



Dear Brenda

Thank you for your letter dated 3rd January 2018, explaining the 30% Club and the aspirations of the organisation.

As an organisation with a Board that consists of 33% female representation, SSE is very mindful of the benefits of gender diversity and also of the benefits of effective inclusion in its wider sense.

As part of our focus on an inclusion strategy, SSE has pursued a range of activities that are designed to widen the appeal of SSE as an employer of choice, to as wide and as inclusive an audience as possible. Our view is that long term sustainable change is best delivered by making changes across our employment attraction and retention policies to ensure that they are as inclusive as possible.

In pursuing this approach, we have undertaken a detailed "Return on Inclusion" study, supported by Equal Approach. The output of this study has led to SSE refining its approach on inclusion to look at the activities most likely to deliver sustainable change. This includes gender neutral advertising and being very clear when advertising roles, which ones can be considered for flexible, or agile working approaches.

In addition, SSE has been very active in a number of external areas, seeking to change the perceptions that Energy is a male dominated Industry. Our current information shows that SSE as an organisation, has 31% female employees, relative to a sector average of 18%. In addition, we are seeking to further shift this perception through initiatives to attract a wider, more inclusive employee base into the sector. This includes being a founding member of POWERful Women, which seeks to attract more women into Senior Energy Sector roles, and being the STEM Sponsor for Teach First, an organisation that looks to support social mobility and improve the quality of learning for young people.

We also have long term partnerships with Barnardo's and Career Ready, which are aimed at delivering more socially mobile youngsters into the business. Finally, on awareness, we have used our Sponsorship of the Women's FA Cup to be a visible champion in this significantly growing area of sporting participation, recognising that the qualities of professional athletes are similar to the qualities that SSE seeks in future business leaders and that association with these positive role models for young women can have an impact on our employer attractiveness.

Finally, because SSE understands the role transparency and disclosure has in supporting performance improvement, a concerted effort to detail significant data, alongside gender improvement targets has resulted in SSE being listed in the first sector-neutral Bloomberg Gender-Equality Index. This index includes just 104 companies globally which have sufficiently demonstrated strong gender disclosures and best-in-class policies and practices. SSE is one of just two energy companies to be included in the 2018 index.

Much of what we do, is seeking to put sustainable building blocks in place and I recognise that this will take some time. Currently SSE has women in 18% of what I would define as senior roles. The population includes those that report into myself and the Finance Director and also their direct reports. There are a number of initiatives underway to identify and accelerate female talent in the business, but I remain concerned that reaching 30% across this population by 2020 looks like a goal that may be one that SSE will fall short of.

While supporting your objectives, we have work to do internally in support of initiatives we have already committed to, and I believe this may be diluted if we signed up to another commitment at this point.

I would be happy to maintain a dialogue and see how we can support each other in bringing greater inclusion and diversity to SSE and Corporate UK.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alistair Phillips-Davies', with a horizontal line underneath.

Alistair Phillips-Davies
Chief Executive