

# Group Environment Policy

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## Policy statement

SSE commits to protecting and enhancing the environment, preventing pollution and operating in a sustainable way.

## Policy purpose

The purpose of the policy is to identify and mitigate material impacts, manage environmental risks and engage positively with key stakeholders to improve the environmental impact of SSE's business activities.

This policy is owned by the Director of Safety, Health and Environment 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.



**Mark Patterson**

Director of Safety, Health and Environment



**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:

|                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environment Management and Governance  | <ul style="list-style-type: none"> <li>• In order to protect the environment and operate in a sustainable way, we design, construct, operate and decommission our assets, and conduct our operational activities in compliance with all relevant legal and regulatory obligations. We seek to go above and beyond this and meet additional relevant voluntary standards that the company subscribes to wherever possible to bring about positive environmental outcomes.</li> <li>• We commit to maintaining accreditation to ISO14001 across all Business Units.</li> </ul>                                                                                                                                                                                                     |
| Responsible Consumption and Production | <ul style="list-style-type: none"> <li>• We commit to decreasing the impact of our resource consumption by:               <ul style="list-style-type: none"> <li>○ Minimising resource use and waste production.</li> <li>○ Minimising waste to landfill and increasing recycling.</li> <li>○ Working with our supply chain to improve performance and innovation.</li> <li>○ Engaging with the circular economy, by using reprocessed or repurposed materials and ensuring our resources can readily be reused, repurposed or recycled so far as is practical.</li> <li>○ Selecting materials that have sustainable lifecycle impacts.</li> </ul> </li> </ul>                                                                                                                   |
| Natural Environment                    | <ul style="list-style-type: none"> <li>• We commit to manage, protect and enhance the Natural Environment by:               <ul style="list-style-type: none"> <li>○ Enhance the natural environment by achieving no 'net loss' in biodiversity on all significant UK/ROI onshore projects<sup>1</sup> consented from 2023/24 onwards, and 'net gain' in biodiversity on those consented from 2025/26 onwards.</li> <li>○ Achieve no net loss of native woodland on all significant UK/ROI onshore projects<sup>1</sup> consented from 2024/25, to be measured annually.</li> <li>○ Complying with relevant environmental and biodiversity net gain legislation in the jurisdictions in which we operate, as well as working to meet any new legislation.</li> </ul> </li> </ul> |

<sup>1</sup> 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.

|             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             | <ul style="list-style-type: none"> <li>○ Working to identify SSE's nature impacts and dependencies, to better understand our nature related risks and opportunities.</li> <li>○ Monitoring the impacts on Biodiversity of operational assets located in sensitive environments, and to take measures to reduce those impacts where practical.</li> <li>○ Collaborating with relevant organisations that protect, conserve and enhance biodiversity.</li> <li>○ Beyond the UK and Ireland, SSE is keeping under review international nature-related policies and engaging with relevant international bodies on the development of jurisdiction appropriate methodologies that would be necessary to underpin any future commitments.</li> </ul>                                                                                                                                                                                                                                                                                                              |
| Materiality | <ul style="list-style-type: none"> <li>● SSE and its business units identify their most material environmental impacts to ensure the company sets relevant and ambitious environmental goals and targets. To identify these material impacts, SSE, and its business units, engage constructively and continuously with key stakeholders.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Process     | <ul style="list-style-type: none"> <li>● To meet these environmental standards SSE shall:               <ul style="list-style-type: none"> <li>○ Update our Environment Strategy on an annual basis.</li> <li>○ Identify material impacts, set challenging targets to continuously improve performance and measure and report progress publicly.</li> <li>○ Manage environmental risks by applying and continually improving the Safety, Health and Environment (SHE) Management System and drive towards best practice standards, supported by assurance processes.</li> <li>○ Engage positively with key stakeholders on environmental issues and take responsibility within the wider community for improving the environmental impact of our business.</li> <li>○ Collaborate, invest in and develop new technologies to be more environmentally sustainable.</li> <li>○ Work with supply partners to improve their environmental performance.</li> <li>○ Integrate environmental improvements into our everyday decision making.</li> </ul> </li> </ul> |



## ROLES AND RESPONSIBILITIES

This policy applies to all SSE employees and contingent workers and contract partners. It is relevant to people contracted to provide services to the Company through third parties. The Policy applies to Joint Venture partnerships where SSE manage and provide operational resources.

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

**Managers** are responsible for making sure that their teams and colleagues 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.

The **Safety, Health and Environment Team** is responsible for providing environmental support to SSE businesses.

The **Chief Sustainability Officer** is responsible for reporting SSE's environmental impacts to stakeholders.



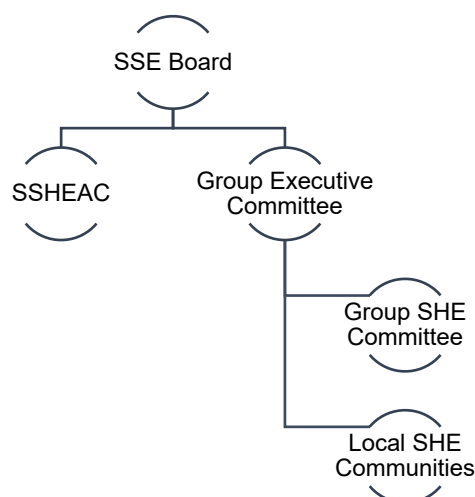
## GOVERNANCE

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 **Safety, Health and Environment Committee** (SHEC) supports the **Policy Owner** and makes 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.

Governance for the implementation of the Policy and for the continual improvement in performance is provided by the **Group SHE Committee** at Group-level, the **Safety, Sustainability, Health and Environment Advisory Committee (SSHEAC)** at Board level, and at local level by **Local SHE Communities** (LSC).

A further consultation forum exists at Group Level; the **Health, Safety and Environment Committee** (HeSEC) provides a forum for senior SSE managers to meet with Trade Union/Employee representatives.





## TRAINING

We provide general and role specific training to our employees to ensure they have the appropriate skills and knowledge and enable them to deliver our environment commitments.



## SPEAKING UP

Employees can discuss anything that falls short of our expected high standards of ethical conduct and compliance, with their line or any other manager within the business. Alternatively, any concerns can be raised internally at [Speakup@sse.com](mailto:Speakup@sse.com) or externally through SpeakUp using:

- Phone (Code 131757):
  - UK - 0800 022 4118
  - Ireland - 1800 800 636
- <https://sse.speakup.report/speakupline>

*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:

The SSE SHE Management System, further information is also available on SafetyNet

Complementary Policies include:

- Summary version of the Group Environment Policy
- PO-GRP-015 Group Safety and Health Policy
- PO-GRP-001 Group Climate Change Policy
- PO-GRP-016 Group Sustainability Policy