



SHE

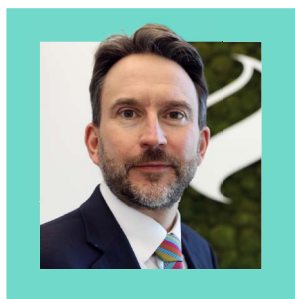
SSE Environment Strategy

2026/2027



Taking care of ourselves, each other, nature and the environment

As a large energy company, the scale and breadth of SSE's activities mean that we interact with the environment in many ways, often presenting challenges that need to be managed.



Mark Patterson
Director of SHE

In the transition to net zero, we're actively managing our environmental footprint in a way that always seeks to minimise risk and impacts but also, where possible, adds value.

We have a well-established environmental policy in place, and with an effective governance framework we work with our stakeholders to produce sustainable, environmental outcomes.

We continue to improve our environmental performance through a relentless focus on our strategic priorities, underpinned by robust environmental risk management and governance.

With our "Transformation for Growth" plan and significant capital investment over the next five years, we will continue to make progress and improve our governance across all areas. This work will stand us in good stead to ensure our goals are delivered to minimise environmental risk and impact.

We are developing training courses across our three key strategic themes aimed at helping employees and partners understand our environmental strategy and the part they play in its delivery.

We also have industry-leading specialists across the company who make sure we do the right thing, deliver good practice, and challenge everything we do. The SSE approach, our plans and how we measure performance will be communicated in



our Nature Strategy that will inform, engage and influence internal and external stakeholders.

What and how we manage and consume resources has an impact on our climate and nature. Circularity presents an opportunity to improve collaboration, innovation, resource efficiency and sustainable procurement whilst providing positive climate and nature action. The year has seen focus on developing the SSE approach to circularity and we will publish our first SSE Circularity Roadmap.

Our 2026/27 Environment Strategy sets out how we will deliver our key goals through strengthening our governance and strategic approach, making it easier for colleagues and contract partners to do the right thing.

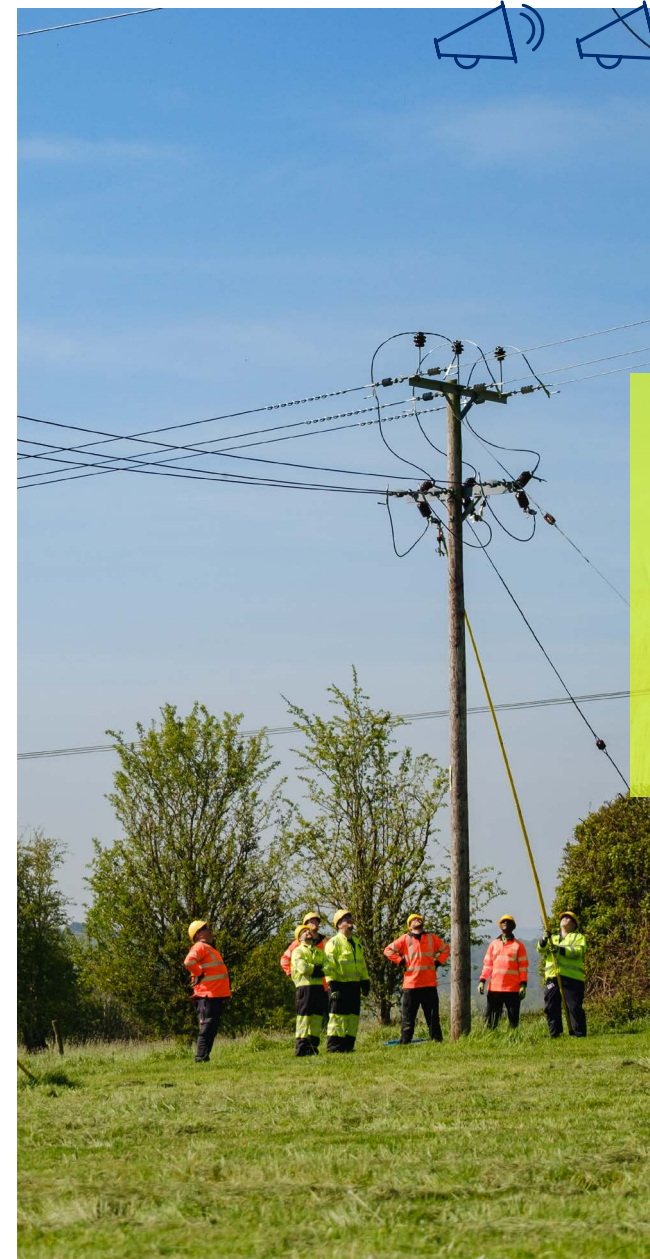
By doing this, we can continue to take care of ourselves, each other, and our environment so that we all get home safe and protect nature.

Environmental Management and Governance, supporting climate adaptation and resilience

Providing a framework for the responsible management of environmental impacts, risks and protecting local environments from degradation, pollution and damage to nature.

SSE's 2026/27 group goals are

- no more than 43 serious environmental incidents
- implement a process to manage climate resilience and adaptation risk, and to build stronger links between nature, circularity and environmental outcomes
- seek opportunities to enhance project governance and contractor engagement across SSE on large capital projects (LCP) and Non-LCP activity
- roll out environmental training to support delivery of the Environment Strategy
- report data monthly via SHE Monthly Reporting
- manage governance and compliance through the Environment Sub-group

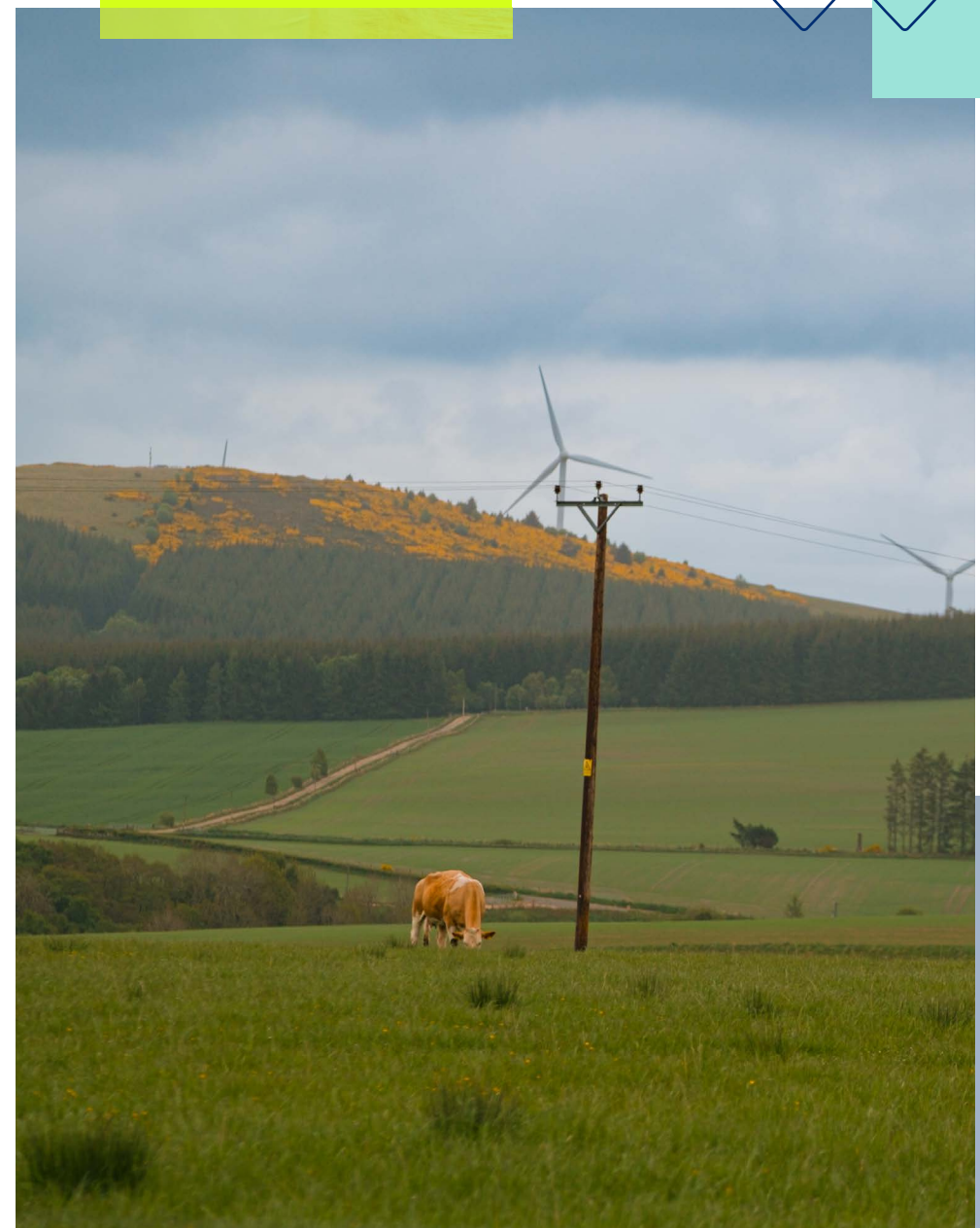
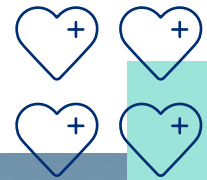


Nature

Supporting the protection, conservation, and restoration of nature and promoting biodiversity improvement into business activities.

SSE's 2026/27 group goals are

- develop a Nature Implementation Plan and Strategy for SSE
- enhance the natural environment by achieving no 'net loss' in biodiversity on all UK/ROI significant projects consented from 2023 onwards, and 'net gain' in biodiversity on those consented from 2025 onwards
- achieve no net loss of native woodland on all UK/ROI onshore significant projects consented from 2024/25
- roll out training to support delivery of the Nature Strategy
- report SSE data monthly via SHE Monthly Reporting
- manage governance and compliance through the Nature Working Group

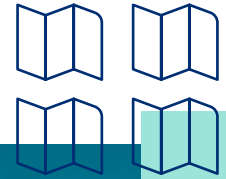


Circularity and resource efficiency

Building circularity into SSE activities and procurement, whilst promoting reuse, recycling and resource efficiency.

SSE's 2026/27 group goals are

- Group and business unit targets to divert 98% by tonnage from landfill and recycle 70% by tonnage
- develop a Circular Economy Roadmap and Strategy
- recognise success via Annual Recycling Awards
- promote recycling and circularity in SSE communities
- rollout training to support delivery of the Circularity Strategy
- report data monthly and via a Power BI Report
- manage governance and compliance through the Circularity and Resource Efficiency Working Group



How business units contribute

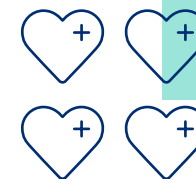


Our Environment Strategy priority areas and Group-wide goals provide guidance for our businesses to use when undertaking their daily activities.

As each of our businesses has different interactions and impacts on the environment, they have their own detailed environment plan and goals tailored specifically to their activities, which has been agreed by their own respective business unit SHE or Executive Committee.

This means their efforts are focused on the areas in which their most material environment risks and opportunities arise, and they have greatest potential to influence. By having focused business unit environment plans, supported by the governance of the SSE Environment Sub-group, Nature Working Group and Circularity Working Group, amongst other BU-led governance forums, we have an effective structure to deliver our Group-wide environment goals. The individual business unit environment plans are outlined on the following pages.





Business unit plans

Corporate Environment



Environmental Management and Governance

- Total Serious/Major environmental incidents <43
- Implement a process to manage Climate Resilience and Adaptation risk, and to build stronger links between nature, circularity, incidents and adaptation
- Improve project governance and contractor engagement across SSE on Large Capital Projects (LCP) and Non LCP
- Roll out Environmental training to support delivery of the Environment Strategy



Circularity and Resource Efficiency

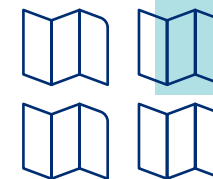
- Target on Recycling – 70% by tonnage
- Target on Diversion – 98% by tonnage
- Develop an SSE wide Circularity Roadmap
- Utilise the Roadmap to develop a Circularity Strategy and Implementation Plan
- Development and rollout of circularity and waste training across SSE



Nature

- Deliver Policy commitments on Biodiversity Net Gain (BNG) and No Net Loss (NNL) Native Woodland. The new wording is as follows:
 - Enhance the natural environment by achieving no 'net loss' in biodiversity on all significant UK/ROI onshore projects*¹ consented from 2023/24 onwards, and 'net gain' in biodiversity on those consented from 2025/26 onwards
 - Achieve no net loss of native woodland on all significant UK/ROI onshore projects*¹ consented from 2024/25, to be measured annually
- Development of the Nature Strategy
- Development and rollout of Nature training across SSE

^{*1} Projects over the threshold of £40 million for the Renewables, Transmission, Distribution and Thermal businesses, and £10 million for ECS, in alignment with the LCP thresholds when the Group BNG commitment was agreed



Renewables Environment



Environmental Management and Governance

- Total Serious/Major environmental incidents <7
- Maintain 14001 Environmental Management System ensuring it continues to reflect any future changes in SSER structure and/or project delivery model
- Finalise Hydro Polychlorinated biphenyls (PCB) compliance verification works and document evidence to demonstrate full compliance with regulations
- Identify and embed measurable improvements in contractor environmental performance including strengthened programme of contractor selection, onboarding and on-site assessment



Circularity and Resource Efficiency

- Achieve SSE Group targets for waste recycling (60%) and diversion from landfill (98%)
- Support SSE Group in the development of a Group-wide circularity strategy
- Deliver on existing circularity strategies for key turbine components: blades and minor components



Nature

- Biodiversity Net Gain (BNG) for sites in UK and Ireland consented in 2026/27
- Actively pursue the expansion of BNG initiatives outside of UK and Ireland
- Ensure no net loss in native woodland on new infrastructure projects gaining consent
- Progress our approach on Nature Positive Innovations to provide cost savings during development and operations



Distribution Environment



Environmental Management and Governance

- Total Serious/Major environmental incidents <24
- Continually improve the business environmental management system and maintain ISO 14001 certification
- Develop and implement a digital solution to track environmental permits and their conditions, simplifying compliance obligations for our installations across SSN-D
- Improved incident management – improve environmental incident investigation management, which will improve trend analysis, increase learning and reduce recurrence of incidents
- Replace 29 leaking assets containing Sulphur hexafluoride (SF6) during FY26/27
- Continue maintenance of PCB statistical cohort model and react to intervene when some Pole Mounted Transformers (PMT) contamination risk is reclassified too high
- Complete flood mitigation remedial works at 7 grid and primary substations across our network in line with ETR 138
- Construct 37 bunds to bring assets in line with current Oil Storage Regulations with particular focus on assets that are in environmentally sensitive areas



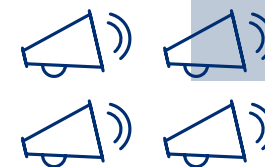
Circularity and Resource Efficiency

- Achieve group waste management targets – 98% diversion from landfill and 70% recycling by end of FY26/27
- Review, devise and implement a digital waste management tracking framework that simplifies compliance, supporting day to day activities whilst meeting legislative needs and business-wide obligations
- Achieve 70% of suppliers (by spend) signed up to the Sustainable Supplier Code by end of FY26/27
- Achieve 33% of suppliers (by spend) with an accredited Science Based Targets (SBT) by end of FY26/27



Nature

- Onshore Large Capital Projects (LCP) to deliver a No Net Loss (NNL) in biodiversity for projects consented from 2023 and a Biodiversity Net Gain (BNG) for project consented from 2025 onwards
- To achieve and report no net loss in native woodland habitats for new Large Capital Projects (LCP)
- Demonstrate measurable progress towards the delivery of 6.6 hectares of seagrass planting, 139 hectares of peatland restoration and 110 hectares of woodland creation.
- Finalise rollout and embed Natural Asset Platform within business to track losses and gains in biodiversity and ecosystem services across our network
- Continue to engage with stakeholders on visual amenity funding opportunities to progress ED2 target of undergrounding 83km of overhead lines by 2028
- Biodiversity Net Gain education – Develop and roll out targeted training to our identified leaders and people to deliver our commitments of No Net Loss (NNL) and Biodiversity Net Gain (BNG) on all applicable consented projects
- Environmental / Ecological awareness – Develop and deliver targeted training modules for our identified people interacting with the environment to ensure that fauna and flora are adequately considered in work activities we deliver



Transmission Environment



Environmental Management and Governance

- Total Serious/Major environmental incidents <10
- Fully deliver the Annual Sustainability Action Plan
- Ensure system, processes, knowledge and understanding of the new environmental compliance regime are in place
- Continually improve Transmission's Environmental Management System (EMS) and maintain our ISO 14001 certification



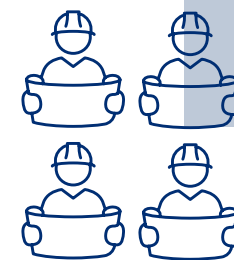
Circularity and Resource Efficiency

- Achieve Group waste management targets – 98% diversion from landfill & 70% recycling by year-end (Operational Sites)
- Submit data to Ofgem to evidence compliance to RIIO-T3 targets of project-level waste
- Zero avoidable waste to landfill (excluding compliance waste) by the end of the RIIO-T3 period
- A recycling, recovery and re-use rate of >80% across Transmission's waste streams by the end of the RIIO-T3 period
- Advance supplier data reporting on waste streams with our contract partners



Nature

- Ensure no net loss of woodland on new infrastructure projects gaining consent
- Deliver 10% biodiversity net gain and leave a positive legacy for nature. Protect irreplaceable habitats
- Inform the development and adoption of an agreed national marine net gain metric and establish nature partnerships with service providers to support restoration projects
- Collaborate (where appropriate) with other BU's to deliver cost effective seagrass research and restoration



Thermal Environment



Environmental Management and Governance

- Total Serious/Major environmental incidents <2
- One Thermal Way: Continue to rationalise site level management system documentation through development of pan Thermal procedures in the 2026/27 SHE plan
- ISO 14001:2026 – develop road map for transition to the revised standard
- Group Environmental Training: following launch of the new training package conduct a Thermal needs analysis and roll-out plan
- Support Development of revised Large Capital Project Environmental Management Plan
- Electricity System Restoration Standard – developing Environmental Permit Variations for new Emergency Diesel Generation on relevant UK sites
- Peterhead permit variation – modernising water discharge conditions for Peterhead Power Station
- Engage with DEFRA through the EPR Advisory Group on Abstraction Licencing to Environmental Permitting Regulations ahead of proposed implementation summer 2027



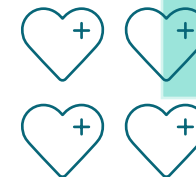
Circularity and Resource Efficiency

- Targets: 98% diversion from landfill and 65% recycling by end of FY26/27
- Monitor implementation of SEPA's EPAS scheme and engage with SEPA in conjunction with SSE Regulation
- Development of environmental (Sustainability data) reference documents / instructions for each site
- Support development and implementation of the Group Circular Economy Plan
- Energy Saving Opportunity Scheme (ESOS) – Phase 4 preparation 27/28
- Complete scheduled Energy Efficiency Assessments on the rolling 4 yearly programme



Nature

- Biodiversity Net Gain (BNG) for newly consented Large Capital Projects
- No Net Loss of Native Woodland for newly consented Large Capital Projects
- Task Force Nature Related Financial Disclosures (TNFD): trial WSP's Nature Vista (AI powered) platform to implement the LEAP process for Thermal's sites to prepare for future disclosures
- Support implementation of the Group Nature Strategy



ECS Environment



Environmental Management and Governance

- Total Serious/Major environmental incidents – 0
- Embed the newly merged EMS into ECS to ensure ISO 14001 compliance and consistency
- Create and execute an internal Audit Plan aligned with ISO 14001.
- Undertake a review of ECS SHE documentation, with a focus on environmental aspects
- Strengthen environmental awareness across the business, including roll out of Environment Training



Circularity and Resource Efficiency

- Achieve Group waste management of 98% diversion from landfill and 60% recycling from Operational sites
- Engage with contractors to improve waste management on Energy Services projects
- Undertake Circular Economy Review for ECS, aligning with Group
- Undertake a gap analysis/audit against newly embedded Waste Management Procedure



Nature

- Support the implementation of the Nature Pillar in the ECS Sustainability Framework
- Support the Group Nature Strategy and understand implications for the ECS business
- Develop and embed an Environmental Screening Mechanism for Domestic Energy Upgrade Projects
- Achieve BNG for all onshore LCPs
- Achieve NNL of native woodland for all onshore LCPs

Reporting our performance

Do you want to know more?

Environment strategy

If you would like to know more about SSE's environment strategy, approach to risk management, data, incidents and governance, please contact damian.keaveny@sse.com

Nature

If you want to know about our nature commitments, to understand more about Biodiversity Net Gain and No Net Loss and SSE's Nature Strategy, please contact jennifer.wiggins@sse.com

Circularity and resource efficiency

If you would like to know more about circularity and what this means to SSE as well as SSE's approach to waste management and resource efficiency, please contact kenneth.taylor@sse.com

↓ **Environment film - plan, scan and adapt**

↓ **Sustainability | SSE**

↓ **Safetynet**

↓ **SHE Review 2025/26**

Risk cards

- ↓ **CA-SHE-300-001**
Responsible Consumption and Production v2.00
- ↓ **CA-SHE-301-001**
Storage of oil and chemicals v2.00
- ↓ **CA-SHE-301-003**
Spill Response v2.00
- ↓ **CA-SHE-303-001**
Pollution to water v2.00
- ↓ **CA-SHE-306-001**
Impact on nature v1.00

For further information, please contact your business area Environment Lead or contact environment@sse.com.

