TERMS OF REFERENCE FOR SAFETY, HEALTH AND ENVIRONMENT ADVIDORY COMMITTEE (SHEAC)

The SHEAC is a Committee of the SSE Plc Board. It advises the Board on safety, health and environmental matters. It provides a leadership forum for non-Executive Directors to work with senior management and shape policy, targets and strategy to improve safety, health and environmental performance.

References to ''**the Board**'' shall mean the Board of SSE Plc
References to "**the Committee**" shall mean the SHEAC
References to **''the Committee Chairman**'' shall mean the Chairman of the Committee
References to "**the Company**" shall mean SSE plc
References to "**Company Chairman**" shall mean the Chairman of the Company
References to ''**the Secretary**'' shall mean the Secretary of the Committee
References to "**SHE**" shall mean safety, health and environment
References to "**Director or Directors**" shall mean the directors of SSE plc
References to "**Group**" shall mean the SSE group of companies

1. MEMBERSHIP

1.1 The Committee shall be appointed by the Board following recommendation by the Nomination Committee and shall comprise at least two nominated non-Executive Directors, the MD Networks, the MD Generation, and the Group SHE Manager. The Chief Executive shall normally attend meetings.

1.2 Only members of the Committee have the right to attend Committee meetings. However, to assist the Committee to discharge its duties effectively, it may invite any other Directors, employees or external advisers to attend all or part of its meeting.

1.3 A nominated non-Executive Director shall act as the Committee Chairman. In the absence of the Committee Chairman, the remaining members present shall elect one of their number to chair the meeting.

1.4 The Deputy Company Secretary or nominee shall act as the Secretary of the Committee.

2. MEETINGS

2.1 **Quorum.** The quorum necessary for the transaction of business shall be any two members, at least one being a non-Executive Director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

2.2 **Frequency of Meetings.** The Committee shall meet at least four times in each financial year and at such other times as the Committee Chairman shall require. At least one of the meetings will be held at an operational location across the Group.

2.3 **Notice of Meetings**

- Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Committee Chairman.
- Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting documents, shall be forwarded to each member of the Committee, any other person required to attend and to all other Directors no fewer than five days prior to the date of the meeting.

2.4 Minutes of Meetings

- The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- Minutes of Committee meetings shall be distributed promptly to all members of the Committee and, once agreed, to all members of the Board.

3. RESPONSIBILITIES

3.1 General. The Committee's duties with regard to Safety, Health and Environment shall include:

3.1.1 Group SHE Committee. At each meeting, the Committee will receive the Minutes from Meetings of the Group Safety, Health and Environment Committee, together with an update on key issues.

3.1.2 Group Policies. Review and monitor the implementation of the following Group Policies: Safety, Health and Environment Policy; Environment and Climate Change Policy; and the Corporate Responsibility and Sustainability Policy.

3.1.3 Resources. Monitor the level of resource, competence and commitment applied to the management of SHE issues to ensure that a culture of continuous improvement is embedded across the Group.

3.1.4 Engagement and Communication.

- Receive updates on employee views of the ongoing communication and engagement activity designed to raise the awareness of safety, health and environmental matters across the Group.
- Review feedback from a range of stakeholder (suppliers and contractors, government and regulators, non-governmental organisations and investors) engagement activities on matters relating to safety, health and the environment.

3.1.5 SHE Audits. Receive annually a report on the SHE audits planned for the forthcoming year, and periodic updates on any significant matters arising from audits carried out across the Group.

3.1.6 Legislation. Receive a report on forthcoming legislation and other requirements relating to safety, health and environment matters likely to affect the Group and ensure that appropriate procedures are in place that allow the Group to comply with such legislation and other requirements.

3.1.7 Information and KPIs. At least once a year, review the Key Performance Indicators and other reporting measures being adopted by the Group in relation to safety, health and the environment.

3.1.8 Culture. Actively ensure the maintenance of a healthy corporate culture in respect of Safety, Health and Environment matters based on a combination of values, attitudes and behaviours.

3.2 Safety. The Committee's duties with regard to Safety shall include:

3.2.1 **Strategy.** Review the effectiveness of the Group's strategy, initiatives, training and targets in relation to safety of employees and contractors.

3.2.2 **Performance.** Review reports on safety performance covering: performance against targets; incident trends; high potential incidents; significant risks, mitigations and plans; and other key and emerging issues, arising from operations and projects across the Group.

3.2.3 **Investigations.** Receive updates on any ongoing or potential investigations arising from safety incidents.

3.3 **Health.** The Committee's duties with regard to Health shall include:

3.3.1 **Strategy.** Review the effectiveness of the Group's strategy, initiatives, training and targets in relation to occupational health and well-being of employees and contractors.

3.3.2 **Performance.** Review reports on occupational health and well-being performance covering: performance against targets; trends; significant risks, mitigations and plans; and other key issues relating to occupational health and well-being.

3.4 **Environment.** The Committee's duties with regard to the Environment shall include:

3.4.1 **Strategy.** Review the effectiveness of the Group's strategy, initiatives, training and targets in relation to the environment.

3.4.2 **Performance.** Review reports on environmental performance covering: performance against targets; incident trends; high potential incidents; significant risks, mitigations and plans; and other key and emerging issues, arising from operations and projects across the Group.

3.4.3 **Sustainability Report.** Review the content of the Sustainability Report prior to its publication.

3.5 **Overarching.** In discharging its responsibilities with regards to Safety, Health and the Environment, the Committee shall be mindful of the requirement to support SSE's general commitment to being a responsible company that makes a positive contribution to the communities and societies of which it is part.

4. REPORTING RESPONSIBILITIES

4.1 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

4.2 The Committee shall make a statement in the annual report about its activities, membership, number of meetings and attendance.

5. AUTHORITY

5.1 The Committee has no executive powers but will recommend any executive action it considers necessary to the Board. The Committee does not relieve the Directors of their responsibilities in respect of Committee matters.

5.2 The Committee is authorised:

- To seek any information it requires from any officer or employee of the Company or its subsidiaries in order to perform its duties.
- To call any member of staff to be questioned at a meeting of the Committee as and when required.
- To obtain, at the Company's expense, external professional advice on any matters within these terms of reference.

6. OTHER

6.1 The Committee shall, at least once a year, review its own performance, constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

6.2 The Committee shall be provided with appropriate briefings, workplace visits and training, both in the form of an induction programme for new members and an on-going basis for all members.

6.3 The Committee shall make the Terms of Reference publicly available explaining clearly its role and the authority delegated to it by the Board.