



Global Statement on Modern Slavery

Statkraft presents its statement made pursuant to Section 54(1) of the UK Modern Slavery Act 2015 (the “Act”). This statement summarises the steps taken by Statkraft with a view to preventing and combatting modern slavery in our business and our supply chain.

About Statkraft

Statkraft AS, a Norwegian state-owned enterprise, is the parent company of the Statkraft Group. The Group produces hydropower, wind power, gas-fired power and district heating and is a global player in energy market operations. By providing renewable and sustainable energy solutions, Statkraft carries out activities that support a global transition towards a low-carbon climate-resilient economy. Statkraft has 4000 employees in 16 countries.

Statkraft is committed to act in a sustainable and responsible manner. Its responsible business conduct is based on globally supported initiatives and standards such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights, and the IFC Performance Standards on Social & Environmental Sustainability.

Statkraft’s fundamental commitments are summarised in its Code of Conduct, which sets expectations on Statkraft’s employees as well as on its business partners. In addition, requirements that suppliers are expected to meet throughout their relationship with Statkraft are summarised in Statkraft’s Supplier Code of Conduct. Depending on the nature of the delivery, additional contractual obligations complement the requirements contained in the Supplier Code of Conduct.

More information can be found on Statkraft’s website (www.statkraft.com).

Human rights, labour rights and modern slavery

As described in its Code of Conduct, “Statkraft supports and respects, within its sphere of influence, the protection of internationally proclaimed human rights and ensures that it is not complicit in human rights abuses. We also support and respect internationally recognised labour rights, including the freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced and compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation.” The Code of Conduct also “prohibits the purchase of sexual services when on assignment or business trips for Statkraft”.

Statkraft’s Supplier Code of Conduct reflects these requirements and provides more detailed descriptions on requirements relating to labour rights, including on forced labour and child labour. It also includes a similar prohibition of purchasing of sexual services.

Our codes of conduct address modern slavery, both through a general policy commitment on human rights as well as through specific human rights provisions that cover the aspects of modern slavery that are assessed as being most relevant or at risk given Statkraft's activities and supply chain.

Human rights management

Statkraft's approach to human rights management is based on the principles of integration and mainstreaming of its human rights policy commitments into existing governing documents, processes and systems, for instance those related to procurement, social sustainability management, human resources and security. Human rights considerations are also an integral part of our decision making processes for project development, mergers and acquisitions, and divestment.

Human rights are one of the six most material aspects identified in the field of corporate responsibility, and labour rights are among Statkraft's salient human rights. Ambitions and goals towards 2020 have been adopted on human rights. These goals, alongside status relating to the implementation of the goals, are described in annual reports on corporate responsibility and in communications on progress submitted to the UN Global Compact. Continuous improvement, including on labour rights and relevant aspects of modern slavery as well as supply chain management, will continue to be described in annual reports.

Systems are in place to provide all employees with training, guidance and advice about interpretation of Statkraft's Code of Conduct and desired behaviour. Statkraft's Code of Conduct emphasises that employees have both the right and duty to report breaches of legal or ethical obligations through the line organisation or the Group's Independent Reporting (Whistleblowing) Channel. Reporting can be made anonymously, and the channel is also available for externals via Statkraft's web site.

Supply chain management

The basis for Statkraft's supply chain management is Statkraft's Supplier Code of Conduct. Suppliers are expected to meet these requirements throughout their relationship with Statkraft. Statkraft's suppliers are informed about the Supplier Code of Conduct and other relevant requirements during the procurement process and are contractually obliged to follow the requirements in the Supplier Code of Conduct. In 2019 an internal assessment recommended to improve the work with Statkraft's supply chain, and a responsible supply chain manager has been hired.

Statkraft's supplier base is diverse, with both small and large suppliers from different business sectors such as consulting, electro-mechanical industry, civil engineering and indirect purchases. Some of the suppliers are small local companies while others are global industrial groups. Statkraft's supplier base extends world-wide and includes suppliers in countries where human rights risks are high. Statkraft aims to assess the risks in the supplier base; and Statkraft has a supplier risk assessment tool in place towards that end. This tool enables a risk assessment of all suppliers based on activity, country risk and value. It includes the use of a supplier self-assessment questionnaire with questions on human rights, health and safety, working and employment conditions. The self-assessment questionnaire also includes a specific question on slavery and human trafficking in accordance with the UK Modern Slavery Act. Based on the results, Statkraft may pre-qualify a supplier or undertake further due diligence assessments, implement training or improvement discussions. Corporate responsibility clauses are standard in Statkraft contracts.

The country risk assessment used in the above-mentioned process is based on the following five international country risk indices: the Yale Environmental Performance Index, the UNDP Multidimensional Poverty Index, the Transparency International Index, The World Bank Ease of Doing Business Index and the International Trade Union Confederation Global Rights Index.

In addition to reviewing and monitoring measures undertaken or commissioned by Statkraft alone, the company participates, together with utility industry peers, in a joint audit program coordinated by Achilles Utilities Nordics and Central Europe (the supplier information management community for the Nordics and Central European Utilities Industry). These audits consist of a comprehensive review of a supplier's practices, including site visits and approx. 60 – 70 audits are completed each year.

Statkraft performs a risk evaluation of its complete supplier base every second year and conduct regularly reviews of the company's procurement practices.

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This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Group's slavery and human trafficking statement for the financial year ending 31.12.2019.



Christian Rynning-Tønnesen
President and CEO of Statkraft