

# Group Financial Management Policy

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## Policy statement


SSE operates within a robust and clearly defined financial governance framework that protects the Group, supports strategic decision-making, and ensures we meet our legal, regulatory and reporting obligations. Our approach is designed to safeguard financial integrity, manage risk, maintain a strong balance sheet, and deliver fair, sustainable returns for shareholders.

## Policy purpose

This policy sets out how SSE manages its financial responsibilities in a lawful, ethical and transparent way. Its purpose is to ensure:

- Effective and proportionate financial controls and oversight
- High-quality internal and external financial reporting
- Disciplined investment decisions and efficient use of Group funds
- Compliance with all statutory, regulatory, tax, treasury and governance requirements
- Appropriate management of financial, operational and transactional risks
- A Finance function equipped to support the Group's strategic objectives, transformation priorities and operational delivery

This policy is owned by the Group Finance Director and forms part of SSE's suite of Group-level governance policies that promote a healthy business culture and inspire confidence among investors, employees, customers and partners.



**Elizabeth Stewart**

Group Finance Director



**Martin Pibworth**

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:

Group Financial Framework	<ul style="list-style-type: none"> <li>• SSE operates within a mature and consistent financial policy environment, including Group accounting policies, tax and treasury policies, financial control standards, and a defined reporting and planning calendar.</li> <li>• All financial reporting complies with applicable laws, regulations, listing rules and accounting standards in the jurisdictions in which SSE operates.</li> <li>• As a listed company, SSE's statutory financial statements are independently audited each year, under the oversight of the Audit Committee.</li> </ul>
Reporting, Planning & Performance	<ul style="list-style-type: none"> <li>• SSE provides external and internal financial information that is fair, balanced and understandable, enabling informed operational and strategic decisions.</li> <li>• Financial planning and analysis—including Budgets, Forecasts and the Long-Term Plan—follow Group guidance, metrics and conventions.</li> <li>• Reporting and planning activities operate in line with the Group's financial calendar and governance processes.</li> </ul>
Treasury & Capital Management	<ul style="list-style-type: none"> <li>• SSE's Treasury Policy ensures the effective management of funding, liquidity, capital structure and financial market risks in alignment with the Group's strategy and risk appetite.</li> <li>• Treasury activities are governed by appropriate controls and approved by the Audit Committee.</li> </ul>
Record-to-Report (R2R) Centre of Excellence	<ul style="list-style-type: none"> <li>• SSE has established a centralised Record-to-Report Centre of Excellence (R2R CoE) responsible for delivering consistent, efficient and well-controlled R2R processes across the Group.</li> <li>• The R2R CoE owns and maintains end-to-end processes for month-end close, balance sheet integrity, consolidations, reconciliations, journals, and financial control activities.</li> <li>• Business Units and Corporate Functions must operate in line with the defined R2R process model, systems and service expectations, enabling a single, accurate and timely version of the truth.</li> <li>• R2R centralisation strengthens the Group's financial control environment, reduces operational and reporting risk, and supports high-quality internal and external reporting.</li> </ul>

	<ul style="list-style-type: none"> <li>• The CoE works in partnership with Finance Process &amp; Change to embed standardisation, automation and digital tools (including FCCS (Financial Consolidation and Close Service) and other enabling technologies) and to simplify and modernise financial processes.</li> </ul>
<p>Financial Governance &amp; Controls</p>	<ul style="list-style-type: none"> <li>• SSE maintains a clear, efficient and risk-based financial governance framework, including defined approval routes for investment decisions, expenditure and delegation of authority.</li> <li>• Business Units and Corporate Functions must operate effective internal control environments that support robust risk management.</li> <li>• The Controls Centre of Excellence ensures compliance with control standards and drives continuous improvements.</li> <li>• The Finance Process &amp; Change team leads transformation, digital adoption and simplification across Record-to-Report and other Finance processes.</li> <li>• Roles and responsibilities across Finance are clearly defined. Workforce capability is supported through the Finance People Development programme.</li> <li>• Appropriate access controls and data protection requirements are applied to all financial systems to maintain data accuracy, security and integrity.</li> <li>• The increasing role of digital tools, automation and AI requires Finance teams to work in a safe, controlled and responsible manner, ensuring outputs remain accurate, reviewable and compliant.</li> </ul>