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Group Risk Management and Internal Control Policy

Policy statement

SSE's policy is that everyone in the company has a responsibility for management of risks; that the risks to the business are understood and effectively managed; and that decisions must be made with full consideration of the risks involved.

Policy purpose

This policy outlines the principles and responsibilities which underpin SSE's approach to risk. It is designed to ensure that risks are taken and managed consciously, recognising that this is a necessary part of doing business.

This policy is owned by the Director of Group Risk and Audit 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.

Gavin Brydon
Director of Group Risk and Audit

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:

Risk Appetite	• The Board of Directors set the Risk Appetite for the Group. The achievement of SSE's strategic objectives necessarily involves taking risk. SSE will however only accept risk where it is consistent with its core purpose, strategy and values; is well understood; and can be effectively managed; and offers commensurate reward.
Risk Management	• Everyone in SSE has a responsibility for the management of risk. To ensure success, it is critical that the risks to our business are understood and effectively managed. Decisions must be made with full consideration of the risks involved and in accordance with the procedures and guidance provided by Group Risk on behalf of the Board of Directors.
Compliance	• SSE conducts its business in a manner which is fully compliant with all relevant legislation, regulation and rules – both external and internal.
SSE System of Internal Control (SOIC)	• An appropriate system of internal control (SoIC) will be maintained, in accordance with the requirements of the UK Corporate Governance Code, to support the business in meeting its objectives. • SSE's SoIC consists of Governance, Strategic, Risk Management, Assurance, Standards & Quality Frameworks.
Business Continuity /Disaster Recovery	• SSE aims to minimise the potential impact of risk events and safeguard the delivery of our services by ensuring adequate Business Continuity and Disaster Recovery Plans are in place and are regularly tested. These plans are designed for the management of, and the recovery from, significant risk events.
Viability	• Consideration of the financial impact of severe yet plausible scenarios relating to each Principal Risk must be given to inform decision making and ensure appropriate mitigation measures are applied and maintained.
Insurance	• Insurance should be purchased for all statutory requirements and on an optional basis dependant on contractual obligations and risk appetite.

Business Separation	• SSE will apply appropriate measures to comply with business separation regulatory requirements (where applicable), including staff training of obligations and associated risks.