

# Group Sustainability Policy

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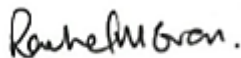
## Policy statement

As a leading energy company 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 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 sustainable company that people want to invest in, buy from, work for and partner with for the long term.



**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"> <li>• Sustainability is core to SSE's vision, purpose and strategy. SSE 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.</li> <li>• Sustainability is a long-standing core value at SSE, defined as “We do things responsibly to add long-term value”.</li> </ul>
Sustainable decision-making	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
Working with stakeholders	<ul style="list-style-type: none"> <li>• SSE's well-established approach to sustainability is underpinned by robust stakeholder relationships.</li> <li>• SSE constructively engages with its defined key stakeholder groups (as defined within SSE's Annual Report) to ensure decisions and actions reflect stakeholder perspectives. In doing so, it seeks to create value for shareholders and society in a sustainable way.</li> <li>• Recognising that supply chain partners have a critical role in supporting the achievement of SSE's sustainability objectives, SSE seeks to work collaboratively in the pursuit of sustainable social, environmental and economic outcomes.</li> </ul>
Global frameworks and standards	<ul style="list-style-type: none"> <li>• 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 global sustainable development.</li> <li>• Supporting comparable ESG (Environmental, Social and Governance) performance metrics the disclosure of SSE's sustainability impacts is aligned to internationally recognised frameworks, including the UN Global Compact, Global Reporting Initiative and SASB Standards.</li> </ul>

2030 Goals	<ul style="list-style-type: none"> <li>• 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"> <li>○ Cut carbon intensity by 80% (aligned to SDG 13: Climate Action)</li> <li>○ Increase renewable energy output fivefold (aligned to SDG 7: Affordable and Clean Energy)</li> <li>○ Enable low-carbon generation and demand (aligned to SDG 9: Industry, Innovation and Infrastructure)</li> <li>○ Champion a fair and just energy transition (aligned to SDG 8: Decent Work and Economic Growth)</li> </ul> </li> </ul>
Disclosure	<ul style="list-style-type: none"> <li>• 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.</li> <li>• SSE publicly publishes detailed information on its sustainability policies, practice and performance in its Annual Report and Sustainability Report each year.</li> </ul>



## 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.

The Board is advised on matters relating to safety, sustainability, health and environment by the **Safety, Sustainability, Health and Environment Committee (SSHEAC)**. The SSHEAC specifically has oversight of SSE's overall performance in ESG ratings and reviews.

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.

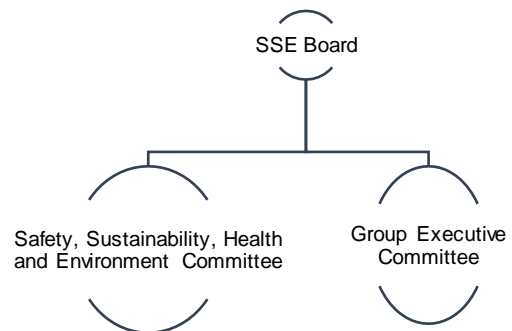
The **Chief Sustainability Officer** is responsible for providing sustainability-related support to SSE businesses and for reporting SSE’s approach and performance around sustainability to stakeholders.



## 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

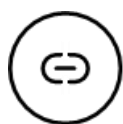
Sustainability incorporates a wide range of environmental, economic and social issues, and therefore subject specific training is provided through relevant business units and various subject matter experts.



## 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](mailto:sse@safecall.co.uk)
- [www.safecall.co.uk/report](http://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 Group policies, particularly below policies:

- PO-GRP-007 [Environment](#)
- PO-GRP-001 [Climate Change](#)
- PO-GRP-009 [Human Rights](#)

Further information can also be found at [sse.com/sustainability](https://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.

**Just Transition:** A just transition seeks to reach net zero in the fairest way possible for working people, consumers and their communities, ensuring that the benefits of climate action are shared widely whilst preventing an unfair burden of the costs on those with the least.

**N 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.

**SASB Standards:** standards maintained by the Value Reporting Foundation that guide the disclosure of financially material sustainability information by companies to their investors.