

Group Large Capital Project Policy

Policy statement

SSE's Group Large Capital Project Policy sets out the group approach to Large Capital Project delivery and assurance processes supporting the Group and Business Units governance model.

Policy purpose

The purpose of this policy is to ensure all large capital investment Projects for the SSE Group are governed, developed, approved and executed in a safe, sustainable, consistent and effective manner. This policy describes how investments are assured and governed between the Corporate Centre and the Business Units.

This policy is owned by the Group General Counsel and is one of a suite of group-level policies that promote a healthy business culture, guide decisions and actions as expected by the company's stakeholders, and make SSE a responsible company that people want to invest in, buy from, work for and partner with.



Liz Tanner
General Counsel



Alistair Phillips-Davies
Chief Executive Officer



POLICY PRINCIPLES

The following principles highlight how we expect the policy statement to be achieved, and should be used to guide behaviours, decision making and action:

<p>PLC / Group Executive Committee / Corporate Centre Accountability</p>	<ul style="list-style-type: none"> • Through development and maintenance of the Large Capital Project Framework and associated procedures the Corporate centre will provide a framework that Business Units can follow to ensure they comply with standard project approval and assurance requirements. • Assurance of compliance with this policy and framework will be monitored by the Large Capital Project Services Team. • The Large Capital Project Services Team will support Business Units with this policy and Large Capital Project Framework compliance activities. • The Group Executive Committee will approve Joint Venture Project Assurance processes if the Large Capital Projects Framework will not apply or are exceptions to it. • The Group Executive Committee will approve the Governance Pathway for LCPs classified as Major Projects.
<p>Business Unit Accountability</p>	<ul style="list-style-type: none"> • The SSE Business Units (BU) are accountable for the adherence to this policy and principles contained within it in their respective Business Units. • All Business Unit Projects which achieve the relevant LCP threshold must comply with this policy and Large Capital Project Framework. • The Business Unit MD will approve the Governance Pathway for LCPs within their Financial Approval Limit (in budget). • Business Units should identify to Governance bodies any areas of non-compliance as projects move through the gated assurance process. • Business Units will ensure that Joint Venture projects will comply with this policy and the Large Capital Projects Governance Framework or have at least the equivalent level of assurance in place.
<p>Governance</p>	<ul style="list-style-type: none"> • Governance bodies in relation to Large Capital Project approval and assurance are Large Capital Project Committee, Business Unit Executive Committees, Group Executive Committee, SSEPD and SSE plc Boards.



ROLES AND RESPONSIBILITIES

This policy applies to all SSE employees, contingent workers and people contracted to provide services to the Company through third parties in relation to Large Capital Projects.

Where we operate internationally, we will utilise our Group Policies as a default however subject to legal or regulatory requirements of the relevant international domain we may underpin these with local policies and supporting procedures.

General Counsel is responsible for maintaining the LCP Governance Framework to ensure it supports SSE and its Business Units realise strategic growth through capital investment.

Business Unit MD's are responsible for the implementation and adoption (including training) and adherence to the policy within their Business Unit.

Managers are responsible for making sure that their teams understand and comply with the policy, supporting framework and procedures.

All employees are expected to comply with the policy, supporting framework and procedures.

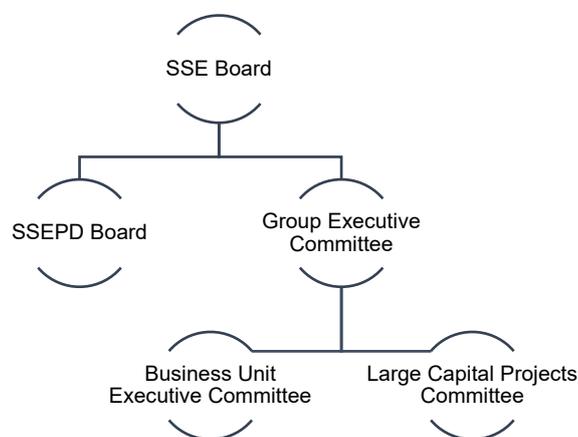


GOVERNANCE

The **SSE plc Board, Group Executive Committee, Business Unit Executive Committees and Large Capital Projects Committee** are responsible for the oversight for this policy including the approval of any changes to the policy. This policy is reviewed annually as part of an evaluation process.

An annual assessment will be carried out by Large Capital Project Services Director to assure the policy and establish an action plan to support policy embedding. Business Unit MD's will be required to confirm that policy actions are addressed through the annual letter of assurance process.

The **Large Capital Projects Committee** is responsible for the assurance of the implementation and operational effectiveness of the Group Large Capital Projects policy and supports the Director of LCP Services to make sure that the policy is adhered to through awareness training.





TRAINING

All impacted SSE employees are expected to complete an e learning Induction course in relation to Large Capital Project policy, framework and procedures. This will provide an overview of how SSE develops, refines, executes Large Capital Projects and the behaviours and standards expected of SSE employees in this regard.



SPEAKING UP

If an employee becomes aware of anything that falls short of our expected high standards of ethical conduct and compliance, they can discuss it with their line or any other manager within the business. Alternatively, when that is not possible any concerns can be raised through the internal reporting method at Speakup@sse.com or externally through SafeCall on one of the following channels:

- Phone:
 - UK - 0800 915 1571
 - Ireland - 1800 812 740
 - All other countries +44 800 915 1571. If you are more comfortable speaking in your own language, an independent telephone interpreter will be made available.
- Email: sse@safecall.co.uk
- www.safecall.co.uk/report

Any wrongdoing brought to light through the Whistleblowing Policy will result in internal disciplinary procedures, possible dismissal and criminal prosecution of individuals involved.



SUPPORTING DOCUMENTS

SSE's Guide to Ethical Business Conduct [Doing the Right Thing](#) sets out clearly the behaviours and standards expected of all of our employees.

Additional documents available to provide further guidance and support include:

- MA-COR-LCP-001 [Large Capital Projects Framework](#)

Comments and feedback on this policy and its application are welcome.

Please contact mark.cowling@sse.com