

Group Climate Change Policy

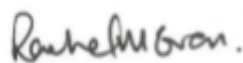
Policy statement

SSE's vision is to be a leading energy company in a net-zero world. It seeks to: provide the practical solutions for a decarbonised energy sector underpinned by large volumes of renewable electricity; reduce the carbon emissions arising from its own business activities (in line with net-zero and the ambitions set out in the Paris Agreement); and, increase the resilience of its business by anticipating and adapting to climate-related impacts.

Policy purpose

This policy outlines SSE's approach to implement actions that mitigate and adapt to the impacts of climate change and ensure that climate-related risks and opportunities are integrated into both strategic and operational decision making.

This policy is owned by the Chief Sustainability Officer 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.



Rachel McEwen

Chief Sustainability Officer



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:

Net Zero	<ul style="list-style-type: none"> • SSE seeks to transition to net-zero carbon emissions across all its operations, covering direct and indirect emissions, by 2050 at the latest. It has set interim science-based carbon targets, approved by the Science Based Targets initiative (SBTi), aligned to the Paris Agreement pathway of 'well-below two degrees. • To support the transition to net zero emissions in the countries in which it operates, SSE will develop, own and operate energy infrastructure that supports the electrification of further key sectors and therefore the decarbonisation of the wider economy. • SSE advocates for supportive policy frameworks by working with policy makers and other key stakeholders to support implementation of measures ensuring the transition to net zero.
Risk Assessment	<ul style="list-style-type: none"> • Climate Change is a core Principal Risk for the SSE Group. SSE assesses both the climate-related risks and opportunities that face its business including the potential financial implications of those risks.
Adaptation	<ul style="list-style-type: none"> • SSE assessed the physical impacts of climate change, including the increased likelihood of severe weather events, in its business continuity and crisis management plans, implementing climate adaptation plans.
Innovation	<ul style="list-style-type: none"> • SSE collaborates, invests in and develops new technologies to support the delivery of a net-zero economy.
Value Chain	<ul style="list-style-type: none"> • SSE advises and engages its value chain on climate-related risks and opportunities to better understand and support the transition to net-zero emissions. It is committed to working with supply chain partners to deliver low-carbon solutions and increase the resilience of the energy system to the impacts of climate change.
Disclosures	<ul style="list-style-type: none"> • SSE aims to provide disclosure that meets the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in full. This covers strategy, governance, risk management, metrics and targets, alongside a focus on potential financial impacts of climate-related risks and opportunities.



ROLES AND RESPONSIBILITIES

This policy applies to all SSE employees and contingent workers. It is relevant to people contracted to provide services to the Company through third parties.

The **Group Executive Committee** is responsible for the Group strategy and driving climate-related performance programmes across the organisation.

Business Unit MD's and **Directors** are responsible for ensuring their business units have identified and are managing climate-related risks and opportunities. The business unit leaders are accountable to the Group Executive Committee for climate-related performance.

Managers are responsible for making sure that their teams understand and comply with the policy and supporting procedures as well as complete any relevant training.

All employees must comply with the policy and supporting procedures and complete all relevant training.

The **Chief Sustainability Officer** is responsible for disclosing SSE's approach and performance around the management of climate-related risks and opportunities to stakeholders. They provide climate-related support to SSE businesses and help ensure that the policy is adhered to through awareness, training and monitoring of policy implementation.



GOVERNANCE

The **SSE plc Board** and **Group Executive 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.

Incidents and breaches are reviewed and where appropriate opportunities for improvement are actioned.



TRAINING

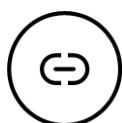
SSE engages and provides training material to relevant employees to ensure they have the skills, knowledge and resources to deliver our climate-related commitments.



SPEAKING UP

If you see or hear something that falls short of our normal high standards of ethical conduct and compliance you should be able to discuss it with your manager or a Speak Up Ambassador, but when that is not possible you are encouraged to raise issues with SafeCall through the following channels:

- Phone: 0800 915 1571 (UK) 1800 812 740 (Ireland)
- Email: sse@safecall.co.uk
- www.safecall.co.uk/report



SUPPORTING DOCUMENTS

Further information on SSE's approach to Climate Change can be found on SSE.com

Complementary Policies include the [PO-GRP-007 Group Environment Policy](#), [PO-GRP-013 Group Procurement Policy](#), [PO-GRP-014 Group Risk and Internal Control Policy](#) and [PO-GRP-016 Group Sustainability Policy](#).



DEFINITIONS

Climate-related risks and opportunities: risks and opportunities relating to 1) policy and technological aspects of the transition to a zero-carbon energy system and 2) the physical impacts of a changing climate on people and assets.

Net zero: achieving an overall balance between carbon dioxide emissions produced and emissions taken out of the atmosphere.

Paris Agreement: an international agreement reached in 2015 aimed at reducing greenhouse gas emissions and limiting global temperature warming to well below 2°C, aiming for 1.5°C.

Task Force on Climate-related Financial Disclosures (TCFD): the TCFD was set up by the G20's Financial Stability Board to develop voluntary, consistent climate-related financial risk disclosures for use by companies.