



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 summarizes 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, solar 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 over 5 000 employees in 20 countries.

Statkraft is committed to sustainability and responsible business practices. The company’s business conduct is based on globally supported initiatives and standards such as the UN Global Compact (UNGC), the OECD Guidelines for Multinational Enterprises (OECD Guidelines), the UN Guiding Principles for Business and Human Rights (UNGPs), and the IFC Performance Standards on Social & Environmental Sustainability. In its efforts to improve, Statkraft is also part of the Nordic Business Network for Human Rights.

Statkraft’s fundamental commitments are summarised in its [Code of Conduct](#), which sets out expectations applying to Statkraft’s employees as well as 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 a member of the UNGC, Statkraft is committed to its 10 principles on human rights, labour rights, the environment, and anti-corruption.

Statkraft respects human rights as set out in the UNGPs and the OECD Guidelines (i.e., those expressed in the International Bill of Human Rights and the International Labour Organization’s eight core Conventions and its Declaration on Fundamental Principles and Rights at Work). We work to identify and manage our human rights impact. This has also become a legal requirement through the Norwegian Transparency Act, which entered into force in July 2022, and which applies to all Statkraft’s activities.

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 of requirements relating to respecting human and labour rights, including on forced labour and child labour. Our Supplier Code of Conduct has been updated to align with the requirements of the Norwegian Transparency Act and reflects the company’s [human rights commitment statement](#). It prohibits unethical and illegal business practices, requires suppliers to cater to a healthy, safe, and secure workplace, and to commit to responsible business conduct.

Our codes of conduct address modern slavery, both through a general policy commitment on human rights as well as 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. Internal requirements are currently being drafted to better reflect Statkraft’s commitment to guaranteeing a living wage for all our employees as well as decent working conditions at our sites, including working time restrictions.

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 identified as a material topic for the company, and labour rights are among Statkraft’s salient human rights both within our own activities and in the supply chain. Ambitions and goals have been adopted on human rights. These goals, alongside status updates relating to the implementation of the goals, are described in the sustainability chapter of the Annual Report and in communications on progress submitted to the UNGC. 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.

Procedures are in place to identify and assess potential impacts on human rights arising from our key activities, such as in the development of new greenfield projects, in our transactions and our supply chain. Through specific risk and impact assessments of our key activities we are

able to prevent and/or mitigate when possible, or remediate, if necessary, negative human rights impacts.

We regularly review the implementation and results of the agreed or planned measures through internal reporting and quality control and assurance routines, in an effort to address human rights risks and impacts in our main processes.

Our corporate-level human rights impact assessment has identified four key priority areas with the highest risks. This is where we should focus our human rights efforts:

- Community relations and social licence
- Health, safety and security
- Labour conditions in the workplace
- Decent work in our supply chain

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

Sustainable Development Goal 8 - Decent work and Economic Growth receives particular focus in our sustainability strategy. The UNGP and OECD’s Guidelines for Responsible Business Conduct set direction for how we work.

Statkraft continuously work to improve how sustainability is integrated in procurement practice and seeks to avoid buying from entities that cause, contribute, or are linked to negative impacts on people, society, and the environment. Sustainable supply chain management is an integrated part of the procurement processes. Statkraft’s aim is to identify, prevent, mitigate, and account for actual and potential adverse impacts on human rights throughout the supply chain, including potential risks in the lowest tiers.

All supplier contracts include sustainability clauses, a prohibition on the use of forced labour and Statkraft’s Supplier Code of Conduct.

During the procurement process, suppliers respond to questions on human rights, health and safety, working and employment conditions, including a specific question related to forced labour, modern slavery and human trafficking (in accordance with the UK Modern Slavery Act). All suppliers are integrity checked in Dow Jones Risk Center.

Statkraft considers that a risk of adverse impact on human

rights exists when there is a potential for behaviour inconsistent with UNGPs. Statkraft maps risks related to hydropower equipment, wind turbines, solar panels, engineering and business consultants. The procurement officers address identified risks in the tender phase, and contracts are adapted to address specific risks and obligations to mitigate.

Statkraft has developed a tool to assess how strategic suppliers work to identify, prevent, mitigate, and account for potential adverse human and labour rights impacts in their own business and supply chains. Dialogues are held each year with selected suppliers to improve transparency and share best practice to avoid negative impacts on people, society and the environment. In 2022 the sustainability rating tool EcoVadis was implemented, and strategic suppliers for solar, wind and batteries are assessed in EcoVadis.

The Sustainable Supply Chain unit in Group Procurement is responsible for developing and maintaining policies and requirements, contract templates and framework for management of sustainability in the supply chain. The unit provides training on sustainability to procurement personnel across Statkraft and cooperates closely with category and contract managers.

Our supply chain

Most of Statkraft's procurement activities are related to equipment and services for production of electricity and construction of powerplants. The supplier base is diverse and includes more than 13 000 suppliers world-wide, including small and large suppliers from sectors such as electromechanical industry, civil construction, business consulting and engineering. Some suppliers are small local companies with short supply chains, while others are global industrial groups with long supply chains stretching across different geographies.

The supply chain for equipment used for power production stretches internationally from mining of minerals, production of metals, manufacture to assembly of components, including the transportation between sub-

supplier, sometimes located across different continents. For hydropower equipment Statkraft considers that there is a risk of poor working conditions and inequality at sub-supplier workshops, for wind turbines that there is a risk of forced labour and discrimination against women related to production of GRP parts, and for solar panels that there is a risk of forced labour in the production of polysilicon. Statkraft strongly opposes the use of forced labour and seeks to avoid purchasing from companies that use forced labour, by requiring traceability protocols and audit rights. Further, Statkraft works with industry associations and peers to raise awareness, increase transparency, and improve industry standards for PV panels.

The supply chain is relatively short for business consulting and engineering, and the work is usually performed by suppliers in countries where Statkraft is located. Statkraft considers the risk of forced labour and modern slavery in these supply chains to be relatively low.

Statkraft acknowledge that there is a risk of unreasonable working time, inadequate leave periods and wages below living wage for workers during construction and installation at our sites. We are implementing a new system to follow-up labour conditions on Statkraft's sites and have undertaken controls and followed-up non-compliance.

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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 31.12.2022.



Christian Rynning-Tønnesen
President and CEO of Statkraft

This Statement was approved by the Board of Directors on 1 March 2023.