



MUIR MHÒR

OFFSHORE WIND FARM

A joint venture between Fred. Olsen Seawind & Vattenfall



Muir Mhòr Offshore Wind Farm Conduct for Suppliers and Partners

Muir Mhòr Code of Conduct for Suppliers and Partners

1 Introduction

Fred. Olsen SeaWind Limited and Vattenfall have entered into a 50/50 joint venture partnership to deliver the Muir Mhòr Offshore Wind Farm (OWF), as awarded in the ScotWind leasing round.

Muir Mhòr has been awarded option rights to develop up to 798 MW of capacity that will generate enough power for over 800K homes per annum. The site is located 87 km east of Peterhead of the Aberdeenshire coast, in the central North Sea. The site covers an area of approximately 200 km² with water depths ranging from 60–90m with an average water depth of 77.5m.

The project also continues to consider hydrogen as an option for this exciting project.

Our approach is grounded in the Muir Mhòr Code of Conduct for Suppliers and Partners (hereafter referred to as the “Code”), which defines our requirements and expectations to safeguard that our suppliers and partners share the same values as we do throughout the value chain. We have decided to expand the scope of the Code to partners as we strive to take deeper responsibility and drive positive change. The Code is based on, amongst others, the UN Global Compact, the UN Guiding Principles, and the OECD Guidelines, and is guided by the UN Sustainable Development Goals (See ‘References’ for a full list).

We are actively collaborating and conducting open dialogues with our suppliers and partners, and by doing so we strive to spread good practices throughout the value chain, to strengthen relationships with our suppliers and partners, and to improve their sustainability performance. As part of our sustainability work, we focus on the themes of Environment, Social - including human rights - and Governance. Typical focus areas for *Muir Mhòr* include climate impact, protection of nature and biodiversity, circularity, sustainable use of resources and *high-risk minerals*, human rights, Health & Safety and business ethics.

We welcome you to join us in close collaboration, to take responsibility for and make a positive impact on the environment and society that surrounds us.

*Throughout this document, words *in italics* are further described in the glossary at the end of this document

2 Muir Mhòr's Code of Conduct for Suppliers and Partners

2.1 General

Living our values and always acting with integrity make us trustworthy. Muir Mhòr adheres to internationally agreed standards on business ethics, and we conduct all our business in compliance with applicable national and international laws and regulations.

For the purpose of this Code, a “*supplier*” or a “*partner*” is a legal entity or person involved in, or is about to get involved in, business activities with Muir Mhòr. Partners include but are not limited to: *sub-contractors, sub-suppliers*, joint venture and consortium partners.

Muir Mhòr requires its suppliers and partners to comply with the Code or an equivalent standard, agreed together with Muir Mhòr, when doing business with Muir Mhòr.

Muir Mhòr also expects its suppliers and partners to ensure their supply chains adhere to equivalent standards as expressed in this Code.

2.2 Compliance with laws and regulations

Suppliers and partners shall comply with applicable laws, rules and regulations in the countries where they operate. Muir Mhòr expects its suppliers and partners to meet the more stringent requirements between the Code and applicable laws, rules and regulations.

In case of contradictions between the Code and applicable laws, rules, and regulations, suppliers and partners shall inform Muir Mhòr.

2.3 Commitment to continuous improvement

Muir Mhòr recognizes that suppliers and partners will be at different stages of maturity and commits to working together with suppliers and partners to achieve continuous improvement.

If Muir Mhòr finds that a supplier or partner is not meeting the requirements and expectations set out in the Code, Muir Mhòr may offer guidance specifying which issues need to be corrected or improved. Suppliers and partners should then promptly take corrective actions and commit to showing progress.

Muir Mhòr also encourages suppliers and partners to participate in initiatives aiming to raise the standard of an entire sector or across sectors, where applicable.

2.4 Consequences in case of violations

Suppliers and partners shall address any violations of the Code or equivalent standards that come to their knowledge and take appropriate actions. Muir Mhòr will seek appropriate remedial measures to prevent, stop, or minimize the extent of the violation. A major failure, persistent failure to comply with the Code, or repeated and unjustified refusal to provide the required information can result in the suspension or termination of the suppliers' and partners' activities with Muir Mhòr.

2.5 Due diligence and transparency

Muir Mhòr conducts risk based due diligence by regularly and systematically identifying and assessing human and labour rights, environment and business ethics related risks and impacts in its value chain, and uses this information to avoid, mitigate or remediate the impacts in order to ensure that it operates responsibly.

Suppliers and partners shall allow Muir Mhòr, and/or a third party authorised by Muir Mhòr and reasonably acceptable to the supplier and partner, to conduct audits and assessments of the supplier's and partner's operations relevant for the Code, including but not limited to the supplier's and partner's facilities. At the supplier's and partner's request, the parties involved in any such audit shall enter into a confidentiality agreement regarding the circumstances disclosed in the audit or assessment.

Muir Mhòr also expects its suppliers and partners to conduct sustainability risk based due diligence in their own operations and supply chain, implement appropriate mitigation and remediation measures in relation to the level of risk and impact and communicate transparently about the results to Muir Mhòr upon request.

2.6 Management systems and monitoring

Suppliers and partners should have adequate risk management systems and controls in place to ensure compliance with the Code or agreed equivalent standards. The functioning and quality of the supplier's or partner's management system should be in proportion to the size, complexity and environment of the supplier's or partner's business.

Suppliers and partners should secure and monitor that their own suppliers and sub-suppliers comply with the Code or, where applicable, their own equivalent code of conduct.

3 Human rights and labour rights

3.1 General

Muir Mhòr expects its suppliers and partners to respect internationally recognised human rights, as set out in the Universal Declaration of Human Rights.

This Code shall apply to all of the suppliers' and partners' workers, including temporary, migrant, student and contract workers, as well as direct employees.

Suppliers and partners shall take measures to avoid causing, contributing or being linked to negative human rights impacts. This includes all types of rightsholders, such as workers, affected communities, and human rights defenders.

3.2 Indigenous peoples

Suppliers and partners shall respect the rights of indigenous and tribal peoples and their social, cultural, environmental, and economic interests, including their connection with lands and other natural resources.

Suppliers and partners should respect the principles of free, prior and informed consent, and participation, to obtain broad-based consent of indigenous and tribal peoples in their activities.

3.3 Community engagement and development

Suppliers and partners shall respect the rights, interests, and development aspirations of affected communities and vulnerable groups during significant changes of suppliers and partners normal operations. Community engagement should be carried out in an inclusive, equitable, culturally appropriate, gender-sensitive, and rights-compatible manner.

Suppliers and partners shall engage in transparent, open, and honest dialogue and collaborate with stakeholders and authorities in and around the area in which they operate.

3.4 Child labour and young workers

Suppliers and partners shall work against all forms of child labour. Suppliers and partners should not participate in, or benefit from, any form of child labour. If child labour is detected, a remediation programme shall be put in place.

Suppliers and partners shall not employ children below the minimum age of employment or the age for completing compulsory education in that country, whichever is higher. Suppliers and partners shall not employ any workers under the age of 18 to perform any work that is defined in national law as hazardous.

3.5 Use of security personnel

Suppliers and partners shall ensure that all security personnel, including contracted security personnel, respect the human rights and dignity of all people and in case of a threat, use reasonable force proportional to the threat.

3.6 Modern slavery and forced labour

All forms of modern slavery are unacceptable to Muir Mhòr.

Suppliers and partners shall not participate in, or benefit from any form of forced labour, including bonded labour, involuntary prison labour, slavery, servitude or work performed under the menace of a penalty or coercion.

All workers shall have the right to enter into and terminate their employment freely, and work shall be conducted on a voluntary basis.

3.7 Conflict-affected and other high-risk areas

Recognising that human rights defenders are important partners in identifying risks in our value chain, Muir Mhòr expects its suppliers and partners not to be involved in any activities that seek to undermine civil society and civic freedoms.

Suppliers and partners shall assess whether their own operations, or supply chains, are located in or are sourcing from *conflict-affected or other high-risk areas* and in such cases adopt enhanced due diligence measures suited to the specific context.

Suppliers and partners shall take necessary steps to monitor business relationships, business and financial transactions, flows and resources to ensure that they are not linked to providing funding or support to armed actors who may benefit from revenues generated by the sale of such goods and services.

3.8 High risk minerals

Suppliers and partners shall take appropriate steps to identify the use of high-risk minerals in their supply chain, establish traceability or chain of custody to its source or processing location, and ensure risks are identified and appropriate mitigation and remediation measures are implemented up the supply chain. Muir Mhòr expects its suppliers and partners to share relevant information on the origin of minerals and any relevant assessments upon request. We expect our suppliers and partners to publicly disclose their due diligence efforts.

Suppliers and partners should strive to reduce the use of high risk minerals in their supply chains.

3.9 Hours of work

Suppliers and partners shall ensure that normal working hours and overtime working hours for all workers are within the limits permitted by applicable laws and regulations or agreed to in relevant collective agreements and should not cause any physical or mental harm.

Workers, without distinction, who are unable or refuse to do overtime shall not be punished or retaliated against by the suppliers and partners including dismissal threats, wage reductions, abuse.

3.10 Wages, leave and benefits

Suppliers and partners shall pay a fair and equal wage, including benefits and leave, to all workers that meets basic needs, and strive for a discretionary income in compliance with applicable laws and/or relevant collective agreements. Correspondingly, workers shall be compensated for overtime at pay rates greater than regular hourly rates.

Suppliers and partners shall also aim to minimise and mitigate structural differences in pay and benefits between genders for equal or comparable work.

3.11 Health and Safety

Suppliers and partners shall provide a safe and healthy environment across all locations where work is undertaken and when the supplier or partner is providing housing facilities to its personnel.

All work shall be preceded by and based on documented adequate risk management with implemented controls. This shall include physical, social and organisational health risks.

Risks shall be reduced according to the hierarchy of control principles: elimination, substitution, engineering controls, administrative controls, and as a last alternative, personal protective equipment.

3.12 Freedom of association and collective bargaining

Suppliers and partners shall recognise and respect the rights of all employees, including women, migrant workers, minorities, and other vulnerable groups, to freely associate, organise and bargain collectively, if the rightsholders so wish.

In situations where the right to freedom of association and collective bargaining is restricted by applicable laws and regulations, Muir Mhòr expects suppliers and partners to allow for and not hinder alternative and independent forms of worker representation.

3.13 Equality and non-discrimination

Suppliers and partners shall promote equality, diversity and inclusion, and not practice any form of discrimination in hiring, promotion, development, remuneration, and termination practices. Illegitimate grounds for discrimination include but are not limited to race, colour, gender, age, language, property, nationality or national origin, religion, ethnic or social origin, caste, economic grounds, health status, disability, pregnancy, belonging to an indigenous people, trade union affiliation, political opinion, sexual orientation.

3.14 Grievance channels and remediation mechanisms

Suppliers and partners should make available appropriate grievance mechanisms to all personnel and interested parties, including affected communities, to make comments, recommendations, reports or complaints concerning the workplace, the environment, or the supplier's or partner's business practices. Suppliers and partners should have a remediation process in place through which reported human rights violations can be appropriately remediated and followed up on.

Suppliers and partners shall have routines for dealing with harassment, including physical, psychological, and sexual, and communicate that any form of harassment is unacceptable and must be reported.

4 Environment

4.1 General

Muir Mhòr expects its suppliers and partners to manage their operations responsibly in relation to the environment – including climate change, and actively work with reducing environmental risks and impacts associated with their supply chains.

Suppliers and partners shall be proactive in their environmental work, adopt a precautionary approach, and consider environmental impacts from a full value chain perspective.

4.2 Environmental legislation

Suppliers and partners shall obtain and maintain all required permits and licenses and comply with the operational and reporting requirements of such permits and licenses.

4.3 Environmental management system

Suppliers and partners whose activities have an environmental impact, shall have a structured and systematic approach to working with their environmental aspects. This includes having an established, suitable management system to improving environmental performance, setting targets, and performing follow-ups.

4.4 Environmental protection

Suppliers and partners shall avoid or minimize any waste or emissions as a result of their business activities. The use of resources such as energy, water, land and raw materials, should be used in an efficient and sustainable manner. Suppliers and partners shall strive to avoid and minimise impacts on environment and ecosystems. Where impacts cannot be fully avoided or mitigated, potential for compensation and restoration measures shall be considered.

Access to preserved resources including clean drinking water, good soil quality for farming and the regeneratable air quality should be provided to local communities at all times.

Suppliers and partners should strive to use Best Available Technologies, with the aim to reduce the environmental impact as much as possible.

Suppliers and partners shall manage hazardous substances responsibly and where possible, hazardous substances shall be substituted for less hazardous.

4.5 Climate impact

Muir Mhòr expects its suppliers and partners to address climate change, including climate adaptation, systematically in their operations. Suppliers and partners shall actively reduce their greenhouse gas emissions, preferably in line with the Paris Agreement's 1.5-degree scenario, as well as contribute to Muir Mhòr's CO₂-reduction targets as applicable.

5 Business integrity

5.1 General

Muir Mhòr expects its suppliers and partners to conduct business in compliance with internationally agreed standards on business ethics and adhere to all applicable anti-corruption laws and regulations.

5.2 Corruption and financial crime

Suppliers and partners shall not engage in or tolerate any form of corruption, bribery, extortion, fraud or embezzlement. Suppliers and partners shall not offer or accept any benefits in order to obtain any undue or improper advantage or with the intention to let the receiver act in breach of his or her professional duties. Such improper benefits may comprise cash, non-monetary gifts, pleasure trips or services and amenities of any other nature.

Muir Mhòr expects its suppliers and partners to never tolerate and to take measures against any form of money laundering, tax fraud, tax evasion or other illegal financial schemes that may be indicated by the use of tax havens and jurisdictions prone to financial crime.

5.3 Export control and sanctions

Suppliers and partners shall comply with applicable laws and regulations regarding export control and export restrictions, as well as relevant economic sanctions.

5.4 Conflict of interest

Suppliers and partners shall avoid conflicts of interest that may compromise the supplier's or partner's credibility or third parties' confidence in Muir Mhòr.

5.5 Competition law

Suppliers and partners shall respect and comply with applicable competition laws and regulations, including an obligation not to exchange commercially sensitive and strategic information with competitors or to enter into anti-competitive agreements with any business partner.

5.6 Protection of intellectual property rights and confidential information

Suppliers and partners shall respect Muir Mhòr's intellectual property rights and protect Muir Mhòr's information by safeguarding it against misuse, theft, fraud or improper disclosure.

6 Reporting irregularities to Muir Mhòr - Whistleblowing

If the supplier or partner, its employees, consultants and contractors, or any other stakeholder believes that the terms of the Code are not adhered to, or that Muir Mhòr is not acting in accordance with its own Code of Conduct and Integrity, Muir Mhòr encourages such concerns to be raised via the whistleblowing channel - <https://report.whistleb.com/en/muirmhor>

7 References

In preparing the Code the following references were consulted:

- 1 1948 Universal Declaration of Human Rights (UDHR) <https://www.un.org/en/about-us/universal-declaration-of-human-rights>
- 2 2030 Agenda for Sustainable Development <https://sustainabledevelopment.un.org/post2015/transformingourworld/publication>
- 3 Children's Rights and Business Principles <https://www2.ohchr.org/english/bodies/crc/docs/AdvanceVersions/CRC-C-GC-12.pdf>
- 4 Dutch Child Labor Due Diligence Act <https://zoek.officielebekendmakingen.nl/stb-2019-401.html>
- 5 EU Conflict Minerals Regulation <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2017:130:FULL&from=EN>
- 6 Free Prior and Informed Consent – An Indigenous Peoples' right and a good practice for local communities – FAO www.fao.org/3/a-i6190e.pdf
- 7 German Act on Corporate Due Diligence in Supply Chains https://www.bgbl.de/xaver/bgbl/start.xav?startbk=Bundesanzeiger_BGBI&jumpTo=bgbl121s2959.pdf#_bgbl_%2F%2F*%5B%40attr_id%3D%27bgbl121s2959.pdf%27%5D_1630594548925
- 8 International Labour Organization, specifically the documents listed below: <http://www.ilo.org>
 - Declaration on Fundamental Principles and Rights at Work from 1998
 - Forced Labour Convention (C.29-1930)
 - Abolition of Forced Labour Convention (C.105-1957)
 - Minimum Age Convention (C.138-1973)
 - Prohibition and Immediate Elimination of the Worst Forms of Child Labour Convention (C.182-1999)
 - Equal Remuneration Convention (C.100-1951)
 - Discrimination (Employment and Occupation) Convention (C.111-1958)
 - Freedom of Association and Protection of the Right to Organise Convention (C. 87- 1948)
 - Right to Organise and Collective Bargaining Convention (C. 98-1949)
 - Guidelines on Occupational Safety and Health (ILO-OSH-200)
- 9 International Organization for Standardization, specifically the standards listed below:
 - ISO14001:2015 <http://www.iso.org/iso/iso14000>
 - ISO 26000:2010 Guidance on Social Responsibility <https://www.iso.org/iso-26000-social-responsibility.html>
 - ISO 45001:2018 Occupational health and safety management systems <https://www.iso.org/standard/63787.html> (replaced OHSAS 18001)
- 10 OECD Due Diligence Guidance for Responsible Business Conduct <http://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>
- 11 OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas <http://www.oecd.org/daf/inv/mne/GuidanceEdition2.pdf>
- 12 OECD Guidelines for Multinational Enterprises <https://www.oecd.org/investment/mne/48004323.pdf>
- 13 Social Accountability 8000 www.sa-intl.org/
- 14 UK Modern Slavery Act https://www.legislation.gov.uk/ukpga/2015/30/pdfs/ukpga_20150030_en.pdf
- 15 UN Declaration on the Rights of Indigenous Peoples https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP_E_web.pdf
- 16 UN Global Compact www.unglobalcompact.com
- 17 UN Guiding Principles on Business and Human Rights https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf
- 18 UN National Human Rights Action plans https://www.ohchr.org/Documents/Issues/Business/UNWG_NAPGuidance.pdf
- 19 UN Sustainable Development Goals <http://www.un.org/sustainabledevelopment/>
- 20 United Nations Convention against Corruption <https://www.unodc.org/unodc/en/treaties/CAC/index.html>

- 21 Voluntary Principles of Business and Human Rights
www.voluntaryprinciples.org
- 22 The Role of Critical Minerals in the Clean Energy Transitions, International Energy Agency, 2021
<https://iea.blob.core.windows.net/assets/278ae0c8-28b8-402b-b9ab-6e45463c273f/TheRoleofCriticalMineralsinCleanEnergyTransitions.pdf>
- 23 Green Hydrogen Cost Reduction, IRENA, 2021
https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2020/Dec/IRENA_Green_hydrogen_cost_2020.pdf
- 24 Responsible Minerals Sourcing for the Renewable Energy, Sustainable Futures Institute, 2019
https://earthworks.org/assets/uploads/2019/04/MCEC_UTS_Report_lowres-1.pdf

8 Glossary

<i>Conflict-affected and high-risk areas</i>	Areas identified by the presence of armed conflict, widespread violence or other risks of harm to people.
<i>Conflict minerals</i>	These are minerals mined in an area of armed conflict and traded illicitly to finance the conflict.
<i>Critical minerals for the energy transition</i>	Mineral resources that are essential to the energy transition, may have no viable substitutes, and may face potential disruption in supply.
<i>High risk minerals</i>	These covers conflict minerals, and critical minerals for the energy transition including rare earth elements (REE).
<i>Indirect Supplier</i>	This is any company that is not a direct supplier and whose supplies are necessary for the manufacture of the company's product or for the provision and use of the relevant service. This can include Tier 2 suppliers, and beyond.
<i>Muir Mhòr</i>	This includes all group companies within Muir Mhòr.
<i>Partners</i>	This includes but is not limited to sub-contractors, sub-suppliers, consortium partners, joint venture partners, etc. For the avoidance of doubt customers and employees of Muir Mhòr are excluded from this scope.
<i>Sub-contractor</i>	All business relationships that perform a service or an activity that contributes to the completion of a company's operation'.
<i>Sub-suppliers</i>	Also called indirect supplier.
<i>Supplier</i>	Any undertaking that provides a product, part of a product, or service to Muir Mhòr either directly or indirectly, in the context of a business relationship. These are also referred as direct suppliers or Tier 1 suppliers.
<i>Value Chain</i>	All activities, operations, business relationships and investment chains of an undertaking and includes entities with which the company has a direct or indirect business relationship, upstream and downstream.