SSE plc Statement on modern slavery



May 2016

INTRODUCTION

This is SSE's first statement on slavery and human trafficking following the introduction of the Modern Slavery Act 2015 (the "Act"). SSE fully supports the aims of the Act and is committed to tackling slavery and human trafficking where it can.

SSE is the parent company of the SSE Group (the "Group"). The Group owns and operates a diverse range of energy businesses and is involved in the generation, transmission, distribution and supply of electricity, the production, storage, distribution and supply of gas and other energy services. Further details of the organisation's structure can be found at www.sse.com.

This statement is made pursuant to section 54(6) of the Act and constitutes the Group's slavery and human trafficking statement for the financial year ending on 31 March 2016. It further outlines the Group's approach to tackling slavery and human trafficking where it can.

OUR APPROACH

The Group has zero tolerance of slavery and human trafficking in all its different forms in any part of its business and in its supply chain. The approach reflects a commitment to act ethically and responsibly in all business relationships and to ensure that slavery and human trafficking are not present in any part of its business or in its supply chain.

The Group supports and is committed to upholding the UN Guiding Principles on Business and Human Rights and the core labour standards set out by the International Labour Organisation. It goes beyond minimum employment standards in both the UK and Ireland by being one of the first Living Wage employers in both countries.

To tackle slavery and human trafficking, the Group will:

- 1. Identify, monitor and assess categories of third party spend most at risk from slavery and human trafficking;
- 2. Incorporate anti-slavery and human trafficking obligations into procurement agreements and subcontracting arrangements on a risk assessed basis;
- 3. Include appropriate measures in its due diligence processes for sourcing suppliers and mergers and acquisitions on a risk assessed basis;
- 4. Provide training to relevant Group employees to ensure a high level of understanding of the risks of slavery and human trafficking;
- 5. Establish systems to enable whistleblowing; and
- 6. Report its commitments, policy, performance and actions in tackling slavery and human trafficking as part of annual reporting.

For further information about SSE's responsible business practices refer to the SSE Code of ethical business practice.

REPORTING

The Group will report on its approach to combat slavery and human trafficking annually at the end of the each financial year and this will include information about:

- 1. The Group and its supply chains:
- 2. The due diligence processes applied by the Group in sourcing suppliers and during the course of any mergers or acquisitions:
- 3. The risk assessment methods and steps taken to manage the risks in both the business and the supply chain;
- 4. The effectiveness of ensuring that slavery and human trafficking is not taking place in any part of its business or its supply chains; and
- 5. The adequacy of training arrangements to ensure that relevant Group employees have the knowledge and skills necessary to fulfil their obligations.

This statement has been approved by the SSE Board of Directors on behalf of the Group. A new statement will be published each year on the corporate website www.sse.com/beingresponsible.

Gregor Alexander Group Finance Director

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