

# Group Procurement Policy

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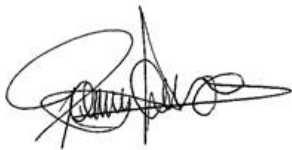
## Policy statement

SSE's Procurement policy is to maximise value throughout project lifecycles and competitively procure goods, works and services as appropriate whilst acting ethically, sustainably and within the law in any jurisdiction in which it operates.

## Policy purpose

The purpose of this policy is to establish procedures for the businesses' procurement of all goods, works and services and to ensure that all goods, works and services procured are value led, obtained competitively at the required specifications and quality and procured in compliance with SSE's legal framework.

This policy is owned by the Chief Procurement 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.



**Ronnie Fleming**  
Chief Procurement 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 actions:

Standards	<ul style="list-style-type: none"> <li>• We have clear standards and procedures for procurement activities that occur in the businesses and within the central procurement operations function that support the delivery of the Group's vision, purpose and strategy. Procurement within SSE must comply with positive obligations that arise from Procurement Regulations in any jurisdiction in which it operates.</li> <li>• SSE's Sustainable Procurement Code is designed to help prospective and current suppliers understand SSE's strategy for sustainable growth and outlines the expectations on its supply chain on taking climate action, offering fairness to people and communities and zero tolerance of unethical business conduct.</li> <li>• SSE undertakes appropriate enquiries ('due diligence') into suppliers with the purpose of identifying, assessing and mitigating risks associated with entering into and maintaining a contract with them.</li> <li>• SSE is committed to the principles outlined within the Prompt Payment Code and to the fair treatment of all suppliers, adopting an approach of providing suppliers with quick resolution of invoices and ensuring any queries or issues are managed effectively.</li> </ul>
Authority Levels	<ul style="list-style-type: none"> <li>• SSE sets authority to approve the approach to procurement and the placement of contracts with third parties. These are outlined in WI-PRS-501 Procurement Authorisation Levels.</li> <li>• Authority to spend an allocated budget with a third party by the businesses' will be in accordance with the Financial Approvals Framework for SSE (PR-FIN-021).</li> </ul>



## ROLES AND RESPONSIBILITIES

This policy applies to all SSE employees, non-SSE Resource and people contracted to provide services to the Company through third parties.

Where we operate internationally, we will utilise our Group Policies as a default however subject to legal or regulatory requirements of the relevant international domain we may underpin these with local policies and supporting procedures.

**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.

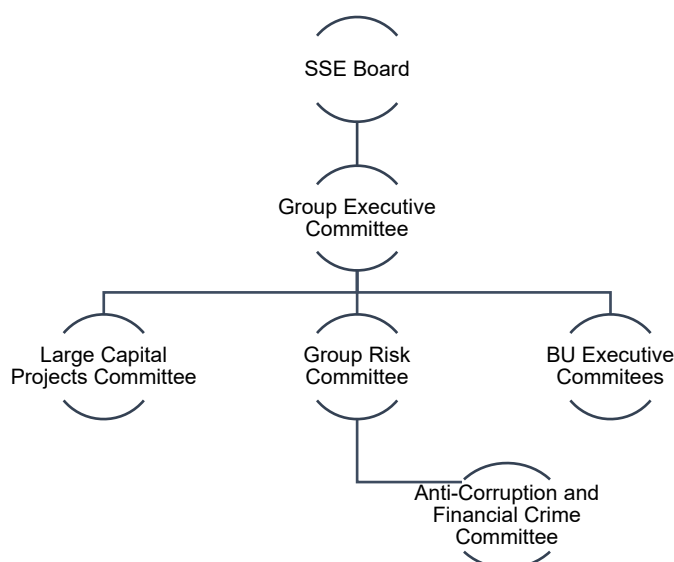


## GOVERNANCE

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.

The **Group Executive Committee** supports the Policy Owner to make sure that the policy is adhered to through awareness, training and monitoring of policy implementation.

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



## TRAINING

- A full and comprehensive Licence to Operate (LTO) programme exists, aimed at supporting and developing the competence and capability of Procurement and Commercial staff to be better at their job by improving knowledge, skills and personal attributes. LTO covers many of the foundational and technical elements of each job role within the Directorate and all training modules and required staff are set out in our P&C Hub.
- An annual Procurement and Commercial Training Needs Analysis and Talent Segmentation Review.
- An annual Procurement & Commercial Leadership Programme focussed on delivering Group benefit.
- SSE provides training and education to support business users through the various processes included in the Procure to Pay cycle.
- SSE has an Ethics and Compliance eLearning programme for key topics to ensure we are all aware of our responsibilities for doing the right thing.
- In order to retain or gain access to the purchasing system, all business preparers must obtain a Licence to Buy.

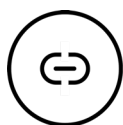


## SPEAKING UP

If an employee becomes aware of anything that falls short of our expected high standards of ethical conduct and compliance, they can discuss it with their line or any other manager within the business. Alternatively, when that is not possible any concerns can be raised through the internal reporting method at [Speakup@sse.com](mailto:Speakup@sse.com) or externally through SafeCall on one of the following channels:

- Phone:
  - UK - 0800 915 1571
  - Ireland - 1800 812 740
  - All other countries +44 800 915 1571. If you are more comfortable speaking in your own language, an independent telephone interpreter will be made available.
- Email: [sse@safecall.co.uk](mailto:sse@safecall.co.uk)
- [www.safecall.co.uk/report](http://www.safecall.co.uk/report)

*Any wrongdoing brought to light through the Whistleblowing Policy will result in internal disciplinary procedures, possible dismissal and criminal prosecution of individuals involved.*



## SUPPORTING DOCUMENTS

Additional documents available to provide further guidance and support include:

- [SSE's Sustainable Procurement Code](#)
- WI-PRS-501 [Procurement Authorisation Levels](#)
- COP-PRS-001 [Procurement: Code of Practice](#)
- PR-FIN-021 [Financial Approvals Framework](#)

Further information can also be found on the [Procurement & Commercial Engagement Portal](#)

Complementary policies include:

- PO-GRP-003 [Group Cyber Security Policy](#)
- PO-GRP-009 [Group Human Rights Policy](#)
- PO-GRP-016 [Group Sustainability Policy](#)
- PO-GRP-002 [Group Corruption and Financial Crime Prevention Policy](#)

Comments and feedback on this policy and its application are welcome.

Please contact [ashley.currie@sse.com](mailto:ashley.currie@sse.com)