



Sustainability statement

For the six months to 30 September 2023

Progress towards sustainability milestones

Through its business activities, SSE seeks to deliver enhanced value for both shareholders and society. The principles of sustainability are embedded into SSE's strategy with the careful management of environmental and social impact being central to ensuring the long-term success of the Company.









Stakeholders are vested in SSE's sustainability impacts, and SSE is committed to providing comprehensive and transparent non-financial disclosures. This short statement reports SSE's sustainability impacts over the period from 1 April to 30 September 2023. It is intended to complement SSE's Interim results statement covering the same period. More information about SSE's sustainability performance can be found at [sse.com/sustainability](https://www.sse.com/sustainability).

SSE welcomes and encourages feedback on this statement and its approach to sustainability by emailing sustainability@sse.com.

Targeting sustainable action

Since 2019, SSE has aligned its business strategy to the UN's Sustainable Development Goals (SDGs), providing a powerful framework to guide the creation of shared value. Four SDGs are defined as being highly material, and to which it has linked its four core 2030 Goals focussed on addressing climate change. SSE has aligned a proportion of long-term executive remuneration to the achievement of these 2030 Goals.

Progress against SSE's 2030 Goals

	<p>Cut carbon intensity by 80% Reduce Scope 1 carbon intensity by 80% by 2030, compared to 2017/18 levels, to 61gCO₂e/kWh. The carbon intensity of electricity generated in the first half of 2023/24 fell to 231.5gCO₂e/kWh from 271.5gCO₂e/kWh over the same period in 2022/23.</p>	<p>231.5 gCO₂e/kWh</p>	
	<p>Increase renewable energy output fivefold Build a renewable energy portfolio that generates at least 50TWh of renewable electricity a year by 2030. Good progress was made on construction of SSE Renewables flagship developments. SSE's renewable generation output* for the first half of 2023/24 was 3,760GWh remaining stable when compared to the same period in 2022/23 3,755GWh.</p>	<p>3,760 GWh</p>	
	<p>Enable low-carbon generation and demand Enable at least 20GW of renewable generation and facilitate around 2 million EVs and 1 million heat pumps on SSEN's electricity networks by 2030. 9.2GW of renewable capacity connected to SSEN Transmission's network, up from 7.9GW in the first half of 2022/23. 262,650 pure electric vehicles or plug-in hybrid vehicles were registered in SSEN Distribution's licence areas, compared with around 185,000 in the first half of 2022/23. Heat pump connection data will be updated at full year.</p>	<p>9.2 GW 262,650 EVs and plug-in hybrid vehicles</p>	
	<p>Champion a fair and just energy transition Be a global leader for the just transition to net zero, with a guarantee of fair work and commitment to paying fair tax and sharing economic value. SSE marked a decade of being a real Living Wage accredited employer, and has increased its commitment by becoming an accredited Living Pensions employer. SSE celebrated 10 years of its strategic regional Sustainable Development Fund.</p>	<p>10 Years of real Living Wage accreditation</p>	

* SSE's total renewable generation for the Group includes SSE Renewables total generation output of 3,723GWh (inc. pumped storage (144GWh) and constrained off wind in GB (onshore 272GWh and offshore 62GWh) and a further 37GWh of output from biomass (which sits within SSE Enterprise).

Accelerating climate action

Shareholder 'say on climate'

Both SSE and its investors benefit from high-quality engagement on climate-related issues. As part of enhanced engagement, SSE has established a commitment through its shareholder resolution for shareholders to receive its Net Zero Transition Report annually. SSE's Net Zero Transition Report is published each year in June, alongside SSE's full-year corporate reporting suite, and summarises SSE's progress against the targets and actions set out in its Net Zero Transition Plan. SSE's Net Zero Transition Report 2023 was received by shareholders at the Annual General Meeting in July 2023, with 97.63% of votes cast in favour.

Supporting the development of standardised transition plans

Robust climate transition plans are crucial for businesses to demonstrate credible pathways towards achieving net zero ambitions. The UK HM Treasury-led Transition Plan Taskforce (TPT) has been working to develop a gold standard for private sector climate transition plans and, in October 2023, it launched its sector neutral framework for transition plans.

SSE is an early adopter of transition plans, having published its Net Zero Transition Plan in March 2022. As a result, SSE has actively supported the TPT's work, having participated in the Preparers and Users Working Group and supported the Transition Plan sandbox (testing) exercise. Over the last six months, SSE has been a member of the TPT Delivery Group – a group of

experts who are leading and contributing to the various TPT workstreams. SSE has supported the development of the Electric Utility sector specific guidance, published in November 2023, to ensure it reflects real-world experience.

Advocating for climate action

In 2023 SSE maintained political engagement at the highest levels in pursuit of the NZAP Plus strategy. SSE's advocacy effort has been in support of policies and regulatory measures which can deliver investment and accelerate the building of clean energy infrastructure. SSE's political engagement is cross-party and supports the existing political consensus around the need to deploy clean energy infrastructure in order to deliver on existing climate commitments; bolster energy security and economic resilience through more homegrown energy; and deliver investment and jobs in the green economy.

In the last six months SSE has held constructive engagements with UK political stakeholders including the Prime Minister; Leader of the Opposition; Secretaries of State at relevant government departments and their counterparts across all main political parties; the First Minister of Scotland and key members of Scottish Government and Scottish Parliament. In the Ireland SSE have met the Taoiseach and Minister for Environment, Climate and Communications. SSE is increasingly engaging political stakeholders in international jurisdictions, most notably the European Union, where the company has a growing presence.



Science-based Greenhouse Gas (GHG) target performance

To support increased stakeholder understanding of SSE's GHG emission trends, SSE presents half-year performance data on its science-based targets. It should be noted that this data only represents half of SSE's financial year, and there are seasonal influencing factors that will impact SSE's final full-year performance.

Reduce scope 1 Greenhouse Gas (GHG) emissions intensity of generated electricity by 80% by 2030, from 2017/18 baseline.



Performance at 30 Sep 2023

231.5gCO₂e/kWh

(271.5gCO₂e/kWh as at 30 Sep 2022)

Influencing factors

SSE's absolute scope 1 GHG emissions¹ (99% of which is from thermal generation) fell by 15% compared to the same period last year. Total generation output fell by 26% over this period. While output fell across both thermal and renewable generation, the proportion of the total output coming from renewables increased.

Reduce absolute scope 1 and 2 GHG emissions by 72.5% by 2030 from a 2017/18 base year.



Performance at 30 Sep 2023

2.14MtCO₂e

(3.26MtCO₂e as at 30 Sep 2022)

Influencing factors

GHG emissions from thermal generation output contribute around 90% of SSE's total scope 1 and 2 emissions. Output from SSE's thermal generation assets fell by 36% in the first half of 2023/24 compared to the same period last year, resulting in an associated fall in GHG emissions. This was a result of plant availability and market conditions.

Reduce absolute GHG emissions from use of products sold by 50% by 2034 from a 2017/18 base year.



Performance at 30 Sep 2023

0.70MtCO₂e

(0.73MtCO₂e as at 30 Sep 2022)

Influencing factors

Overall gas sold by SSE's customer businesses remained consistent between the first half of 2022/23 and 2023/24. The long-term strategy to reduce gas consumption is by working with customers to become more energy efficient and switch to low-carbon sources of heat. This includes SSE Airtricity's work to support customers with energy efficiency measures and deliver large-scale energy efficiency retrofit projects.

Engage with 50% of suppliers by spend to set a science-based target by 2024.



Performance at 30 Sep 2023

51.3%

(55% as at 30 Sep 2022)

Influencing factors

SSE's expenditure profile through its supply chain varies from year to year depending on business priorities. 37.5% of SSE's suppliers by spend have set a science-based target with a further 13.8% committed to setting one. SSE continues to work closely with its supply chain to increase the number establishing science-based pathways to net zero.

Note: These tables provide performance data as of 30 September 2023. Full year performance data will be subject to limited external assurance and will provide a description of target progress.

¹ The GHG emissions from Seabank gas-fired power station and Triton Power, both in which SSE has a 50% equity ownership, are accounted for in SSE's scope 3 GHG emissions reporting, therefore the output from these plant is not considered in SSE's scope 1 GHG intensity calculations.

Providing affordable and clean energy

Financing the net zero transition

In August 2023, SSE issued its sixth Green Bond – a €750m eight-year Green Bond earmarked for flagship onshore and offshore wind projects which have recently been completed or are under construction. This latest Green Bond brings SSE's total outstanding green bonds to over £3.1bn, and means at the time of publication, SSE is the largest issuer of Green Bonds in the UK corporate sector.



In addition, SSEN Transmission and SSEN Distribution both signed their first ever sustainability-linked Revolving Credit Facilities (RCFs). The existing RCFs, originally signed in November 2022, were upgraded in May and July 2023 respectively to include key performance indicators, covering environmental and social metrics, and aligned to their sustainability strategies.

£3.1bn

Value of SSE's total outstanding Green Bonds

Renewable generation output

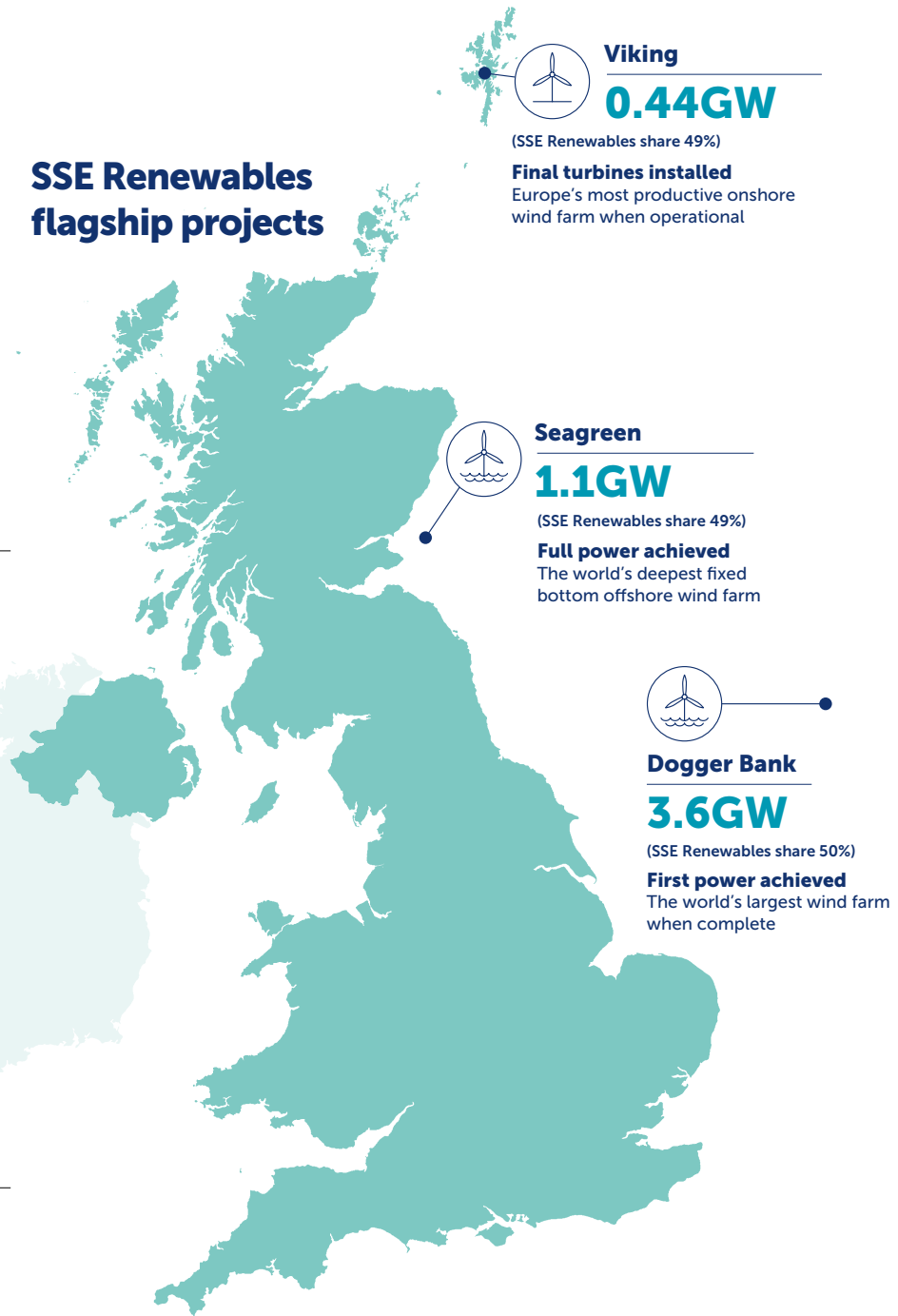
SSE's renewable generation output* in the first half of 2023/24 was 3,760GWh, remaining stable compared to 3,755GWh in the first half of 2022/23. Output for the period was driven by exceptionally still and dry weather conditions, particularly in the first quarter of 2023/24, and additional but delayed capacity at Seagreen offshore wind farm.

In support of its ambition to increase renewable generation output, SSE Renewables has progressed key flagship projects, outlined below, over the first half of 2023/24. SSE Renewables has also progressed a several other projects in construction and development over the first half of 2023/24, full detail can be found in SSE's Interim Results Statement 2023.

3,760GWh

Total renewable generation output* in first half of 2023/24

SSE Renewables flagship projects



* SSE's total renewable generation for the Group includes SSE Renewables total generation output of 3,723GWh (inc. pumped storage (144GWh) and constrained off wind in GB (onshore 272GWh and offshore 62GWh) and a further 37GWh of output from biomass (which sits within SSE Enterprise).

Supporting Business Customers

In September 2023, SSE Business Energy established a £15m targeted fund for business customers in Great Britain who continue to face high energy bills. The level of government support that most businesses receive this winter will likely be lower than last winter. While some businesses continue to receive government bill support through the Energy Bills Discount Scheme, the £15m fund will provide further targeted support to businesses struggling with their energy bills, and will include:

- Around 20,000 business customers credited with up to £500, depending on their estimated annual consumption.
- Approximately 8,000 businesses with registered charitable status will receive a £500 credit to their bills.

This new support fund will build on the existing support SSE Business Energy has provided customers throughout the pandemic and the energy price crisis.

SSE Business Energy support for customers

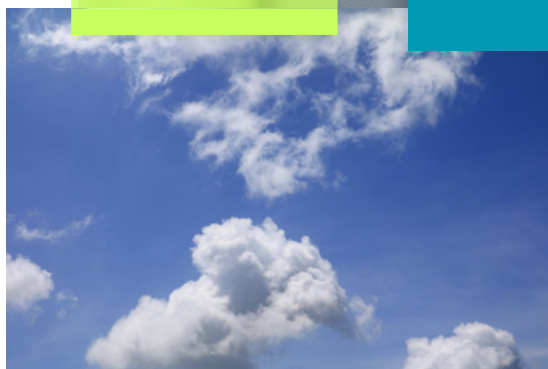
£15m

Support fund for business customers struggling with energy bills

£500 to be credited to

c. 20,000
businesses and

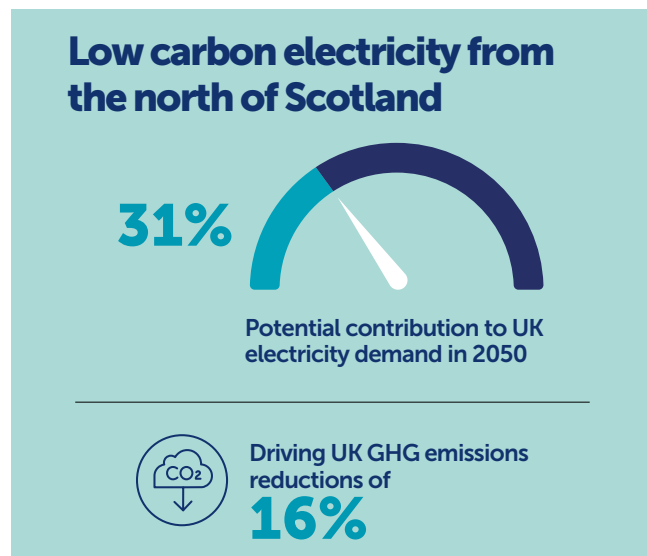
c. 8,000
registered charities



Investing in industry, innovation and infrastructure

Enabling renewable energy to meet UK carbon targets

As the owner and operator of the electricity transmission network in the north of Scotland, SSEN Transmission has a core responsibility to provide a robust and secure transmission system that is capable of connecting increasing levels of low-carbon generation and transporting it to sources of demand. SSEN Transmission's *Getting to Net Zero* report, available at [ssen-transmission.co.uk](https://www.ssen-transmission.co.uk), considers the leading role that the north of Scotland will play in enabling decarbonisation and reaching net zero. New research concludes that by 2050, nearly a third of the UK's electricity demand could be met by the north of Scotland, driving 16% of the total greenhouse gas emissions reductions required for the UK's net zero target. SSEN Transmission's accelerated Strategic Transmission Investment (ASTI) plan is supporting this trajectory.



Strategic supply chain engagement with EcoVadis

SSE has further strengthened its supply chain engagement on sustainability with EcoVadis, a business sustainability ratings platform, to understand and monitor performance. EcoVadis is well established globally with sustainability ratings on hundreds of thousands of organisations. To date, 40% of SSE's supply chain by spend have been engaged and are under-going an evaluation. The ambition is for 70% (by spend) to have a valid EcoVadis scorecard by April 2024. Scorecards support the strategic engagement with suppliers on targeted sustainability topics, goals, and performance. SSE's own EcoVadis performance is gold rated with a scorecard of 71, and is in the 95th Percentile within its industry.



Creating sustainable supply chains in electricity distribution

In May 2023, SSEN Distribution launched its new Sustainable Supplier Code, which is aimed at helping its supply chain understand all areas of sustainability and to assist suppliers on their net zero journey. A programme of engagement has been run to promote the new Code, including two strategic supplier workshops in September 2023. Around 100 suppliers attended the workshops, with almost 30 suppliers signing up to the Sustainable Supplier Code. The events enabled discussion on key challenges faced by SSEN Distribution's supply chain and for best practice to be shared. This work helps build strong supplier relationships, enhance innovation, and deliver greater sustainable outcomes.

Collaborating for a circular economy in wind

The University of Strathclyde, SSE Renewables and Renewable Parts established the Coalition for Wind Industry Circularity (CWIC) in March this year. In a net zero world with global supply chain challenges, CWIC seeks to bring together the UK wind sector to create a supply chain for the refurbishment and reuse of wind turbine components within the UK. To date, over 40 organisations have committed to working as part of CWIC to unlock the skills, technology and infrastructure, required to enable this emerging industry.



Committed to decent work and economic growth

Celebrating a decade of real Living Wage

In September 2023, SE celebrated ten years of being a real Living Wage accredited employer in the UK. To mark the event, SSE held a discussion panel event in Glasgow, which brought together key players in the Living Wage movement, from academia and business, to policy makers.

Since it first gained its accreditation in 2013, SSE has taken an active role in promoting the principles of fair wages, including rolling the Living Wage out through its UK supply chain, paying the Living Wage in Ireland, being a Living Wage Friendly Funder and becoming one of the first companies in the UK to become a Living Hours employer. A decade on, and SSE remains firmly committed to the Living Wage, In November this year, SSE became a Living Pensions accredited employer, which seeks to provide stability and security for workers now and in the future.



Upholding fair tax principles

In November 2023, SSE published its ninth annual Talking Tax report which provides transparent tax disclosures across the Group's global operations, and it maintained its accreditation to the Fair Tax Foundation's Global Multinational Business Standard for the second year. The report shows that SSE's total tax contribution over 2022/23 was £1.3bn, up from £944m the previous year. It also discusses the role that an effective tax regime can have in encouraging private investment in the delivery of net zero.

In November 2023, SSE was also recognised for its clear and transparent tax disclosures, winning the PwC Building Public Trust Award for 'Tax in the FTSE 350 – UK Focused Companies' for the second consecutive year.

Disclosing the gender pay gap in Ireland

In November 2023, in line with regulatory requirements in Ireland SSE disclosed its Irish gender pay gap data. At 1 June 2023, SSE's median gender pay gap in Ireland was 24.4%, a decrease from 26% at the same date in 2022. Over the same period the mean gender pay gap in Ireland increased from 23% to 24.4%. Full detail of the gender pay gap, alongside a discussion on trends, can be found in SSE's Ireland gender pay gap report 2023, available at [sse.com/sustainability](https://www.sse.com/sustainability).

A long-term commitment to community investment

SSE Renewables' flagship Sustainable Development Fund (SDF) marks its 10th anniversary in November 2023. The SDF complements SSE Renewables' local community funds in Great Britain to support strategic projects in the regions where SSE is operating, ensuring benefits are accessible to a wider area. With £13.5m granted from the SDF over the last decade, the fund has created lasting impact in local communities and SSE Renewables expects the fund could be worth more than £58m over the next 25 years.

A decade of Sustainable Development Fund

£13.5m

granted to date

238

projects supported

£1 ↗ **£10.95**

Social return on investment for every £1 contributed by the SDF



119

jobs supported



28,189

Skills opportunities



55

Community homes built



2MW

Community owned renewable energy

A Just transition for workers

Understanding SSE's worker transition

Since publishing its Just Transition Strategy in 2020, SSE has focused on practical actions to promote a fair and just transition of working people into good, green jobs as it expands its workforce in response to the net zero challenge. In 2021, a one-off survey was undertaken to understand the true nature of the transition within its workforce, revealing that 1 in 5 employees had already transitioned from a high-carbon role to a low-carbon career with SSE.

Building on this SSE has been including a question on the worker transition within its annual all-employee engagement survey. The results of the most recent survey in September 2023 highlights that this figure is now at just over 1 in 4, showing that while SSE's workforce has grown over this period so has the proportion of former high-carbon employees. The percentage of former high-carbon workers is highest in SSE Renewables, and SSEN Transmission which

are important areas of growth for the company, and combined account for over 1,000 former high-carbon workers.

These workers bring with them essential skills, often from offshore oil and gas, and they can also have a positive impact on culture. The 2023 survey highlights that the employees who have transitioned are typically more engaged in general and particularly with SSE's net zero strategy compared to the employee population. SSE's 2021 workers transition report illustrates their strong focus on health and safety, which is a number one priority for SSE.

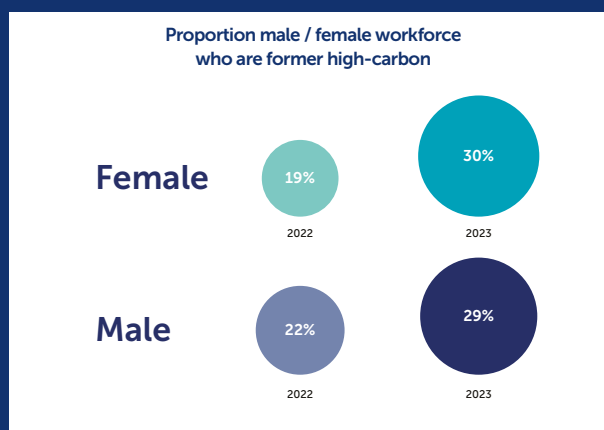
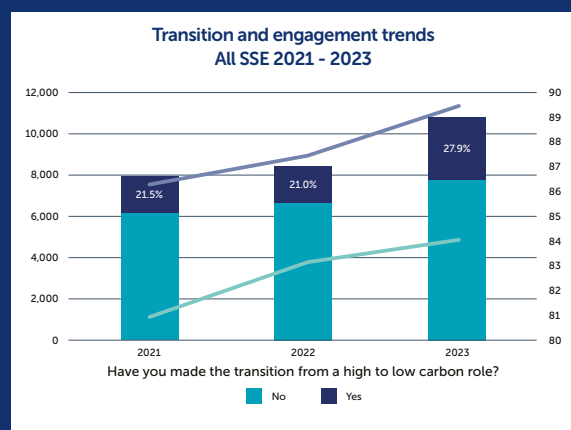
Understanding the nature of the worker transition for SSE's workforce has been important to informing SSE's employment strategy, for example through targeting recruitment specifically at those working in high-carbon sectors such as oil and gas. It will continue to monitor the worker transition, to gain further insight to inform future people strategies.

Just transition in action at Tarbert

SSE Thermal's Tarbert Power Station in County Kerry has been supporting the electricity system in Ireland since the 1970s. With a requirement to cease operations by the end of 2023 in line with its environmental licence, SSE has engaged constructively with the workforce ahead of the closure of the station.







Through the collective consultation process, an enhanced redundancy process was negotiated and agreed with employees. This reflected numerous factors, including the length of service of outgoing colleagues – many of whom had worked at the site for several decades with most staff being above the age of 60. Following the conclusion of the consultation, 23 members of staff have either left the business or will soon, while 13 people have been retained on an enduring basis.

The ability to retain employees is a result of SSE's desire to develop a new 300MW power station which will run on sustainable biofuels with the potential to convert to hydrogen. The planned power station would support an orderly transition to net zero while tackling Ireland's security of electricity supply challenges. The development of the new power station at the Tarbert site is an example of SSE supporting security of supply, in a way that is sustainable and responsible way.



ESG ratings and indices performance

SSE actively engages with key environment, social and governance (ESG) ratings agencies and investor-led ESG ratings. These ratings demonstrate SSE’s performance to its stakeholders, while also allowing it to identify areas for improvement in its operations and disclosure. The table below outlines SSE’s current performance in ratings and indices, where an updated result has become available within this half year. Where applicable, previous year’s performance is noted for trends. For a full view of SSE’s current performance in all ratings and indices please visit sse.com/sustainability.

	2023/24	2022/23	Stable/improved/decreased
	72/100	71/100	Improved SSE has an 89th percentile ranking (Oct 2023)
	71/100	67/100	Improved SSE scored as 'Advanced' (Oct 2023)
	AAA	AAA	Stable SSE is in the top 13% of 141 global utilities (Oct 2023)
	20.4	22.5	Improved SSE is ranked 10th percentile in Electric Utilities (Aug 2023)
	92 (A)	86.2 (A)	Improved SSE performs 1st out of seven UK Network Utilities for public disclosure (Oct 2023)
	B-	B-	Stable SSE is in the top 20% of 129 electric utilities (Oct 2023)

	2022/23 results *	
	A	(Dec 2022)
	B	(Dec 2022)
	Included	(Jan 2023)
	Included	(Jun 2023)
	Included	(Jan 2023)

*scores will be updated in the second half of 2023/24

Governance

SSE has a well-established framework through which sustainability-related issues are governed. With a focus on clear lines of accountability and ensuring alignment of strategic objectives with social and environmental value, risks and opportunities are effectively managed. For more information on the governance of sustainability at sse.com/sustainability/governance-and-culture/.





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