



Global Statement on Modern Slavery

Statkraft presents its first statement made pursuant to Section 54(1) of the 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 or 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 3800 employees in more than 20 countries.

Statkraft is committed to act in a sustainable, ethical and socially 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, or the IFC Performance Standards on Social & Environmental Sustainability. Statkraft’s fundamental commitments are summarized 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 summarized in Statkraft’s Suppliers Code of Conduct. Depending on the nature of

the delivery, additional contractual obligations complement the requirements contained in the Supplier Code.

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 recognized 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 mirrors 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 or security. Human rights considerations are also an integral part of our decision making processes relating to project development, mergers and acquisitions, or divestment.

Human rights are one of the six material aspects identified in the field of corporate responsibility, and labour rights are among Statkraft's salient human rights issues. 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 with regard to 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 whistleblowing channel. Reporting can be made anonymously, and the whistle-blower channel is also available for externals via Statkraft's web site.

Supply chain management

Statkraft works in collaboration with its suppliers to achieve a responsible supply chain. The basis for Statkraft's supply chain management is Statkraft's Supplier Code of Conduct. Statkraft's suppliers are informed about the Supplier Code of Conduct and other relevant requirements during the procurement process and are legally bound to the Supplier Code in contract.

Statkraft's supplier base is very diverse, and in total the company has more than 10'000 suppliers. They stem from widely differing business sectors such as consulting, electro-mechanical industry and civil engineering. Some of the suppliers are small local companies while others are global industrial groups. Statkraft's supplier base covers many countries, including countries where human rights risks are high.

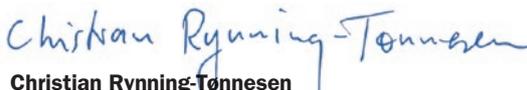
Understanding the risks in the supplier base is critical and in 2013, Statkraft introduced a new supplier risk assessment tool towards that end. This tool enables a risk assessment of all supplies based on activity, country risk and value and assesses to what degree suppliers are in a position to comply with the Supplier Code of Conduct through a supplier self-assessment questionnaire that includes, among other relevant aspects, questions on human rights, health and safety, working and employment conditions. The pre-qualification questionnaire also includes a specific question on the UK Modern Slavery Act. Based on the results, Statkraft decides on any further actions such as whether or not to pre-qualify a supplier, or undertake due diligence assessments, training or improvement discussions. Corporate responsibility clauses are standard in Statkraft contracts.

In addition to reviewing and monitoring measures undertaken or commissioned by Statkraft alone, the company participate, together with utility industry peers, in a joint audit program coordinated by Sellihca (the supplier information management community for the Nordic Utilities Industry). These audits consist of a comprehensive review of a supplier's practices, including site visits. Ten audits were conducted in 2016 under this programme and a further 20 are planned for 2017.

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 31.12.2016.


Christian Rynning-Tønnesen
 President and CEO of Statkraft

This Statement was approved by the Board of Directors on 4 May 2017.