

Responsible Procurement Charter

SSE seeks to be a leading energy provider in a low-carbon world. It aims to achieve that in a sustainable way, acting in the public interest and for the benefit of energy customers.



To ensure that SSE's business is conducted ethically, sustainably and within the law, SSE expects its suppliers, and encourages the same of their supply chains, to meet the principles outlined in this Charter. This means as a minimum complying with local laws and regulations and respecting internationally recognised human and labour rights, however the values of fairness and respect are equally important to SSE.

Health, Safety and Environment

Health and safety

At SSE if it's not safe, we don't do it, and we expect that all our contractors working with us follow that approach, so that we all get home safe. The essence of our approach to our safety culture is based on the following four statements:

- we take care of ourselves and each other
- we take pride in our work and our workplace
- we plan, scan and adapt
- we see it, sort it, report it

SSE seeks to work with contract partners who have a similar positive approach to safety.

SSE aims to provide staff with the training, work methods and equipment necessary to achieve the highest level of health and safety performance.

SSE expects its suppliers to adhere absolutely to relevant legislation such as COSHH, REACH and RoHS where appropriate, and furthermore to work to industry best practice, where this exceeds the legislation.

Suppliers working on SSE's sites are expected to respect SSE's health and safety culture and where appropriate SSE will seek evidence that its suppliers are compliant.

Environment

SSE aims to prevent environmental damage and at all times comply with legislative and regulatory requirements. Furthermore, SSE will actively seek to develop positive environmental impacts as a responsible energy operator, develop and supplier.

SSE expects its suppliers to measure, manage and reduce their carbon footprint within their own business and supply chain. Furthermore, SSE expects its suppliers to report greenhouse gas emissions performance using internationally recognised greenhouse gas reporting frameworks (such as GHG Protocol and the UK Government's environmental reporting guidelines) and standards in mainstream company reports and get data externally verified to standards (such as ISO14064 and ISAE3000) by credible accredited third parties.

Bribery and Kickbacks

SSE is committed to maintaining its established reputation for lawful and ethical behaviour and for financial integrity in all aspects of its business. SSE has zero tolerance of corruption, fraud and criminality (including financial crime), and the giving or receiving of bribes for any purpose in its business and supply chain.

SSE's suppliers must not engage in any form of commercial bribery or kickback, or offer any incentive to any SSE employee, their family or friends, in order to win or retain SSE business or induce those with a public function to perform it improperly.

SSE's suppliers must keep current, accurate written accounts of all payments (including gifts, meals, entertainment and anything of value) made on behalf of SSE, or from funds provided by SSE, and make a copy of these accounts available on request.

Supporting Local Economic Supply Chains

SSE is committed to ensuring that real economic

and social benefits flow to local businesses and communities as a result of our investment in new energy infrastructure throughout the UK and Ireland. SSE's key supply partners are critical to delivering this objective. SSE looks to them to form constructive local relationships so that local communities feel a direct benefit from those significant capital investments. SSE undertakes significant economic impact assessments of its investment portfolio to monitor the impacts made on the UK, Scottish and Irish economies.

Modern Slavery and Human Rights

SSE has a zero tolerance of modern slavery in all its forms in its own business and supply chain. This means not using forced labour, servitude, slavery, human trafficking, debt bondage, forced or servile marriage, descent based slavery or child labour, and the right to freedom of association and collective bargaining is respected.

SSE's suppliers must not have any form of modern slavery across their business or supply chain. SSE's suppliers with a turnover over £36m must comply with the Modern Slavery Act 2015 and publish modern slavery statements publicly. SSE will seek evidence that suppliers are compliant with the Act.

Fairness at Work

Underpinning SSE's responsible employer ethos is the fundamental principle that all SSE employees and those in its supply chain must be treated – and treat each other – with fairness and respect.

Living Wage

SSE believes that all employees, including contracted employees working on its sites, should earn a rate of pay which allows them to live a decent life, and disagrees with actions which compromise this principle, such as the use of deductions from wages as a disciplinary measure.

SSE is a Living Wage accredited employer and the pays the 'real Living Wage' in the UK, as set by the Living Wage Foundation, and pays the Living Wage to its employees in Ireland, as set by the Irish Living Wage Technical Group. These are voluntary rates of pay calculated based on the real cost of living.

In the UK, SSE insists that the real Living Wage is paid to certain workers within its supply chain. SSE's Living Wage clause has been in relevant service and works contracts since 2014, and was extended to go beyond the requirements of the Living Wage Foundation in 2017.

This means, subject to conditions, contracted or subcontracted UK employees who work regularly to provide services to SSE's customers or work regularly on an SSE site in the UK will earn at least the real Living Wage. Suppliers must agree to provide SSE with all information required to confirm their compliance with SSE's Living Wage commitment and resolve any identified non-compliance. For more information e-mail: living.wage@sse.com.

Inclusion

SSE is committed to promoting inclusive growth which sustains skilled jobs for people of all backgrounds, with positive outcomes for shareholders and society. With a stark lack of diversity in the energy sector, there needs to be meaningful social change as well as improvements

at the organisational level. SSE is continuing to play its part in addressing this challenge.

SSE will not discriminate on the basis of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (which includes colour, nationality and ethnic or national origins), religion or belief, sex or sexual orientation. SSE seeks to go beyond protecting people from discrimination by also focusing on delivering equality of opportunity for people, regardless of their characteristics.

We expect all businesses in our supply chain to respect the people they employ directly or indirectly and offer a safe workplace that is free from discrimination, harm, intimidation, harassment or fear.

Information Security and Data Protection

SSE's suppliers should protect confidential information and personal data belonging to or vested in SSE in accordance with all relevant laws, and act to prevent its misuse, theft, fraud, or improper disclosure.

SSE's suppliers must take due care in handling, discussing, or transmitting confidential information and personal data that could affect SSE, its employees, its customers, the business community or the public, even after their assignment or contract with SSE has expired.

Payment Practices

SSE has voluntarily signed up to the obligations of the Prompt Payment Code which is accredited by the Institute of Credit Management. SSE is committed to the principles outlined within the Code and to the fair treatment of all suppliers, adopting an approach of providing suppliers with quick resolution of invoices and ensuring any queries or issues are managed effectively.

Further information for suppliers, including payment guidance, is located on sse.com/potential-suppliers.

Conflicts of Interest

SSE's suppliers should avoid any interaction with SSE employees that may conflict, or appear to conflict, with any employee acting in the best interests of SSE.

SSE's suppliers should not employ or otherwise make payments to any SSE employee during the course of any business transaction (other than pursuant to the SSE contract).

If a supplier is aware of any family relations existing between its employees and SSEs, or if the supplier is aware of any other relationship which might create a conflict of interest, the supplier should disclose this to SSE.

Reporting

SSE's suppliers who believe that an SSE employee, or anyone acting on behalf of SSE, has engaged in wrongdoing, should report the matter to SSE. Suppliers similarly should report any potential violation of this Charter.

Reports may be made directly by email to rpc@sse.com. A supplier's relationship with SSE will not be affected by an honest report of potential misconduct.