE'S PURPOSE AND STRATEGY

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. Its strategy is to create value for shareholders and society through developing, building, operating, and investing in the electricity infrastructure and businesses needed to transition to net zero. In line with this, SSE has set four business goals for 2030, aligned to the United Nations' Sustainable Development Goals (SDGs). All of this is underpinned by the SSE SET of core values designed to guide decisions and actions in SSE: Safety, Service, Efficiency, Sustainability, Excellence and Teamwork.



EXPLAINING SSE'S BUSINESSES

Renewable electricity generation and electricity networks form the low-carbon electricity core of SSE. Complementing this core, SSE has businesses including flexible thermal generation which is undergoing its own transition for a net zero world, customer-facing businesses which provide both a route to market and solutions for customers to reduce their carbon emissions, and businesses which provide distributed energy solutions for other businesses and organisations.

SSE RENEWABLES

Develops, builds, operates, and invests in assets that generate electricity from renewable sources.

2020/21

Headcount 31 March 2021: **1,136**

Proportion of supply chain expenditure: **9%**

SSEN TRANSMISSION

Owns, operates, and develops the electricity transmission network in the north of Scotland.

2020/21

Headcount 31 March 2021: **709**

Proportion of supply chain expenditure: **16%**

SSE THERMAL

Generates electricity from thermal sources in a flexible and reliable way, and its gas storage business holds around 40% of the UK's underground capacity, supporting security of supplies in the UK.

2020/21

Headcount 31 March 2021: **572**

Proportion of supply chain expenditure: **8%**

SSE ENTERPRISE

Serves public sector, commercial and industrial markets in the UK and Ireland, providing localised flexible energy infrastructure, the 'Energy as a Service' platform and digital services.

2020/21

Headcount 31 March 2021: **3,176**

Proportion of supply chain expenditure: **9%**

ENERGY PORTFOLIO MANAGEMENT

Secures value for SSE's asset portfolios in wholesale energy markets and manages volatility through risk-managed trading of energy-related commodities.

2020/21

Headcount 31 March 2021: **201**

Proportion of supply chain expenditure: **<1%**

GROUP SERVICES

Provides regulation, HR, legal, finance, IT, procurement, investor relations, sustainability, corporate affairs and other services to the rest of the SSE Group.

2020/21

Headcount 31 March 2021: **1,333**

Proportion of supply chain expenditure: **13%**

UNDERSTANDING SSE'S DIRECT AND INDIRECT WORKFORCE

RESPONSIBLE EMPLOYER ETHOS

SSE has a well-established responsible employer ethos, which focuses on developing its workforce from within, limiting out-sourcing where possible, and creating an inclusive culture where employees are treated with fairness and respect.

SSE publishes extensive information about its direct and supply chain workforce within its Annual Report and Sustainability Report which can both be found on sse.com. SSE has also been a supporter and contributor to the Workforce Disclosure Initiative (WDI) since its pilot in 2016. The WDI is an investor-backed questionnaire of companies' management of workers in their direct operations as well as their supply chains. In 2020, SSE's WDI submission was in the top 10% in terms of disclosure levels.

DIRECT WORKFORCE

Everyone that works for SSE directly is based in the UK or Ireland. At 31 March 2021, SSE had 12,489 direct employees who work across offices, depots, operational sites and construction sites. Just over 93% were based in the UK and 7% were based in Ireland.

Given the nature of SSE's business and operations, SSE's workforce tends to be highly skilled with employment terms and conditions to match. At 31 March 2021, SSE's employees had an average length of service of 10.7 years and 95% of employees were on permanent contracts. An average employee's earnings was £42,295 and each employee received an average of 9 hours of training over the year. Women comprised 26.4% of SSE's workforce on 31 March 2021.

SSE maintained the safe and reliable supply of electricity throughout the year and engaged with its trade union partners to agree measures to prevent the need to furlough employees, consistent with its long-term commitment of being a responsible employer. Further detail of SSE's response to the coronavirus outbreak, including for employees and suppliers, can be found on sse.com/coronavirus.

CONTINGENT WORKFORCE

On 31 March 2021, SSE had a contingent labour force of 1,950 people, with 90% of these individuals working in the UK and 10% in Ireland. These are people who are not directly employed by the company but carry out work using SSE's IT systems and/or on SSE premises as consultants, temporary agency workers and contractors.

SUPPLY CHAIN WORKFORCE

Over the last few years, SSE has spent around £2-3bn annually through its supply chain with around 10,000 tier 1 suppliers. The nature of SSE's business means that it is involved in several large infrastructure projects as well as operations at different stages during a given year – from pre-planning and design, to development, planning, construction and operation. This means that the type and volume of goods and services SSE purchases can vary significantly, for example from office cleaning and security to on-site civils works, and the purchase of offshore wind turbines, across a wide spectrum of annual spend.

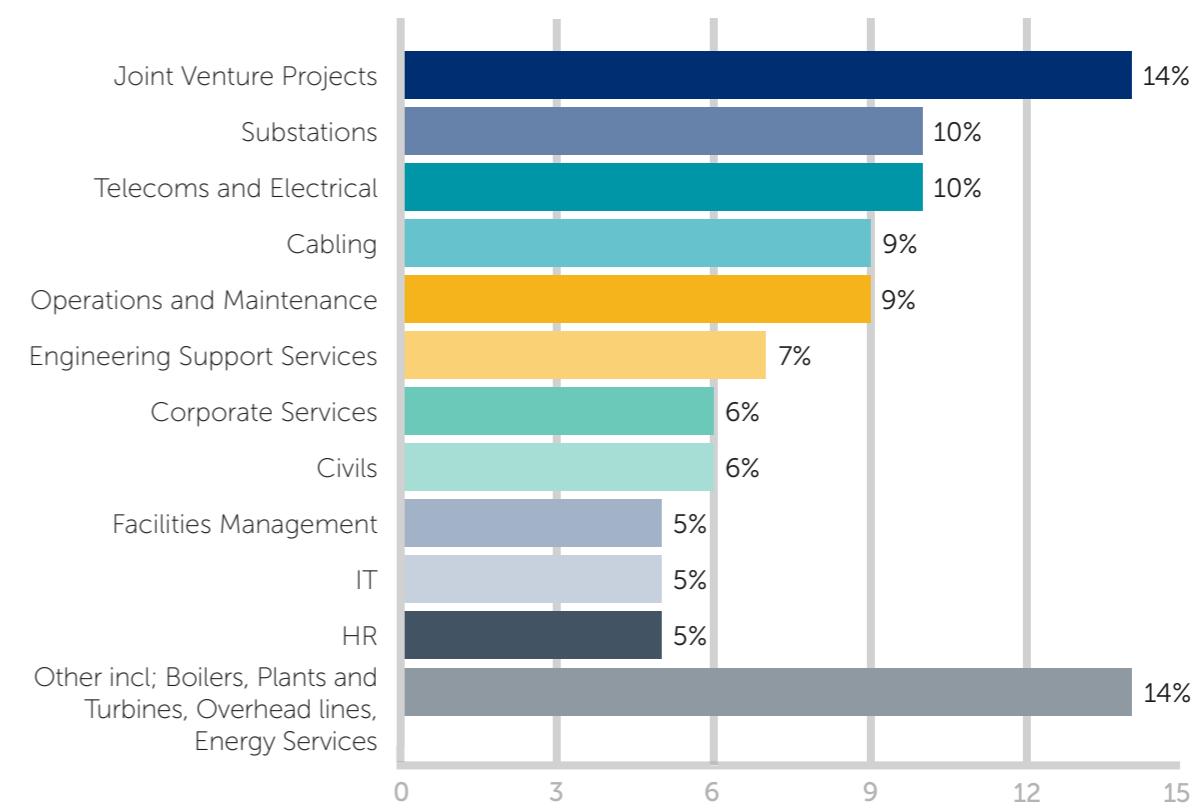
Due to the nature of SSE's operations, the number of workers within its supply chain will also vary substantially throughout the year. Although it is not possible to directly monitor worker numbers throughout its supply chain, SSE has worked with PwC since 2011/12 to better understand the supply chain of its activities. In 2020/21, SSE's activities supported a total of 43,560 jobs across the UK and Ireland. These reports can be found on sse.com/sustainability.

SSE'S SUPPLY CHAIN OVERVIEW

A core element of SSE's ability to deliver decent work and economic growth is working collaboratively with its supply chain, ensuring activity is delivered sustainably, and that its standards and values are supported and upheld by its suppliers and contractors. With over 10,000 suppliers and a £7.5bn investment program across the five years to 2025, collaborating with supply chain partners is central to achieving SSE's 2030 business goals and has been a key focus over 2020/21.

Over 2020/21, SSE spent around £2.4bn with its suppliers. Approximately 40% of this spend relates to construction, operation and maintenance of SSE's infrastructure and assets, particularly the civils works of new assets and the operation and maintenance of existing assets and infrastructure. Goods purchased include wind turbines,

transmission towers, materials and components for assets and cable. Around 11% of spend is attributed to supporting employees to ensure they have the right tools for their job, opportunities for upskilling and personal development, providing reliable transport and safe working environments, including the purchase of goods such as PPE. SSE also buys services from suppliers such as IT and telecoms services to support SSE's digital strategy, construction services, and repair and maintenance services. With SSE's enhanced focus on delivery of the infrastructure needed to reach net zero, specifically renewable energy generation and flexible electricity networks, it continues to invest in the maintenance and repair of existing assets, while focusing on new and improved infrastructure and technologies.



A NEW MODERN SLAVERY ACTION PLAN, 2021-23

As highlighted in SSE's Modern Slavery Statement 2020, it was concluded that SSE required support from external experts to continue to progress its approach to modern slavery risk mitigation in the most meaningful way. SSE therefore commissioned human rights experts Stronger Together to undertake a gap analysis of SSE's approach to modern slavery against best practice. This 'Organisational Performance Assessment' (OPA) took place in September 2020 and involved:

- a visit by Stronger Together to SSE's Keadby 2 CCGT plant, which is currently in construction, to speak directly and independently to around 15 workers on site, from different organisations and doing different jobs;
- detailed interviews with each member of SSE's Human Rights Steering Group (see page 7) and other relevant employees; and
- a desktop review of around 70 SSE documents which relate to human rights and action undertaken by SSE to mitigate the risk of human rights abuses.



STRONGER TOGETHER, ORGANISATIONAL PERFORMANCE ASSESSMENT

"It is clear that SSE has been progressing their sustainability agenda and within that their human rights/modern slavery agenda. The business has put in place strong policies, contractual requirements, and practices around modern slavery, especially within their first tier, which is highly commendable. I was able to witness many areas of good practice both on-site at the Keadby 2 project and from the work completed by the Sustainability Department and the Human Rights Steering Group. For example, SSE is a Living Wage Employer, the Keadby 2 site has a "Blue Book" agreement in place, ensuring excellent worker welfare and rights, the Modern Slavery Statement is well written, accurate, informative and transparent. The Human Rights Steering Group have been active in progressing the work on human rights/modern slavery within the business. As such, their main focus now should be how to refine and improve their current position and focus on areas where they are not as progressed."

Stronger Together, Organisational Performance Assessment report of SSE, September 2020

**stronger
together**
tackling modern slavery in supply chains

Based on the identified gaps and detailed recommendations from Stronger Together, SSE has developed a new 2021-23 Modern Slavery Action Plan. This Action Plan is a core element of SSE's Just Transition Strategy, which highlights the importance of ensuring the delivery of net zero does not come at the cost of human rights abuses.

SSE's Modern Slavery Action Plan is broken down into five key focus areas for the business:

1. Tier 1 and Beyond (pages 11 to 13)

Mapping and risk assessment of Tier 1 suppliers and beyond by identifying and addressing risk in priority supply chains, followed by mitigation and remediation where required. This has been SSE's primary focus for progressing human rights risk mitigation over 2020/21.

2. Due Diligence (pages 14 to 15)

Ensuring SSE has the right systems to drive robust due diligence.

3. Messaging and Communications (page 16)

Embedding the human rights and modern slavery agenda within internal and external communications to demonstrate the importance of this issue to employees and other stakeholders.

4. Awareness and Education (page 16)

Raising awareness amongst all direct and indirect employees, and delivering training to ensure those who require it understand how to spot, report and remedy modern slavery.

5. Response and Doing the Right Thing (page 17)

Formulating an effective response and remedy to instances of non-compliance or reported issues.

Each focus area is sponsored by a member of SSE's Human Rights Steering Group, with the overall Action Plan underpinned by **robust governance** (see page 7) and a focus on **collaboration and partnerships** (see page 9) to drive industry-level visibility and progress.

ROBUST GOVERNANCE

GOVERNING SSE'S HUMAN RIGHTS APPROACH

BOARD OF DIRECTORS

The SSE plc Board of Directors has overall responsibility for SSE's approach to protecting human rights and mitigating the risk of modern slavery. It is provided with an annual update of activities undertaken when it signs off SSE's Modern Slavery Statement.

GROUP EXECUTIVE COMMITTEE

The Group Executive Committee receives a bi-annual update on activities relating to human rights risk mitigation. It signs off SSE's Modern Slavery Statement and receives a full annual update of activity annually, and receives a mid-year update on progress made and provides feedback for planned future activity. The Group Executive Committee comprises SSE's Chief Executive, Finance Director, Group Energy and Commercial Director, MD of Renewables, MD of Transmission, MD of Distribution, General Counsel and Company Secretary. SSE's Director of HR and Director of Corporate Affairs and Strategy also attend all meetings.

GROUP RISK COMMITTEE

From February 2020, SSE's Human Rights Steering Group also reports to the Group Risk Committee on a quarterly basis. The Group Risk Committee is responsible for managing the processes in place to assess and monitor the Group Principal Risks and provides oversight of Business Unit risks, including human rights. The Group Risk Committee is chaired by SSE's Finance Director, and members include SSE's CEO, Group Energy and Commercial Director, Company Secretary, General Counsel, Chief Sustainability Officer and Director of Group Risk and Audit.

HUMAN RIGHTS STEERING GROUP

SSE's Human Rights Steering Group is responsible for the production of the annual Modern Slavery Statement, and the action plans that fall underneath. It meets quarterly and is chaired by SSE's Chief Sustainability Officer, with membership including SSE's Director of Procurement, the Director of SHE, the Head of Large Capital Projects (LCP) Quality, the Head of Learning and Development for SSE's Networks and Enterprise businesses, and the Head of Social Impact.



POLICIES AND STANDARDS

SSE has a comprehensive framework of policies and standards which provide the values base from which SSE's approach to ethical business and employment practices, and specifically human rights, is governed. The SSE plc Board and Group Executive Committee are responsible for the oversight of SSE's Group Policies including the approval of any changes to the policies. These policies are reviewed annually as part of an evaluation process. The Group Executive Committee supports the relevant policy owners and makes sure that the policy is adhered to through awareness, training, and monitoring of policy implementation. Incidents and breaches are reviewed and where appropriate opportunities for improvement are actioned.

Key policies and standards relating to SSE's approach to mitigate the risk of modern slavery include:

- [Doing the right thing: SSE's guide to good business ethics](#) sets out the behaviours and principles of behaviour at SSE.
- [Group Human Rights Policy](#) describes the company's approach to being responsible to its employees and people employed in its supply chain.
- [Group Whistleblowing Policy](#) supports employees to speak up and report any wrongdoing.
- [Group Safety and Health Policy](#) outlines SSE's commitment to the prevention of injury and ill health associated with its activities.
- [Group Employment Policy](#) underpins SSE's commitment to being a responsible employer.
- [Group Corruption and Financial Crime Prevention Policy](#) summarises the company's commitment to financial integrity and ethical behaviour.
- [Group Procurement Policy](#) communicates SSE's approach to procurement, including sustainable and ethical supply chains and modern slavery risk.
- [Sustainable Procurement Code](#) and accompanying [Supplier Guidance](#) document which describes the approach SSE takes to managing modern slavery in its supply chain and sets out its expectations of its supply chain partners.

The policies are widely available to all employees and implementation of their key messages is supported by the employee guide, dedicated training and communications.

CONSIDERATION WITHIN THE GROUP PRINCIPAL RISKS

SSE's Group Principal Risks outline the core uncertainties the company must manage and mitigate to meet its strategic objectives. Human rights and modern slavery is considered within the Group Principal Risks, which are reviewed on an annual basis by the SSE plc Board. It is considered directly under the 'Large Capital Projects Quality' risk, and indirectly within the 'People and Culture', 'Safety and Environment' and 'Politics, Regulation and Compliance' risks.

COLLABORATION AND PARTNERSHIPS

A central element of SSE's approach to implementing its Modern Slavery Action Plan is working collaboratively with experts and other organisations to develop shared approaches to mitigating the risk of human rights abuses. As well as working with Stronger Together to understand gaps in its approach and consequently develop the Action Plan, SSE has partnered with the Supply Chain Sustainability School and been an active member of the Utilities Modern Slavery Working Group over 2020/21.

SUPPLY CHAIN SUSTAINABILITY SCHOOL

In late 2020/21, SSE became a partner of the Supply Chain Sustainability School, the sister organisation of Action Sustainability which is the consultancy that undertook the gap analysis of SSE's sustainable procurement approach in 2019/20 (see SSE's Modern Slavery Statement 2020 for more information.) The School is 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. Modern slavery training and materials form an important part of the School's focus and resources. SSE is currently working with the School to ensure it best utilises these high quality resources,



"Collaboration with our supply chain partners, peers, and sustainable procurement experts is what helps create credibility in our approach. Openness and transparency are central to making progress on combatting modern slavery. It's in all our interests to work together: nobody has a competitive advantage if that advantage comes from the exploitation of people. Working with experts, partners and peers gives us one voice to raise standards and minimise duplication of work, both for us and for our suppliers."

Gregor Alexander
Finance Director, SSE

with the objective of raising awareness of where modern slavery can take place, how to spot the signs of modern slavery and the right action to take. It will report on progress made over 2021/22 within its Modern Slavery Statement 2022.

UTILITIES MODERN SLAVERY WORKING GROUP

SSE was one of the first companies to join the Utilities Modern Slavery Working Group (Utilities MSWG) which was set up in May 2020 by the Slave Free Alliance to drive forward collaborative action across the sector. The Utilities MSWG meets every six weeks and currently consists of around 20 utility companies, with an objective to establish a common, consistent, and robust approach to mitigating the risk of modern slavery within the utilities sector. This is done by raising awareness, sharing best practice, and collaborating to minimise the duplication of effort by each company and by their shared supply chain.

As part of the Utilities MSWG, over 2020/21 SSE has:

- presented its approach to modern slavery risk mitigation to the group to share its key learnings and insights on how it is developing its approach following the gap analysis undertaken by Stronger Together in 2020;
- helped develop a shared industry question set on modern slavery for pre-qualification questionnaire templates which has now been incorporated in SSE's PQQ templates; and
- shared supply chain information relating to the purchase of certain goods and services which were deemed to be of higher modern slavery risk, to understand where there are shared suppliers across the Utilities MSWG.



TIER 1 AND BEYOND: IDENTIFYING AND MITIGATING RISKS

IDENTIFYING RISKS

DESK-BASED RISK ASSESSMENT OF TIER 1 EXPENDITURE

Each year SSE carries out a desk-based modern slavery risk assessment of its tier 1 expenditure. This maps modern slavery risk to SSE's tier 1 procurement expenditure depending on category of spend and country-of-origin, which is based on the location of the paid address as provided or held by SSE, by further location-data reconciliation, or the company's location as recorded on the Companies House database.

In 2020/21 this assessment was enhanced to include a new category risk review. SSE undertook the process of reassessing all its expenditure categories in terms of high, medium, and low risk of modern slavery to assess its 2020/21 expenditure. This process was carried out by the category managers and reviewed by the central sustainability team, and was undertaken as a result of SSE's developing understanding of modern slavery risk and a better understanding of its prevalence across many different industries and businesses types.

The 2020/21 assessment mapped just under £2.4bn of expenditure. Both the previous method of mapping risk across categories and industries, and the new method of assessment were carried out in 2020/21, in this report we will be disclosing the results of both:

- The new method showed that: 50% of supply chain expenditure fell into categories with a low risk of modern slavery, 38% fell into categories with a medium risk and 0.1% fell into categories with a high risk. 12% of expenditure could not be allocated to a category, and SSE is working to improve data allocation.
- The previous method (which will not be used by SSE going forward) showed that, excluding unmapped expenditure: 2% of supply chain expenditure was in industries and spend categories which both were assessed as having a high risk of modern slavery. Higher value examples include tree-cutting, scaffolding and the purchase of wood poles. 7% of spend was in medium risk spend categories and also in high risk industries. 1% was in medium risk industries and also in high risk spend categories.

This process formed part of the wider sustainability risk mapping which has been undertaken following the gap analysis of SSE's sustainable procurement practices undertaken by Action Sustainability (see [SSE's Modern Slavery Statement 2020](#) for more information). The findings help inform SSE where it needs to target further action and engagement with its supply chain.

SSE is now using this data to enhance supplier engagement, apply risk based tender criteria and expand performance management of the supply chain, while also enhancing collaboration and maximising sustainability opportunities.

WORKING WITH STRATEGIC SUPPLIERS TO UNDERSTAND RISK

While SSE's desk-based risk assessment is useful for providing some understanding of the risk profile of SSE's supply chain, SSE recognises that this approach can only provide a partial view of modern slavery risk. SSE's tier 1 expenditure does not reflect the full supply chain of some of the goods it purchases, for example higher value asset components which are often manufactured overseas and have complex multi-national supply chains.

SSE has an established Supplier Relationship Management (SRM) programme, in operation for over a decade, with around 20 suppliers previously defined as critical to SSE achieving its strategic aims. Over the last 18 months, following the organisational structure change, this programme has been aligned to the new business units and has grown to now encompass around 40 suppliers who are key to the growth and success of SSE's business ambitions.

In its Modern Slavery Statement 2019, SSE reported that it had undertaken a detailed risk assessment with its strategic suppliers to begin to go beyond tier 1 risk analysis, and in 2019/20 this progressed to include one-to-one feedback sessions that ran with eight strategic suppliers (see 2019 and 2020 Modern Slavery Statements for detail). These sessions have opened the door to further engagement opportunities in 2020/21, by improving SSE's connection with the relevant



supplier teams. In the last 12 months SSE has engaged with additional, non-strategic suppliers as well, driving forward discussions around sustainability, including modern slavery, and will continue to advance this further over 2021/22 alongside the continued focus with strategic suppliers.

FOCUS ON NET ZERO TRANSITIONAL TECHNOLOGIES

Achieving net zero carbon emissions within the next three decades will require a global transformation of social and economic systems. The complexity of social, economic, and environmental interactions in this transformation requires thoughtful and considered action. In its Sustainability Report 2021 and Just Transition Strategy (both available on [sse.com/sustainability](#)), SSE outlines the trade-offs that must be carefully navigated to minimise social injustice and maximise social value.

SSE knows that there are times where it is unacceptable to manage a trade-off, and the trade-off must simply be rejected. Developing technologies which are critical to fighting climate change as well as the future of SSE's business, such as offshore wind and battery storage, carry new challenges for human rights, in particular the monitoring and mitigation of human rights abuses. The potential for human rights abuses in the provision of metals, minerals and services required for smart electricity systems and electricity generation is unacceptable to SSE and this is therefore a key area of focus where SSE is assessing risk and undertaking additional measures to mitigate and manage risk. SSE's objective is to maintain, and continuously improve, systems that can identify the provenance of components so it can intervene to reduce the risk of human rights abuses in its supply chain.

MITIGATING RISKS

DEVELOPING A NEW SUSTAINABLE PROCUREMENT STRATEGY

Following an independent gap analysis carried out in 2020 against the ISO 20400 standard for sustainable

procurement by experts Action Sustainability, a three-part strategy was agreed for SSE to achieve a 'mature' sustainable procurement model:

1. Develop and maintain a detailed analysis of sustainability risk and opportunity across SSE's procurement categories and sub-categories;
2. Use the risk and opportunity assessment to inform questions asked of prospective suppliers at all procurement stages including the setting of appropriate contract clauses and associated KPIs; and,
3. Integrate sustainability prominently and with clear deliverables into recruitment, job descriptions and performance review processes and develop training to support this objective.

The first two recommendations have been the focus of SSE during 2020/21, with sustainability considerations, including modern slavery, factored into each stage of the supplier selection process. Pre-qualification and tender questions have been piloted through the manual adding of questions into tenders based on category, risk and contract value. This process will become automated as SSE integrates a new sourcing tool over 2021/22, ensuring that sustainability is considered more fully throughout SSE's supply chain.

SSE'S NEW SUSTAINABLE PROCUREMENT CODE

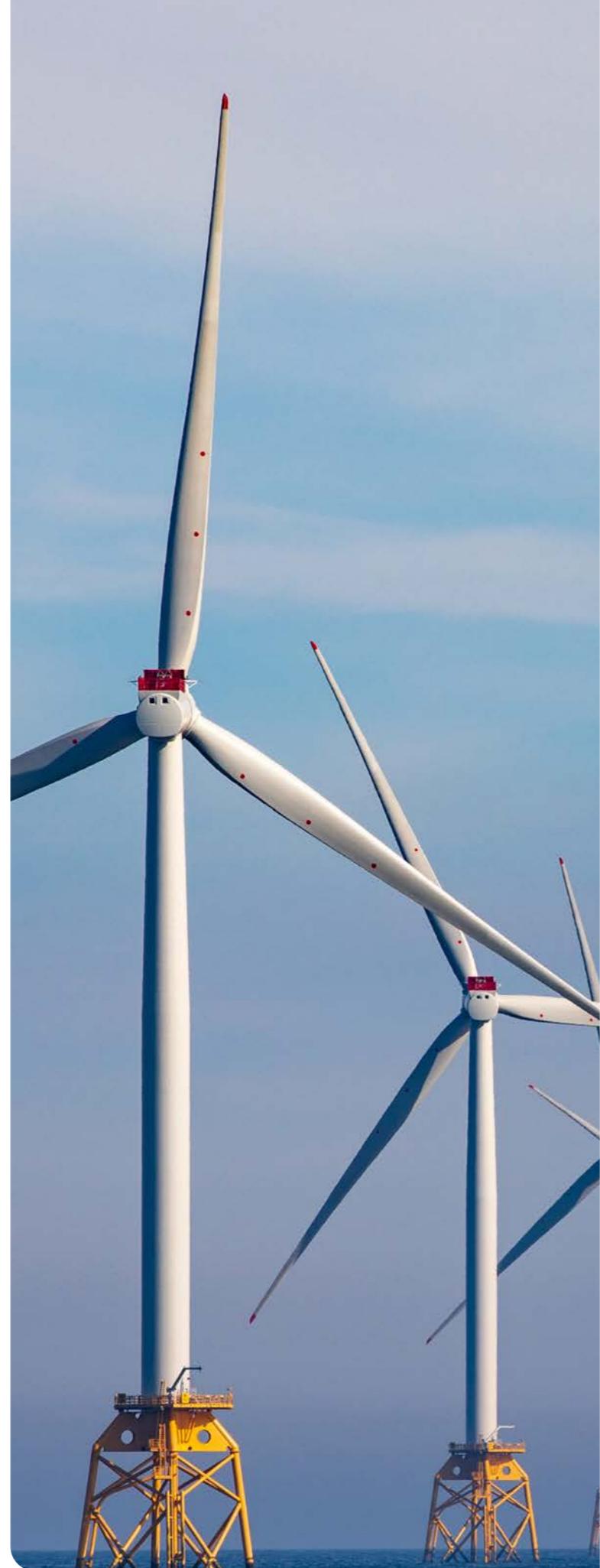
At the core of SSE's sustainable procurement strategy is its new Sustainable Procurement Code and accompanying Supplier Guidance, which were developed over 2020/21 and published in early 2021/22. These documents replace SSE's Responsible Procurement Charter and are publicly available on [sse.com/sustainability](#). The Code sets out SSE's expectations of the companies that supply SSE with goods and services. The Code has been designed to feed into SSE's own sustainability approach, with clear alignment to the UN's SDGs which are most material to SSE (see page 1).

As well as minimum standards, the Code outlines the role of suppliers in delivering common sustainability goals, from paying a real Living Wage to ensuring excellent safety standards on sites. The Code includes a specific section on modern slavery and human rights, including SSE's zero tolerance and its requirements on suppliers. Suppliers, contractors and those working on their behalf are instructed to report any specific potential violation of the Code to sustainablesuppliers@sse.com.

SUPPLIER REGISTRATION AND PRE-QUALIFICATION QUESTIONS

All potential new suppliers must register on SSE's Supplier Registration System (SRS) which includes sign-on to SSE's Sustainable Procurement Code. For those suppliers who progress onto the Utilities Vendor Database (UVDB), a portal for suppliers in the utilities industry, questions relating to their approach to modern slavery risk within their own organisation and supply chain must be completed with documentation uploaded as appropriate. UVDB is operated by Achilles Information Limited, who also conduct independent audits of certain suppliers registered on the system against the information they have provided in the questionnaire.

In addition to the general refresh of SSE's sustainable procurement approach to more fully embed sustainability (see above), SSE's pre-qualification questions (PQQ) template was updated in 2020/21 to align with work undertaken by the Utilities Modern Slavery Working Group (see page 9), and now includes more robust questions on modern slavery for potential suppliers which are consistent with the questions being asked by its peers in the utility sector.



DUE DILIGENCE

ROBUST HEALTH AND SAFETY STANDARDS

SSE's aim is to make sure everyone gets home safely. In SSE's 2020 employee engagement survey, 96% of SSE's workforce said they understand that at SSE, if it's not safe – we don't do it. SSE believes that stringent safety measures on its sites reflect a wider approach to protecting the people that work for it.

SSE has very high safety standards for both direct workers and contractors, and reported good and improving safety performance across both groups over 2020/21. The total number of injuries for employees and contractors combined was 47, compared to 55 over 2019/20, with the total recordable injury rate (TRIR) falling from 0.16 per 100,000 hours worked in 2019/20 to 0.15 in 2020/21. Further detail on safety performance for 2020/21 can be found on page 143 of SSE's Annual Report 2021.

SSE also performs monthly checks to review information around the amount of overtime being worked by SSE employees across different areas of the business. Each business implements a process to monitor and manage the working hours of employees to control fatigue risks from excessive working.

VERIFICATION AND VETTING

SSE ensures that the right to work is evidenced for all workers in line with Government requirements. SSE also sets the expectation that contractors and staffing agencies are subject to the same standards, assigning business managers with responsibility to ensure they are satisfied that the required verification and vetting of workers has taken place.

COLLECTIVE BARGAINING AND FREEDOM OF ASSOCIATION

Everyone that works for SSE has the fundamental right to freedom of association, including the right to join a trade union. In 2020/21, 53.9% of SSE's total direct workforce were covered by collective bargaining agreements. The Joint Agreement, covering 46.9% of SSE employees, is the main collective bargained agreement for SSE employees.

It is negotiated through the Joint Negotiating and Consultative Committee (the JNCC) which comprises SSE and its four recognised trade union partners: Unite, Unison, Prospect and the GMB. In June 2021, SSE presented its approach to modern slavery risk mitigation over 2020/21 and key priorities for 2021/22 to the JNCC.

SAFEGUARDING

SSE is committed to safeguarding and promoting the welfare of all employees. The company has a Safeguarding Policy in place to ensure the safety of all apprentices aged under 18 years old when working, learning, travelling and when in residential accommodation provided by SSE. Specific guidance is provided within the policy in relation to the protection and welfare of vulnerable young people.

VOLUNTARY ENHANCED STANDARDS: THE LIVING WAGE AND LIVING HOURS

SSE has been a committed Living Wage employer in the UK since 2013 and paid the Irish Living Wage since 2016. Checks are carried out by payroll every month to ensure that SSE remains compliant with its own voluntary commitment to paying the real Living Wage.

All supply chain workers that work regularly on SSE sites in the UK must also receive at least the real Living Wage rate. Whistleblowing channels exist for any supplier or contractor to contact SSE if they believe they should be receiving the Living Wage and are not. Over 2020/21, these channels were used to highlight that one contractor employing people at one of SSE's sites were paying employees the national living wage rather than the real Living Wage. This issue was immediately investigated by the SSE team. The contractor agreed to increase the wage rate to the real Living Wage and backdate pay for employees who had been receiving the lower rate of pay.

In March 2021, SSE also became one of the first companies in the UK to become an accredited Living Hours employer, underlining its commitment to providing workers with secure, guaranteed working hours. The Living Hours initiative requires



employers to both pay the real Living Wage and commit to provide at least four weeks' notice for every shift, with guaranteed payment if shifts are cancelled within this notice period. Living Hours employers also provide a guaranteed minimum of 16 working hours every week (unless the worker requests otherwise), and a contract that accurately reflects hours worked.

As well as being Chair of the Living Wage Leadership Group in Scotland, SSE has been a member of the Living Hours Steering Group for more than two years, supporting the Living Wage Foundation to develop this new and important standard. Like with the Living Wage, SSE believes that the biggest impact of Living Hours will come through the changes made for those that work regularly on its sites.

CONTRACTUAL CLAUSES

SSE currently includes two relevant clauses within its procurement contracts to help mitigate the risk of modern slavery and hold suppliers accountable for ensuring they are taking appropriate action:

- Modern Slavery Clause:** SSE's Modern Slavery Clause has been included in all new goods, services and works contracts issued since 2016. This clause explicitly states that the contractor must ensure that no slavery or human trafficking takes place or has taken place within their own business and in any part of its supply chains. The clause was updated in 2020 to explicitly rule out the imposition of any financial burdens, such as withholding wages or imposing recruitment fees, on workers and require that workers are informed of and have access to a means for reporting an actual or suspected instance or risk of slavery or human trafficking when work is being undertaken for SSE. As noted on page 17, individuals working on SSE's behalf are able to access SSE's whistleblowing channels.
- Living Wage Clause:** SSE's Living Wage Clause has been included in all new services and works contracts issued since 2014. It requires that the real Living Wage is paid to employees throughout every tier of SSE's supply chain when they are providing services regularly on SSE sites or to SSE's customers

on its behalf in the UK. In 2020, the clause was updated to ensure that it covers activities related to SSE's offshore wind projects and to extend SSE's ability to check compliance.

The completion of a checklist by SSE's Procurement department ensures that suppliers are properly registered and that contracts feature the relevant clauses. Where evidence emerges of a supplier's non-compliance with its contractual obligations, SSE will invoke its rights under the contract to investigate and remedy non-compliance.

ON-SITE CHECKS AND AUDITS

As noted on page 5, SSE commissioned human rights experts Stronger Together to visit its Keadby 2 construction site in September 2020. This included independently speaking to around 15 workers from different companies doing different jobs and observing general practices on site. While there were some recommendations for how to better enhance human rights considerations and awareness, Keadby 2 was described by Stronger Together as a model of good practice. The organisation received excellent feedback from workers on site, including "I only wish I knew that sites like this existed" and "best site I've ever worked on", with high morale was observed overall.

More widely, SSE has a large and evolving supply chain which supports the ongoing project portfolio. As part of SSE's Large Capital Projects (LCP) Quality assurance programme, scheduled and regular on-site audits are conducted on the designated Principal Contractor to ensure both they and their supporting supply chain are meeting the standards expected by SSE. As reported in SSE's Modern Slavery Statement 2019, during 2018/19 SSE introduced a modern slavery checklist as part of these audits to ensure compliance on-site with SSE's modern slavery requirements. Due to the health and safety restrictions in place to protect workers during the coronavirus virus, these on-site audits were suspended over 2020/21 but are due to be reinstated in 2021/22. SSE is also working on how to further develop these modern slavery audits on its sites in line with recommendations from Stronger Together.

MESSAGING AND COMMUNICATIONS

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. It covers a wide range of topics, from human rights and modern slavery, to managing data and cyber security. Employees, suppliers and contractors are expected to familiarise themselves with this guide and SSE's expectations for ethical business behaviour.

While SSE already communicates to employees regularly on doing the right thing, over 2021/22 it will communicate more explicitly on its efforts to mitigate modern slavery risk as part of its wider

business ethics and SHE (Safety, Health and Environment) messaging.

Externally, in February 2021 SSE presented its approach to modern slavery risk mitigation to the Utilities Modern Slavery Working Group (Utilities MSWG). Through the Utilities MSWG and SSE's partnership with the Supply Chain Sustainability School (see page 9), SSE plans to communicate its approach more widely over 2021/22. Already in May 2021, SSE spoke at a joint session between the Utilities MSWG and the Supply Chain Sustainability School to introduce the group and its objectives, as well as provide information on what modern slavery is and the resources available to suppliers to mitigate risk. Around 140 individuals attended this session.

AWARENESS AND EDUCATION

In 2020/21, SSE partnered with the Supply Chain Sustainability School (see page 9) which provides high-quality training and wider resources on key sustainability topics to employees and suppliers. Modern slavery forms a significant part of the training and resources available through the School, and SSE is now working with the School to carry out a Learning Needs Assessment for its direct workforce and begin implementation of a training programme for modern slavery over 2021/22. This will include building basic awareness raising for those less exposed to modern slavery risk, as well as more extensive learning pathways and bespoke

training workshops for high priority employees. SSE will also begin roll-out of modern slavery training requirements to suppliers through the School in 2021/22.

In addition to specific modern slavery training, SSE has a suite of mandatory ethics and compliance training modules aligned to its 'Doing the right thing' approach which all employees are required to complete cyclically. These are monitored monthly to ensure all staff are completing training when required.



RESPONSE AND DOING THE RIGHT THING

REPORTING WRONG-DOING

Speaking up against wrong-doing is a key element of SSE's approach to good business ethics and doing the right thing. 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 through an independent whistleblowing channel, called SafeCall, as well as through SSE's internal channels. Details for how to report wrong-doing through all of these channels is made publicly available through the 'Doing the right thing' guide, with information on speaking up about human rights and modern slavery specifically detailed on page 31. While internal channels are available in English only, SafeCall is available in many languages, shown on safecall.co.uk/report. The effectiveness of SSE's whistleblowing arrangements are reviewed twice yearly by the GEC and the Board.

In SSE's 2020 employee engagement survey, 82% of employees said that they would report wrong-doing without worrying that it would have a negative impact on them (+6% compared to the Energy and Utilities Norm and +1% compared to the UK Norm). Over calendar year 2020, there were 66 reports of wrongdoing made through SSE's speak up channels, a decrease from 88 in 2019 which is understood to be driven by changes in working caused by the coronavirus pandemic. A breakdown of what these whistleblowing incidents related to can be found within SSE's Sustainability Report 2021. None of these incidents related to suspected instances of modern slavery or human rights abuses.

SSE's Modern Slavery Clause (see page 15) also includes a requirement that suppliers and contractors provide a channel for people to speak up if they suspect modern slavery or human rights abuses when working on behalf of SSE.

INVESTIGATING WRONG-DOING AND TAKING ACTION

When people speak up against wrong-doing at SSE, it is always fully investigated if possible, with appropriate action taken to prevent further wrong-doing. When speak up incidents are reported, either internally or externally, they are always treated in good faith and referred to SSE's Group Security and Investigations team or another relevant department for full investigation. During these investigations, interviews are undertaken and evidence is collated. Final reports of the investigations are submitted either internally for consideration of disciplinary action, or externally to law enforcement. A breakdown of the outcomes of the whistleblowing reports made over 2020 can be found in the Sustainability Report 2021.

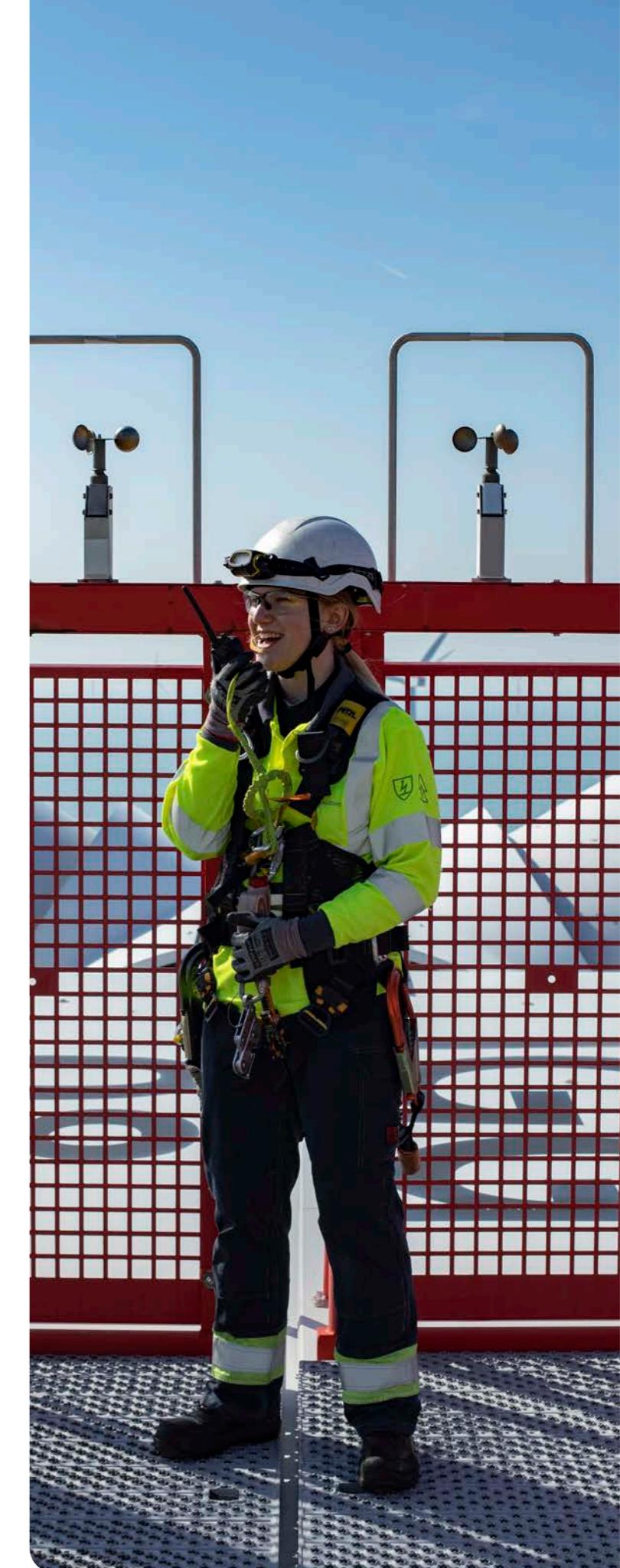
SSE takes measures so that those that speak up feel confident they are doing the right thing and know there will not be negative repercussions. SSE's priority is to build trust with people who speak up and ensure they are treated fairly and with respect. SSE was one of the first major companies to implement an after-care programme for those people that make contact through its speak up channels, and has been working over 2020/21 to implement this earlier in the process to increase uptake. This is designed to gain feedback and improve future processes to further support employees to speak up. In 2020, SSE issued 57 after-care surveys and received five responses which are being used to inform SSE's processes and practices.

Going forward, as part of its 2021-23 Modern Slavery Action Plan, SSE will work with other organisations through the Supply Chain Sustainability School to develop a specific response plan for what happens when instances of suspected modern slavery are found within direct or supply chain operations. Communication of the response plan and remediation processes to key internal and external stakeholders will commence following its completion.

PRIORITIES FOR 2021/22

SSE has identified six key priorities for 2021/22 to further develop its approach to modern slavery risk mitigation, in line with its 2021-23 Modern Slavery Action Plan and the recommendations from Stronger Together. Progress will be reported on within SSE's Modern Slavery Statement 2022.

1. Implement SSE's new sustainable procurement strategy;
2. Advance understanding of risk on major projects with external support;
3. Progress sector-level collaboration and implement shared approach with the Utilities Modern Slavery Working Group;
4. Use resources, training and networks through new partnership with the Supply Chain Sustainability School;
5. Create a Human Rights Working Group to drive further action and accountability internally; and
6. Provide open disclosure through UK Government registry.



BUSINESSES COVERED BY THE SSE MODERN SLAVERY STATEMENT 2021

COMPANY	COUNTRY OF INCORPORATION	2021 HOLDING %	PRINCIPLE ACTIVITY
Abernedd Power Company Limited	England and Wales	100	Holding Company
Airtricity Windfarm Finance Limited	Ireland	100	Holding Company
Arklow Offshore Phase II Company Limited	Ireland	100	Dormant
Beatrice Offshore Windfarm Limited	Scotland	40.0	Power Generation
Beithe (HK) Limited	Hong Kong	100	Holding Company
Beithe AG	Switzerland	100	Holding Company
Berwick Bank Wind Holdings Limited (formerly Seagreen Charlie Wind Energy Limited)	England and Wales	100	Holding Company
Berwick Bank Wind Limited (formerly Seagreen Foxtrot Wind Energy Limited)	England and Wales	100	Power Generation
Bhlaraidh Wind Farm Limited	Scotland	100	Power Generation
Bindoo Windfarm (ROI) Limited	Ireland	100	Power Generation
Brickmount Limited	Ireland	100	Power Generation
Building Automation Solutions Limited	England and Wales	100	Dormant
Clyde Windfarm (Scotland) Limited	Scotland	50.1	Power Generation
Coire Glas Hydro Pumped Storage Limited	Scotland	100	Power Generation
Comhlacht Gaoithe Teoranta	Ireland	100	Power Generation
Coomacheo Wind Farm Limited	Ireland	100	Power Generation
Coomatallin Windfarm (ROI) Limited	Ireland	100	Power Generation
Curragh Mountain Windfarm Limited	Ireland	100	Power Generation
Dedondo Limited	Ireland	100	Power Generation
Dromada Windfarm (ROI) Limited	Ireland	100	Power Generation
Drumnahough Wind Farm Designated Activity Company	Ireland	100	Power Generation
Dunmaglass Wind Farm Limited	Scotland	50.1	Power Generation
Fibre Fuel Limited	England and Wales	100	Dormant
Fibre Power (Slough) Limited	England and Wales	100	Power Generation
Forbury Assets Limited	England and Wales	100	Construction of utility projects
Fusion Heating Limited	Northern Ireland	100	Energy Related Services
Galway Wind Park Phase 3 Designated	Ireland	100	Renewable Development
Ganderoy Limited	Ireland	100	Power Generation
Gartnaneane Limited	Ireland	100	Power Generation
Greater Gabbard Offshore Winds Limited (GGOWL)	England and Wales	50.0	Power Generation
Green Wind Energy (Wexford) Limited	Ireland	100	Renewable Development
Griffin Wind Farm Limited	Scotland	100	Power Generation
Hadyard Hill Wind Farm Limited	Scotland	100	Power Generation
Hydro Electric Pension Scheme Trustees Limited	Scotland	100	Dormant
Keadby Developments Limited	England and Wales	100	Dormant

COMPANY	COUNTRY OF INCORPORATION	2021 HOLDING %	PRINCIPLE ACTIVITY
Keadby Generation Limited	England and Wales	100	Power Generation
Keadby Wind Farm Limited	England and Wales	100	Power Generation
Leanamore Wind Farm Limited (formerly Ahalia Holdings Limited)	Ireland	100	Power Generation
Lenalea Wind Farm Designated Activity Company	Ireland	100	Renewable Development
Limerick West Windfarm Limited	Ireland	100	Power Generation
March Winds Limited	Ireland	100	Power Generation
Marr Bank Wind Holdings Limited (formerly Seagreen Golf Wind Energy Limited)	England and Wales	100	Holding Company
Marr Bank Wind Limited (formerly Seagreen Delta Wind Energy Limited)	England and Wales	100	Power Generation
Medway Power Limited	England and Wales	100	Power Generation
Meentycat Limited	Ireland	100	Power Generation
Milane Holdings Limited	Ireland	100	Dormant
Mullananol Wind Farm (ROI) Limited	Ireland	100	Power Generation
Platin Power Limited	Ireland	100	Dormant
Power from Waste Limited	England and Wales	100	Dormant
Richfield Windfarm (ROI) Limited	Ireland	100	Power Generation
Scottish and Southern Energy Power Distribution Limited	Scotland	100	Holding Company
Scottish Hydro Electric Power Distribution plc	Scotland	100	Power Distribution
Scottish Hydro Electric Transmission plc	Scotland	100	Power Transmission
Slough Domestic Electricity Limited	England and Wales	100	Power Generation
Slough Electricity Contracts Limited	England and Wales	100	Electricity Contracting
Slough Energy Supplies Limited	England and Wales	100	Dormant
Slough Heat & Power Limited	England and Wales	100	Power Generation
Slough Utility Services Limited	England and Wales	100	Utility Services
Southern Electric Power Distribution plc	England and Wales	100	Power Distribution
SSE Airtricity Limited	Ireland	100	Energy Supply
SSE Airtricity Distributed Energy Limited	Ireland	100	Power Distribution
SSE Airtricity Energy Services (NI) Limited	Northern Ireland	100	Energy Supply
SSE Airtricity Energy Services Limited	Ireland	100	Energy Supply
SSE Airtricity Energy Supply (NI) Limited	Northern Ireland	100	Energy Supply
SSE Airtricity Gas Limited	Ireland	100	Energy Supply
SSE Airtricity Gas Supply (NI) Limited	Northern Ireland	100	Energy Supply
SSE Airtricity Utility Solutions Limited	Ireland	100	Utility Contracting
SSE Beatrice Offshore Windfarm Holdings Limited	Scotland	100	Holding Company
SSE Contracting Group Limited	England and Wales	100	Holding Company
SSE Contracting Limited	England and Wales	100	Contracting
SSE Cumarsáid Teoranta	Ireland	100	Telecommunications
SSE E&P UK Limited	Scotland	100	Gas Production
SSE Energy Supply Limited	England and Wales	100	Energy Supply
SSE Enterprise Limited	England and Wales	100	Corporate Services
SSE EPM Limited	England and Wales	100	Energy Trading
SSE Galloper Offshore Windfarm Holdings Limited	England and Wales	100	Holding Company
SSE Generation Ireland Limited	Ireland	100	Power Generation
SSE Generation Limited	England and Wales	100	Power Generation
SSE Group Limited	Scotland	100	Dormant

COMPANY	COUNTRY OF INCORPORATION	2021 HOLDING %	PRINCIPLE ACTIVITY
SSE Heat Networks (Battersea) Limited	England and Wales	100	Dormant
SSE Heat Networks Limited	Scotland	100	Utility Services
SSE Hornsea Limited	England and Wales	100	Gas Storage
SSE Insurance Limited	Isle of Man	100	Insurance
SSE Maple Limited	England and Wales	100	Investment Holding
SSE Medway Operations Limited	England and Wales	100	Holding Company
SSE Micro Renewables Limited	Scotland	100	Energy Related Services
SSE Multifuel Generation Holdings Limited	England and Wales	100	Holding Company
SSE OWS Glasgow Limited	Scotland	100	Property Holding
SSE Production Services Limited	England and Wales	100	Maintenance Services
SSE Renewables (Ireland) Limited	Ireland	100	Holding Company
SSE Renewables Developments (Germany) GmbH	Germany	100	Renewable Development
SSE Renewables Generation Ireland Limited	Ireland	100	Power Generation
SSE Renewables Holdings (Europe) Limited	Ireland	100	Holding Company
SSE Renewables Holdings (UK) Limited	Northern Ireland	100	Holding Company
SSE Renewables Holdings Germany GmbH	Germany	100	Dormant
SSE Renewables Holdings Limited	Ireland	100	Holding Company
SSE Renewables International Holdings	Scotland	100	Holding Company
SSE Renewables Limited	Scotland	100	Holding Company
SSE Renewables Off Shore Limited	Ireland	100	Holding Company
SSE Renewables Offshore Windfarm Holdings Limited	Scotland	100	Holding Company
SSE Renewables Onshore Windfarm Holdings Limited	Northern Ireland	100	Holding Company
SSE Renewables UK Limited	Northern Ireland	100	Power Generation
SSE Renewables Services (UK) Limited (formerly SSE Renewables Developments (UK) Limited)	Northern Ireland	100	Renewable Development
SSE Renewables Walney (UK) Limited	England and Wales	-	Holding Company
SSE Renewables Wind (Ireland) Holdings Limited	Ireland	100	Holding Company
SSE Renewables Wind Farms (Ireland) Limited (formerly Airtricity Europe Windfarm Holdings Limited)	Ireland	100	Power Generation
SSE Renewables Wind Farms (UK) Limited	Scotland	100	Power Generation
SSE Retail Limited	Scotland	100	Energy Related Services
SSE Seabank Investments Limited	England and Wales	100	Dormant
SSE Seabank Land Investments Limited	England and Wales	100	Dormant
SSE Services plc	England and Wales	100	Corporate Services
SSE Slough Multifuel Holdco Limited	England and Wales	100	Power Generation
SSE Southern Group Trustee Limited (Previously Southern Electric Group Trustee Limited)	England and Wales	100	Dormant
SSE Stock Limited	Scotland	100	Stock Holding
SSE Thermal Energy Holdings Limited	England and Wales	100	Holding Company
SSE Thermal Energy Operations Limited	England and Wales	100	Power Generation
SSE Thermal Generation (Scotland) Limited	Scotland	100	Power Generation
SSE Thermal Generation Holdings Limited	England and Wales	100	Holding Company
SSE Tiddleburn Limited	Scotland	100	Power Generation
SSE Trading Limited	England and Wales	100	Energy Trading

COMPANY	COUNTRY OF INCORPORATION	2021 HOLDING %	PRINCIPLE ACTIVITY
SSE Trustees Limited	England and Wales	100	Dormant
SSE Utility Services Limited	England and Wales	100	Dormant
SSE Utility Solutions Limited	England and Wales	100	Utility Services
SSE Venture Capital Limited	Scotland	100	Investment Holding
SSE Viking Limited	England and Wales	100	Renewable Development
SSE(SE) Quest Trustee Limited (Previously Southern Electric Quest Trustee Limited)	England and Wales	100	Dormant
SSEPG (Operations) Limited	England and Wales	100	Power Generation
Strathy Wind Farm Limited	Scotland	100	Power Generation
Stronelairg Wind Farm Limited	Scotland	50.1	Power Generation
Sure Partners Limited	Ireland	100	Renewable Development
Tealing Solar Park Limited	England and Wales	100	Construction of utility project
TESGL Limited	England and Wales	100	Building Energy Management
The Energy Solutions Group Bidco Limited	England and Wales	100	Dormant
The Energy Solutions Group Midco Limited	England and Wales	100	Dormant
The Energy Solutions Group Topco Limited	England and Wales	100	Dormant
Tournafulla Windfarm (ROI) Limited	Ireland	100	Power Generation
Viking Energy (Scottish Partnership)	Scotland	100	Renewable Development
Viking Energy Wind Farm LLP	Scotland	100	Renewable Development