



# Statkraft's Supplier Code of Conduct

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# Message to our Suppliers

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Statkraft is committed to sustainable and responsible business practices as well as to comply with all legal requirements wherever we operate. Our commitment can only be achieved if our suppliers act in the same manner.

We seek to understand and address the impacts and risks of our activities, and those that we are linked to through our business relationships. We work to identify and manage our impacts and risks, also in the supply chain. Accordingly, we organize our procurement activities so that we can obtain best possible value, terms and conditions, and avoid adverse impacts to people, society and the environment in our supply chains.

This Supplier Code of Conduct (“the Supplier Code”) sets requirements and seeks to avoid adverse impacts and risks to people, society and the environment in our supply chains.

As one of our suppliers you are expected to adhere to these requirements throughout your relationship with Statkraft.

This version of Statkraft's Supplier Code of Conduct was adopted on 30 June 2022.

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# Part I: Understanding and applying the Supplier Code

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## 1. Statkraft's commitment

Statkraft is committed to act in a sustainable, ethical and responsible manner and to comply with all applicable legal requirements wherever it operates. It is also Statkraft's policy to act in accordance with relevant international conventions and guidelines set by international organisations, including the United Nations (UN), International Labour Organization (ILO) and the Organization for Economic Co-operation and Development (OECD). Statkraft is also a member of the United Nations Global Compact.

Statkraft strives to ensure that this commitment is reflected in its supply chain.

The principles contained in the Supplier Code represent the core sustainability and integrity requirements that suppliers must comply with. The Supplier Code is to be read in conjunction with the contract entered into with the supplier, which may contain further requirements and guidelines on the sustainability and business integrity issues covered by the Supplier Code.

## 2. Scope of application

The Supplier Code applies to suppliers – including, but not limited to contractors, agents and consultants – who have a contractual obligation to comply with it. This includes suppliers' employees at all levels, board members, hired personnel, consultants and others who act on behalf of or represent the supplier.

Statkraft further expects its suppliers to use their best efforts towards ensuring that equivalent standards are complied with and respected within their respective supply chain based on the principle of leverage in accordance with international

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best practice, in particular by their own direct suppliers. Supply chain in this regard means any party in the chain of suppliers and sub-contractors that supplies or produces goods, services or other input factors included in the supplier's delivery of services or production of goods from the raw material stage to a finished product.

### 3. Applicable laws

Suppliers shall comply with applicable laws and regulations of their country of origin as well as with applicable laws and regulations of countries where they operate. Suppliers are expected to act in accordance with relevant international conventions and guidelines set by international organisations, including by the UN, ILO and the OECD.

Where differences exist between applicable laws, regulations and the Supplier Code or requirements of the contract with the supplier, suppliers shall follow the strictest requirements.

### 4. Management and compliance

Suppliers shall identify, manage, monitor, and comply with the requirements covered by the Supplier Code. This implies having in place, and effectively communicating and enforcing, appropriate policies, procedures, management systems, quality improvement activities, internal control systems, and the human resources necessary to comply with the Supplier Code.

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## Part II: Acting in a sustainable, ethical, and responsible manner

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Suppliers shall operate with integrity and in an environmentally and socially sustainable manner in accordance with the principles of the Supplier Code. Suppliers shall seek to establish a regular and open dialogue on sustainability issues with affected communities and other stakeholders.

### 1. Combatting climate change and protecting the environment

#### 1.1. Climate

Suppliers shall consider the climate impact of their operations and work to reduce the greenhouse gas emissions of their activities, products, and services.

#### 1.2. Environment

Suppliers shall work to minimise their environmental impact and support a precautionary approach to environmental challenges, including risk assessment and risk management. Suppliers shall undertake initiatives to promote greater environmental responsibility, including biodiversity, and encourage the development and diffusion of environmentally friendly technologies. Suppliers shall seek to carefully balance both climate, societal and environmental considerations.

#### 1.3. Circular Economy

Suppliers are encouraged to apply a circular economy mindset to their activities, including adopting a lifecycle perspective, and promoting resource efficiency, reuse, and recycling.

### 2. Respecting human and labour rights

Suppliers shall support and respect the protection of internationally proclaimed human rights and ensure that they are not complicit in human rights abuses. Suppliers shall respect the rights and social, cultural, environmental, and

economic interests of affected people, particularly indigenous, tribal and other vulnerable groups. Suppliers should obtain broad-based, free, prior, and informed consent from all indigenous and tribal groups when relevant.

### **2.1. Human rights due diligence**

Suppliers shall undertake human rights due diligence in line with the United Nations Guiding Principles on Business and Human Rights. Statkraft may require the supplier to document how the supplier addresses actual and potential adverse impacts identified in their human rights due diligence within limits of applicable law, e.g. competition laws, personal data protection laws and/or legal privilege. This applies to both more generic information about the supplier's approach to and the results of human rights due diligence, and information relating to a specific product or service offered by the supplier to Statkraft.

### **2.2. Forced labour and other forms of modern slavery**

Suppliers shall not use forced or compulsory labour, nor restrict the free movement of its employees. Suppliers shall ensure that the work carried out by the workforce is freely chosen and free from threats.

Furthermore, suppliers shall not hold a deposit of money or important documents, including passport or other identification documents, as a condition of employment, and shall ensure that all employees are free to leave their employment after serving an appropriate and reasonable notice. Suppliers shall not require employees to pay in order to be engaged by the supplier (e.g. recruitment fees or other compensations).

### **2.3. Child labour**

Suppliers shall not engage in child labour or any work that deprives a child of its childhood, potential, dignity, or that is harmful to its physical or mental health or development. Suppliers shall not employ or use a child as workforce if it is under the age of 15 or a higher age prescribed in applicable laws, in which case the higher age shall apply. Exceptions can only be made for light work or training if acceptable under the ILO Minimum Age Convention (C138). Under no circumstances shall Suppliers let a child under the age of 18 perform hazardous work, including work likely to jeopardize their health, safety, or development.

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If child labour is discovered within the Supplier's activities, the Supplier shall pursue a remediation programme targeted towards the best interests of the child.

#### **2.4. Labour conditions**

Suppliers shall provide its workforce with remuneration that meets any national legal standard on minimum wage. Statkraft is committed to a paying a living wage for its workers, and encourages suppliers to do the same. Living wage is understood as remuneration sufficient to afford a decent standard of living for the worker and her or his family, as defined and calculated by the Global Living Wage Coalition. Suppliers shall not use wage deductions as a disciplinary measure and shall provide employees with a wage statement for hours worked during the pay period.

Furthermore, suppliers shall ensure that working hours are not excessive and comply with applicable local laws on working hours as well as international requirements under the ILO Declaration on Fundamental Principles and Rights at Work and the ILO core conventions.

Suppliers must ensure that all employees are provided with written agreements of employment setting out employment conditions in a language understandable to the individual concerned.

#### **2.5. Freedom of association and the right to collective bargaining**

Suppliers shall ensure and recognise the right of free association and, where a significant proportion of the workforce agrees, collective bargaining of employees. The supplier shall conduct bargaining with employee representatives in good faith. Suppliers shall not discriminate against employees' representatives or members of trade unions, which shall also have access to carry out their representative functions in the workplace.

Where the right to freedom of association and collective bargaining are restricted under national law, suppliers shall allow employees to freely elect their own representatives.



## **2.6. Equality, diversity and respect**

Suppliers shall work actively to create a working environment characterised by equality, diversity, and mutual respect where everyone has the opportunity to contribute to business success and to realise their potential. Employees or others involved in the performance of the contract with Statkraft shall be selected and treated in a manner that does not discriminate with regard to gender, race, religion, age, disability, sexual orientation, nationality, social or ethnic origin, political opinion, union affiliation or any other ground. Suppliers are required not to tolerate any form of discrimination or harassment in any of their workplaces.

## **2.7. Sustainable sourcing of minerals, including conflict minerals**

Suppliers shall have a policy and controls in place to monitor and prevent the use of materials sourced illegally or unethically. If suppliers know, or have reason to believe, that conflict minerals may be contained within the product being supplied to Statkraft and these are not from recycled or scrap sources, the supplier must exercise due diligence to determine the source and chain of custody of the conflict minerals or derivatives. The due diligence should be in accordance with OECD Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High Risk Areas or an equally recognized framework.

Suppliers are expected to document their efforts in this regard and may be required to provide evidence of the origin of the conflict minerals in products supplied by them to Statkraft.

## **3. Ensuring a healthy, safe and secure workplace**

### **3.1. Health and safety**

Suppliers shall adhere to the ILO Conventions on Occupational Health and Safety. Suppliers shall work actively for an injury-free and healthy working environment and to promote an open and proactive health and safety culture. Suppliers shall plan and act to prevent injuries, work systematically to manage risks and continuously improve their performance towards a vision of zero injuries. This includes providing mandatory health and safety training to workers.

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This commitment also extends to site conditions provided by the supplier to the worker during and outside of working hours.

### **3.2. Security**

Suppliers shall also to the best of their ability protect their employees from being harmed from factors outside of their control, such as natural disasters and security threats. Protection from security threats must be proportional to the threat itself and shall be in line with the Voluntary Principles on Security and Human Rights.

### **3.3. Intoxicating substances**

While at work for Statkraft, suppliers are not permitted to be under the influence of intoxicating substances, including alcohol and drugs.

Limited amounts of alcohol may be served when local custom and occasion makes this appropriate, provided that the consumption is not combined with operating machinery, driving or any other activity that is incompatible with the use of alcohol.

### **3.4. Purchase of sexual services**

In support of the prohibition of human trafficking, no sexual services must be purchased by suppliers when on assignment or business trip for Statkraft.

## **4. Business ethics and Compliance**

### **4.1. Anti-corruption**

Suppliers shall not tolerate and shall work against corruption in all its forms in the public and private sector. They shall not offer, request, give, accept, or receive bribes or other improper advantages for business or private gain, including facilitation payments, whether directly or indirectly, for themselves or for others.

### **4.2. Business courtesies, gifts, hospitality and expenses**

Suppliers shall prohibit the offer or acceptance of business courtesies – gifts, hospitality, expenses or any benefit – where they could constitute, or appear to constitute, an undue influence. Suppliers shall exercise increased caution when business courtesies involve public officials.

Furthermore, suppliers shall not, directly or indirectly, offer gifts to Statkraft employees or representatives or anyone closely related to these, unless the gift is modest, and the time and place is appropriate. Suppliers shall never offer or accept gifts of cash or cash equivalents. Hospitality, such as social events, meals or entertainments may be offered if there is a business purpose involved, and the cost is kept within reasonable limits.

Travel expenses for the individual representing Statkraft shall be paid by Statkraft. During a contract negotiation, bidding or awarding period, all hospitality, gifts or expense coverage must be avoided, irrespective of value.

#### **4.3. Sanctions**

Suppliers shall not have business or dealings with a sanctioned country, group, organisation or individual, and shall conduct due diligence in selection of subsequent tier suppliers to ensure the same.

#### **4.4. Fair competition**

Suppliers shall apply high commercial ethical standards and compete within the framework of competition rules in the markets where they operate. No supplier shall be part of any illegal price cooperation, illegal market sharing or other practice in violation of applicable competition laws.

#### **4.5. Accuracy of records**

Suppliers are committed to transparency, verifiability and accuracy in their dealings, while respecting their confidentiality obligations. All accounting information must be correct, registered, and recorded in accordance with laws and regulations.

#### **4.6. Money laundering**

Suppliers shall not take part in any form of money laundering and shall implement measures to prevent financial transactions from being used to launder money.

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#### **4.7. Confidentiality and data privacy**

Suppliers shall keep confidential and not misuse any information about Statkraft of a confidential nature, as may be further specified in the contract between Statkraft and the supplier. Such information may include information concerning security, individuals, commercial, technical, or contractual matters and other types of information protected by law.

Suppliers shall implement appropriate technical and organisational measures to ensure that any processing of personal data as part of the supplier's contractual relationship with Statkraft is in accordance with applicable data protection legislation.

#### **4.8. Conflict of interest**

Suppliers shall avoid all conflicts of interest while working for Statkraft. A conflict of interest occurs when a representative of a supplier seeks to further his/her personal interest, or that of a friend or relative, due to his/her position as a representative of the supplier. Suppliers are required to report any situations of potential or apparent conflicts between their personal interests and the interests of Statkraft.

#### **4.9. Political contributions and activities**

Suppliers shall not sponsor political parties or politicians in connection with Statkraft and/or the contract entered into with Statkraft.

### **5. Protection of property and assets, including intellectual property**

Suppliers are responsible for safeguarding and appropriately using Statkraft's assets while in their possession. Statkraft's assets must not be used for any personal benefit.

Suppliers shall not use Statkraft's logo, quotes or in any other way use Statkraft for marketing and other commercial purposes unless explicitly agreed between Statkraft and the supplier.

# Part III: Handling cases of doubt and breaches of the Supplier Code

## 1. Where to look for advice

If suppliers are or become unsure about the meaning of any part of the Supplier Code or about the proper course of action in accordance therewith, they shall seek advice and raise the matter with their contact person in Statkraft.

Suppliers may also contact Statkraft's Group Procurement unit or the Corporate Sustainability unit (phone: +47 24 06 70 00).

## 2. Concerns or breaches of the Supplier Code

Suppliers shall:

- have an internal mechanism for reporting and handling concerns or breaches of the Supplier Code,
- without delay inform Statkraft of any concerns or potential breaches and
- provide full cooperation in relation to Statkraft's investigation of the matter.

Suppliers shall not use any retaliatory measures against anyone for raising or helping to address a genuine sustainability and/or business integrity concern.

Reporting of concerns can be made anonymously to the Whistleblowing Channel managed by the Head of Corporate Audit (<https://statkraft.whistleblownetwork.net>). Alternatively, by email or phone directly to the Head of Corporate Audit (email: [compliance@statkraft.com](mailto:compliance@statkraft.com); phone: +47 24 06 86 76; address: Statkraft AS, Head of Corporate Audit, P.O. Box 200 Lilleaker, NO-0216 Oslo, Norway).

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### 3. Consequences of infringement

Failing to comply with the Supplier Code is viewed as a serious matter, which may lead to termination of the contract, claims for appropriate compensation or remediation to affected individuals, disqualification as a supplier, and reporting to the relevant authorities.

Where Statkraft has contributed to Supplier's failure to comply with Supplier Code, Statkraft is committed to collaborating with the Supplier on providing remedy to affected individuals, without limiting Supplier's duties or warranties for the same.



