

Group Sustainability Policy

Policy statement

SSE will support the transition to a net-zero world in a sustainable way seeking to create value, simultaneously, for both shareholders and society.

Policy purpose

This policy is intended to ensure that in meeting SSE's core purpose, to provide energy needed today while building a better world of energy for tomorrow, its actions and decisions are responsible and sustainable, both in its direct operations and its value chain.

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:

Sustainability at SSE's core	<ul style="list-style-type: none"> • Sustainability is core to SSE's vision, purpose and strategy. It is focused on a fair and just transition to net zero and, in doing so, creating and sharing value with its stakeholders and wider society. • Sustainability is a long-standing core value at SSE, defined as “We do things responsibly to add long-term value”.
Sustainable decision-making	<ul style="list-style-type: none"> • SSE is committed to ensuring that the actions and decisions associated with its business are sustainable balancing the long-term economic, social and environmental impacts of its activities.
Materiality	<ul style="list-style-type: none"> • SSE and its business units identify their most material sustainability impacts to ensure the company sets relevant and ambitious goals and targets. To identify these material impacts SSE, and its business units engage constructively and continuously with key stakeholders.
Global frameworks and standards	<ul style="list-style-type: none"> • SSE has aligned its business strategy with the UN's Sustainable Development Goals which it believes provides the blueprint for how businesses can contribute to sustainable development. • Disclosure of SSE's sustainability impacts is aligned to internationally recognised frameworks, including the UN's Global Compact and the Global Reporting Initiative (GRI) Standards.
2030 Goals	<ul style="list-style-type: none"> • SSE has set four core 2030 business goals which are directly aligned to the UN's Sustainable Development Goals and linked to executive remuneration outcomes. These 2030 Goals have addressing the challenge of climate change at their heart, whilst ensuring this is done in a socially just way. <ul style="list-style-type: none"> ○ Cut our carbon intensity by 60% (aligned to SDG 13: Climate Action) ○ Treble renewable energy output (aligned to SDG 7: Affordable and Clean Energy) ○ Help accommodate 10m electric vehicles (aligned to SDG 9: Industry, Innovation and Infrastructure)

	<ul style="list-style-type: none"> ○ Champion Fair Tax and a real Living Wage (aligned to SDG 13: Decent Work and Economic Growth)
Disclosure	<ul style="list-style-type: none"> • SSE believes that the identification, quantification and disclosure of sustainability impacts is a powerful driver of performance improvement. Therefore, SSE is committed to comprehensive, open and transparent disclosure of its sustainability impacts to allow its stakeholders to meaningfully assess its performance. • SSE publicly publishes detailed information on its sustainability performance in its Annual Report and Sustainability Report each year.



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.

SSE's Board is responsible for setting the overall strategic direction and reviews performance. In the implementation of the Sustainability Policy and strategies, the Board is supported by SSE's Group Executive Committee and the Chief Sustainability Officer.

It is the responsibility of the **Business Units** to engage with their key stakeholders to understand their material environmental, economic and social impacts.

Managers are responsible for making sure that their teams and colleagues understand and meet the principles of this policy.

All employees are expected to understand what sustainability means and how they can contribute to greater sustainable decisions and actions within their business. Both managers and other employees must ensure they comply with supporting procedures as well as completing any relevant training and conduct their business in line with the sustainability core value.

The **Chief Sustainability Officer** is responsible for providing sustainability-related support to SSE businesses and for reporting SSE's approach and performance around sustainability to stakeholders.



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.

Actions and decisions that do not align with the principles in this policy are reviewed and where appropriate opportunities for improvement are actioned.



TRAINING

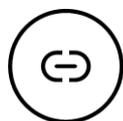
Sustainability incorporates a wide range of environmental, economic and social issues, and therefore subject specific training is provided through relevant business units and various subject matter experts.



SPEAKING UP

If you see or hear something that falls short of our expected 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

Rules, standards and procedures govern and guide our responsible and sustainable approach to our actions and decisions. Sustainability considerations are integrated throughout SSE's other Group policies where relevant. Further information can also be found at sse.com/sustainability



DEFINITIONS

Sustainability: SSE recognises the Bruntland definition of sustainable development where “*development meets the needs of the present without compromising the ability of future generations to meet their own needs.*” That means, in the context of SSE’s business activities that we must balance environmental, economic and social impacts in a way that does not impact the ability of future generations to meet their needs.

UN’s Sustainable Development Goals: 17 Global Goals adopted by all United Nations Member States in 2015, aimed at ending extreme poverty, inequality and climate change by 2030.

UN Global Compact: the world’s largest corporate sustainability initiative encouraging businesses to implement ten universal principles on environment, human rights, labour and anti-corruption.

Global Reporting Initiative standards: universal reporting standards that help businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues.