

Group Financial Management Policy

Policy statement

SSE operates within a clearly defined financial framework to fairly remunerate shareholders while maintaining a sustainable level of dividend cover and a strong balance sheet.

Policy purpose

This policy is intended to maintain SSE's established reputation for lawful and ethical behaviour and for financial integrity in all aspects of its business.

The purpose of the Financial Management Policy is to maintain effective financial controls and governance, meet external and internal reporting requirements, manage business unit risk and apply discipline to investment transactions.

This policy is owned by the Director of Group Reporting 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.



Campbell Davidson

Director of Group Reporting



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:

Group Financial Policies	<ul style="list-style-type: none"> • SSE operates within a clearly defined financial framework that includes Group-defined Accounting, Financial Reporting, Tax and Treasury policies and compliance with all applicable financial reporting, tax, corporate governance, regulatory and legal requirements in each jurisdiction in which the company operates. • As a listed plc, SSE is subject to an annual statutory audit conducted by an independent auditor appointed by the Group's Audit Committee.
Group Reporting Requirements & Structures	<ul style="list-style-type: none"> • SSE maintains an effective financial control and reporting framework and presents relevant external and management information in a fair, balanced and understandable manner in order to meet the operational and strategic needs of the Group.
Group Internal Reporting	<ul style="list-style-type: none"> • Financial planning & analysis (including the annual budget process) is carried out in accordance with the Group's defined metrics and conventions and in order to meet the operational and strategic needs of the Group. • All planning, budgeting and monthly reporting requirements are managed in line with SSE's Financial Calendar.
Financial Governance Framework	<ul style="list-style-type: none"> • SSE maintains an efficient decision-making framework with clear procedures to govern and control the delegation of financial authority limits. • The financial control framework in each division supports the management of risk to an acceptable level enabling the Board to meet their obligations. • The roles and responsibilities in SSE Finance are well defined and adhered to. • Appropriate controls over SSE's financial systems are maintained to ensure the integrity of SSE's financial records.