



Trade associations climate and policy engagement review

2022/23



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About this report

Customers, shareholders, and broader stakeholders are interested in the openness of an organisation regarding its policies and support for climate change advocacy. In particular, SSE's stakeholders want to establish whether the company's strategy and guiding principles in addressing climate change are in harmony with those of the trade associations of which it is a member. Providing this evidence assures stakeholders that the company maintains integrity in its approach to addressing climate change.

SSE has conducted a comprehensive review of its trade association memberships, ensuring that the policy stances of these organisations are in accordance with SSE's own positions on climate change. This is SSE's third Trade Association Climate Review and covers the 2022/23 financial year.

SSE welcomes and encourages feedback on the result and the approach it has taken for this review. Feedback and comments can be provided by emailing sustainability@sse.com.

About SSE

SSE is a leading generator of renewable electricity in the UK and Ireland and one of the largest electricity network companies in the UK. It is driven by a purpose to provide energy needed today while building a better world of energy for tomorrow. It develops, builds, operates, and invests in low-carbon electricity infrastructure in support of the transition to net zero, including onshore and offshore wind, hydro power, flexible thermal generation, electricity transmission and distribution networks, alongside providing energy products and services to customers. Underpinning this transition are SSE's 2030 Goals, which focus the company in addressing the challenge of climate change in a just and sustainable way. SSE's ambitions for the development of renewable energy now extend beyond the UK and Ireland to carefully selected international markets, including Asia-Pacific, Europe, and North America.

UK-listed and headquartered in Perth, SSE is a major contributor to the economies in the UK and Ireland. It employs around 12,000 people and is real Living Wage and Fair Tax Mark accredited. For more detail about SSE's strategy and its business activities, see [sse.com](https://www.sse.com).

Introduction

SSE acknowledges the growing interest among investors and stakeholders in obtaining more details about its involvement in trade associations. The company collaborates closely with these associations, to ensure alignment between its principles for achieving net zero with those of the associations of which SSE is a member.

The purpose of this assessment is to provide investors and stakeholders with proof of SSE's steadfast commitment to climate change advocacy throughout its engagement with trade associations.

In 2021/22, SSE built upon its initial review to provide a more in-depth assessment of its trade associations. This review provided a new baseline from which to continuously monitor the alignment between the advocacy activity undertaken by its trade associations and the goals of the Paris Agreement. Now, SSE commits to undertake subsequent full reviews on a biennial basis, with 2022/23 representing an interim year review. The content of this review will focus on the climate policy positions of those new trade association memberships that commenced during the 2022/23 financial year, as well as engaging with trade associations that were found to be partially aligned within the 2021/22 base year. SSE will again undertake a full review of its trade association memberships in 2023/24.

The threat of failing to limit global warming to 1.5°C

The Paris Agreement of 2015 marked a turning point in global climate ambition, with Parties aiming to reach global peaking of greenhouse gas emissions as soon as possible to achieve a central aim of limiting global temperature rise to well below 2°C above pre-industrial levels while pursuing efforts to limit the temperature increase to 1.5°C. The Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report delivered the starkest warning yet – that limiting warming to well below 2°C will not be enough to avoid the worst impacts of climate change, increasing the urgency to work towards limiting warming to 1.5°C.

Now in 2024, the latest climate science suggests that the achievement of the central aim of the Paris Agreement is at risk. According to the European Union's Copernicus Climate Change Service, the global mean temperature between February 2023 and January 2024 was the highest on record, and 1.52°C above the 1850-1900 pre-industrial average. This significant finding marked the first time that global mean temperatures exceeded 1.5°C above the pre-industrial average for a 12-month period. Despite the influence of the naturally occurring El Niño phenomenon, it is unequivocal that human induced climate change had caused the record-breaking temperatures seen in 2023.

Whilst this does not mean that the world will permanently exceed the 1.5°C specified in the Paris Agreement, the results published by the Copernicus Climate Change Service is sounding the alarm that warming will breach the 1.5°C level on a temporary basis with increasing frequency. The window to limit global temperature rise to 1.5°C is closing rapidly and policymakers will need to implement ever stronger strategies to realise the deep emission reductions that are essential to deliver the goals of the Paris Agreement.

SSE's commitment to net zero

SSE recognises the serious threat of climate change and the urgency with which it must be addressed. Its business strategy is wholly focused on developing, building, operating, and investing in activities which support the transition to net zero.

SSE's capital and investment expenditure programme, Net Zero Acceleration Plan (NZAP) Plus, includes investment of £20.5bn over the five years to 2027. With around 90% of the NZAP Plus expected to be invested in renewables and networks, most of the investment plan is focused on climate solutions to achieve SSE's interim 2030 Goals which are aligned with limiting warming to 1.5°C and the Technical Screening Criteria of the EU Taxonomy.

SSE's capital and investment expenditure programme supports SSE's Net Zero Transition Plan, which clearly sets out for stakeholders the key actions SSE will take to drive progress towards its net zero ambitions and its interim science-based targets, aligned to a 1.5°C pathway.

SSE has an established framework for annual shareholder advisory votes which involves committing to net zero in addition to publishing a Net Zero Transition Report to disclose progress towards net zero. At SSE's Annual General Meeting in July 2023, the resolution received overwhelming support, with 97.63% of the votes cast in favour of receiving the Net Zero Transition Report 2023.

SSE's Climate Advocacy Statement

SSE advocates for fair, just and accelerated actions to achieve net zero through working with policy makers, trade associations and other key stakeholders.

SSE commits to conduct its policy advocacy activity in line with the goals of the Paris Agreement and its own net zero strategy, both aligned to limiting global temperature rise to 1.5°C.

SSE's approach to climate advocacy and its policies apply to all jurisdictions in which it operates.

Climate advocacy at SSE

Governing political and regulatory engagement

Responsibility for SSE's political advocacy lies at the highest levels of the organisation, with the Board approving SSE's Political and Regulatory Engagement Policy and overseeing corresponding advocacy priorities. The Board monitors supporting engagement activity including dialogue with regulators to ensure that strategic, financial, investment and operating frameworks align to the external landscape.

The Group Executive Committee (GEC) is responsible for discharging strategic political and regulatory engagement activities and the communication of SSE's advocacy priorities, working closely with management across SSE's Business Units in doing so.

Supporting the Board and GEC, SSE has dedicated Public Affairs, Policy, Regulation, Legal and Compliance departments which lead constructive engagement with regulators, politicians, officials, and other stakeholders on a regular basis. These teams provide advice, guidance and assurance to each of SSE's Business Units regarding the interpretation of political, regulatory and legislative change.

The Group Corporate Affairs, Regulation and Strategy teams oversee core advocacy priorities for the Company. These Group advocacy priorities are focused on cross cutting policy issues as well as policy issues which are specific to SSE's Business Units and aligned to delivering investment in net zero infrastructure.

There is regular engagement with the Board and GEC on political and regulatory developments which may impact SSE's operations or strategy. This is in addition to regular updates on advocacy priorities and policy outcomes resulting from advocacy activity, provided by the Group Public Affairs team.

Government and regulators are identified as one of SSE's six key stakeholder groups, and updates on engagement activities and priorities are provided in SSE's Annual Report each year.

Climate advocacy through trade associations

Being a member of trade associations is an important way in which SSE advocates for accelerated progress towards net zero. Trade associations act as a representative body for industries, by putting forward the collective view and position of its members to government, regulators, and the media. They also provide their members with products and services, including training and educational materials, technical advice, and the opportunity to shape standards and guidance for their industry. Participation in these associations allows SSE to collaborate with its industry peers and provides a means to engage with key policy makers and other stakeholders.

As well holding regular membership for these trade associations, SSE is often represented on the boards and committees of key trade associations.

SSE does not contract organisations to undertake lobbying activity for the purposes of influencing public decision making, and regularly reviews its trade association memberships to ensure that they are still relevant for SSE's business activities.

SSE seeks to ensure that the trade associations of which it is a member also undertake advocacy that aligns with the goals of the Paris Agreement and its own net zero ambitions, both aligned to 1.5°C. It works closely with these trade associations, engaging with them on a continuous basis, and as a result, they are usually well aligned.

SSE's principal trade associations

SSE identifies principal trade associations, as outlined in its Political Engagement Statement. In 2022/23, the SSE Group was a member of nine principal trade associations in total. SSE expanded its principal trade association membership in Great Britain compared to 2021/22, with the CBI and Solar Energy UK¹ joining Energy Networks Association, Energy UK, RenewableUK and Scottish Renewables. It has representatives on the Boards of each of these organisations to support good and transparent conduct by these trade associations². Each of these organisations has established committees to oversee their advocacy activities, and SSE is also represented on each of these committees.

In Ireland, SSE maintained its membership of its three principal trade associations: Electricity Association of Ireland, Wind Energy Ireland and RenewableNI. SSE employees participate with each of these organisations at either a Board or committee level, thereby ensuring that SSE has oversight of the advocacy activities of these associations.

SSE's current Political Engagement Statement can be accessed through its Group Political and Regulatory Engagement Policy, available at [sse.com/sustainability](https://www.sse.com/sustainability).

Ensuring climate alignment as SSE operations expand

On the 1 of September 2022, SSE completed the 100% acquisition of a European onshore renewable energy development platform from Siemens Gamesa Renewable Energy (SGRE). The former SGRE portfolio is mainly located in Spain with the remainder across France, Italy and Greece. Through its expansion into southern Europe, SSE gained membership of several national and sub-national trade associations, focused on wind and solar energy³. This acquisition is aligned to the Group's published strategy to pursue overseas renewable opportunities and SSE's 1.5°C-aligned Net Zero Transition Plan.

¹ A detailed assessment of the net zero alignment between SSE and its new principal trade associations, CBI and Solar Energy UK, can be found in Appendix C.

² See Appendix A for a list of SSE's trade association board memberships.

³ A list of all of SSE's trade association memberships, including those in southern Europe, can be found in Appendix A.

SSE's climate advocacy positions

SSE will hold specific advocacy positions within all the countries it operates. As a UK-listed business with the overwhelming majority of its operations in the United Kingdom, this section will focus on advocacy within the UK.

As the UK's clean energy champion, SSE believes that by developing clean homegrown energy in the United Kingdom, the country can drive economic growth, support families, and lead the world in tackling climate change by cutting emissions in line with the goals of the Paris Agreement. SSE has set out how the UK Government can seize the opportunity to become a global climate leader through four key pillars:

- The first pillar is to accelerate renewables to take full advantage of the **UK's world-leading offshore wind potential**. The focus of SSE's advocacy is to accelerate the planning and consenting process, to halve the average time to deliver an offshore wind farm from the current twelve years. Further, SSE has advocated for market reform to support cost effective investment in clean homegrown energy. With the accelerated build out of renewable energy, there is a clear requirement to boost the resilience of the energy system and complement the growth of variable power generation. This is the reason why SSE has advocated for a six-fold increase in the UK's electricity storage capacity by 2030. Beyond the UK, SSE has encouraged the UK Government to work with Ireland to create an energy super-hub for offshore wind and hydrogen to create exportable industries.
- The second pillar is to **fast-track investment in electricity networks** to accelerate economic growth across all regions. SSE recognises that the UK electricity network requires rapid expansion to the existing infrastructure to support the growth of renewable energy output. To achieve this, SSE has advocated for the modernisation of electricity infrastructure with a strategic, co-ordinated approach to electricity transmission network development. For its distribution licence areas, SSE is encouraging the Government to deliver vital upgrades to the local electricity distribution network to boost the economy. Underpinning its advocacy on electricity networks is the requirement to reform the regulation and governance of the energy sector so that it is aligned to delivering net zero and does not result in unintended delays to delivering decarbonisation ambitions.
- The third pillar is to revitalise the UK's heartlands by pioneering **clean, flexible energy technologies and green industries**. Central to this pillar is the deployment of carbon capture and storage (CCS) and hydrogen technology. SSE is advocating for a target of 7-9GW of power-CCS by 2030 to make the UK a world leader in CCS technology, decarbonise the electricity network and boost UK energy supply. Similarly, SSE are encouraging the Government to set a target of 8GW of hydrogen capable power stations by 2030 to pioneer clean, flexible power generation and to develop the hydrogen economy to promote the demand, production, transport, and storage of hydrogen.
- The fourth pillar is to build **UK supply chains and deliver the benefits of the net zero transition for people and nature**. Driving investment in the UK's low carbon manufacturing capabilities is a key advocacy position for SSE. With these capabilities, the UK can create a homegrown supply chain in new green industries, improve the resilience of the energy system and unlock economic growth across all regions of the country. To build the low carbon manufacturing capabilities, SSE encourages the Government to place a strategic approach to identify and meet the skills requirements for the clean energy transition to create a green jobs boom. Whilst SSE is advocating for rapid decarbonisation of the UK economy, it recognises that decarbonisation can be achieved in an unsustainable way. To counter this, SSE advocates for specific and credible interventions to protect and enhance the natural environment on the just transition to net zero.

In February 2024, SSE also advocated for a 90% emissions reduction target by 2040, from 1990 levels, in the EU and will advocate for the same level of ambition for the UK's target under the seventh Carbon Budget for 2038-42. Both emissions reduction ambitions will form the basis of the updates to their respective Nationally Determined Contributions (NDCs) at COP30 in 2025 and will ensure alignment with the Paris Agreement.

As outlined on page 4, all advocacy positions are aligned with the Paris Agreement and SSE describes its internal controls to ensure that its advocacy aligns with the goals of the Paris Agreement.

Ensuring SSE's political and regulatory engagement is Paris-aligned

To ensure that SSE's approach to regulatory and political engagement is transparent and has integrity, the company has a publicly available Group Political and Regulatory Engagement Policy. The policy holds the company to the highest standards of probity and respect in its dealings with regulators, non-departmental public bodies and the institutions of government, recognising their key role in the sector in which SSE operates.

Within this policy, SSE commits to **only conduct lobbying and advocacy activity that is in line with the goals of the Paris Agreement and its own net zero strategy, both aligned to limiting global temperature rises to 1.5°C**. This commitment includes SSE's direct advocacy activities and advocacy that the company conducts through its trade association memberships. This policy is applicable to all jurisdictions in which SSE operates.

To ensure that SSE meets this commitment, it has implemented integrated assurance which focuses upon assessing the effectiveness of critical controls and how robustly SSE is managing its Group Principal Risks. Stakeholder engagement has been identified as one of SSE's critical control areas and Political and Regulatory Change is identified as a Group Principal Risk.

In addition, on an annual basis, SSE assesses the effectiveness of its overall control environment with Business Unit leaders and other senior managers completing a 'letter of assurance' to ensure SSE has a sound system of internal control. A key component of this year end process is the assessment of effectiveness around compliance with Group Policies including the Group Policy for Political and Regulatory Change.

Defining climate change standards

SSE has set its long-term goal of achieving net zero greenhouse gas emissions across its scope 1 and scope 2 emissions by 2040 (subject to security of supply requirements) and for remaining scope 3 emissions by 2050. Achieving net zero emissions across all economies by 2050 is a pre-requisite for preventing global temperature rises above 1.5°C, which is itself one of the key goals of the Paris Agreement. To assess the alignment of trade associations with the Paris Agreement and SSE's net zero strategy, SSE established five key principles to reach net zero. These principles were drawn from SSE's Climate Change Policy, which aligns with the goals of the Paris Agreement, and further public statements of principle. SSE, itself, upholds these measures and advocates for others to embed them too. All trade associations included in the scope of the review were assessed against these five key principles.

1. Acknowledges the serious threat of climate change

SSE recognises the serious threat that climate change poses to the natural world and, therefore, to people and the economy. Physical impacts, such as increased extreme weather, could have an adverse impact on SSE's operations and interrupt the supply of energy to its customers. SSE expects the organisations it is a member of to recognise the serious threat that a climate changed world presents.

2. Supports the goals of the Paris Agreement

SSE welcomed the landmark agreement in 2015, which aims to combat climate change and to accelerate the actions and investments needed for a sustainable low carbon future. SSE supports the overarching aims of the agreement and specifically calls on its trade associations to endorse Article 2.1 to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels and Article 4.1 which aims to reach global peaking of greenhouse gas emissions as soon as possible.

3. Supports a strong carbon price

SSE has long advocated for robust carbon pricing, believing it is one of the most effective tools to support the decarbonisation of the UK and Irish economies. SSE has publicly urged the UK Government to commit to a carbon pricing trajectory that will incentivise negative emissions. Given the critical importance that a price on carbon makes to enabling climate action, SSE expects relevant trade associations to advocate for a strong carbon price.

4. Promotes innovation

The scale of SSE's investment in net zero requires continuous innovation, and its approach is to partner with others to develop the technologies, experience and skills that it needs to accelerate projects in support of net zero. SSE is involved in a number of key innovation projects that are helping to trial new technologies and demonstrate their potential business applicability, including smart grid demonstrations and zero-carbon clusters. Trade associations play a very important role in fostering innovative practices at an industry level and, as a result, SSE expects its trade associations to play an active role.

5. Seeks a just transition to net zero

SSE is actively seeking to consider the social consequences of the transition to net zero. In November 2020, SSE published its Just Transition Strategy – 20 principles to support the transition to net zero in a socially just and fair way, focused on its key stakeholders: employees, energy consumers, suppliers and communities. While the significance of a fair and just transition is still emerging, this is an area of importance to SSE and it believes trade associations provide an excellent framework from which industries can collaborate to bring about fair social outcomes for consumers, working people and communities.

Action taken as a result of the 2021/22 review

Engagement with partially aligned trade associations

SSE's ambitions for the development of renewable energy now extends beyond the British Isles to carefully selected international markets, including Asia-Pacific, Europe, and North America. During 2021/22, SSE became members of the Japanese Wind Power Association and Netherlands Wind Energy Association as it looks to establish itself in Japan and the Netherlands, respectively. Both trade associations were considered within scope for review during SSE's Trade Associations Climate Review 2021/22, which is available at [sse.com/sustainability](https://www.sse.com/sustainability).

As per SSE's accompanying scope and methodology document, each trade association's alignment with SSE's five key principles to reach net zero was assessed using open-source information found on publicly accessible websites, publications, policies, and quotes by organisation spokespeople in the media. It was found that neither the Japanese Wind Power Association nor Netherlands Wind Energy Association had sufficient publicly available content to assess their alignment with SSE's principles to meet net zero and did not explicitly state its support for the goals of the Paris Agreement. However, as these new trade associations memberships were for renewables associations, it was assumed that their positions on climate change would broadly follow those of SSE.

SSE committed to engage with the Japanese Wind Power Association and Netherlands Wind Energy Association to ensure that they are explicitly aligned with SSE's key principles to reach net zero. During 2022/23, SSE contacted both associations and presented its five key principles to reach net zero. The associations were asked to provide assurance that they were aligned to these principles and were asked to share evidence in the form of internal papers and presentations to back this up. Following this engagement, both associations presented their own assessment of how they were aligned with SSE's principles to reach net zero and shared materials that supported the goals of the Paris Agreement. SSE was satisfied by the evidence provided and deemed the Japanese Wind Power Association and Netherlands Wind Energy Association to be aligned with its five key principles to reach net zero. To maintain consistency in the methodology used for assessing its trade association's climate alignment, SSE requested that these associations work towards providing their position on the Paris Agreement in the public domain.

Summary of findings from 2022/23 review

The 2022/23 review was an interim review, following a full review in 2021/22. As such, SSE only reviewed trade associations which represented new memberships within the reporting period. New memberships were included within scope for assessment if the annual membership fee exceeded £5,000 (or the equivalent in local currency), or if the new member association was considered a principal trade association by SSE. A full breakdown of the trade associations considered within scope for assessment in 2022/23 can be found in Appendix A.

SSE became members of ten new trade associations in the 2022/23 reporting year which are within scope for this review. Based on the methodology outlined in the *Trade association climate review – scope and methodology* document (found at [sse.com/sustainability](https://www.sse.com/sustainability)), SSE considered four of its new trade associations to be aligned overall to its five key principles to reach net zero. Six trade associations were considered partially aligned and none of the trade associations were found to hold opposing views against SSE's five principles.

All the trade associations demonstrated explicit alignment with SSE's position on climate change and advocated for innovative means to solve global warming. All the trade associations agreed with the importance of a transition to net zero which is delivered in a socially just and fair way.

Several trade associations were found to be lacking explicit alignment against some of SSE's five principles to reach net zero. In such cases, a judgment was made as to whether there was enough evidence to consider an implicit alignment between SSE and the trade association.

Implicit alignment was more common among the southern European trade associations that did not hold a clear position on supporting a carbon tax. Six of the new trade associations did not explicitly support the goals of the Paris Agreement and were therefore deemed partially aligned overall. This partial alignment is deemed acceptable for SSE as the trade associations are renewable energy focused, and it has been concluded that it is unlikely these trade associations will advocate against SSE's position on the Paris Agreement and a strong carbon price.

None of the trade associations assessed were found to have opposing views to SSE principles on climate change.

A summary of the current status of all of the trade association of which SSE is a member, following the 2021/22 and the 2022/23 reviews, can be found in Table 1.

Table 1: Summary of the current positions of all SSE's trade associations following the 2021/22 and 2022/23 reviews.

	2021/22	2022/23
Trade associations in scope	18	28
Principal trade associations	7	9
Fully aligned	16	22
Partially aligned	2	6
Not aligned	0	0

Table 2: Alignment of newly joined trade associations to SSE’s individual principles to reach net zero.

Trade Association	Acknowledges the serious threat of climate change	Supports the goals of the Paris Agreement	Supports a strong carbon price	Promotes innovation	Seeks a just transition to net zero
Confederation of British Industry	●	●	●	●	●
Charge UK	●	●	●	●	●
Asociación Empresarial Eólica	●	●	●	●	●
Associazione Nazionale Energia del Vento	●	●	●	●	●
France Energie Eolienne	●	●	●	●	●
Hydrogen Ireland	●	●	●	●	●
Irish Solar Energy Association	●	●	●	●	●
Marine Renewables Industry Association Ireland	●	●	●	●	●
Syndicat de l'Energie Solaire Renouvelable	●	●	●	●	●
Unión Española Fotovoltaica	●	●	●	●	●

● Aligned ● Partially aligned ● Not aligned

Table 3: Alignment of base year trade associations to SSE’s individual principles to reach net zero.

Trade Association	Acknowledges the serious threat of climate change	Supports the goals of the Paris Agreement	Supports a strong carbon price	Promotes innovation	Seeks a just transition to net zero
Association for Decentralised Energy	●	●	●	●	●
Association of University Directors of Estates	●	●	●	●	●
Carbon Capture and Storage Association	●	●	●	●	●
Electricity Association of Ireland	●	●	●	●	●
Energy Networks Association	●	●	●	●	●
Energy UK	●	●	●	●	●
Global Wind Energy Council	●	●	●	●	●
Hydrogen UK	●	●	●	●	●
International Hydropower Association	●	●	●	●	●
Irish Business and Employers Confederation	●	●	●	●	●
Japanese Wind Power Association	●	●	●	●	●
Netherlands Wind Energy Association	●	●	●	●	●
RenewableNI	●	●	●	●	●
RenewableUK	●	●	●	●	●
Scottish Renewables	●	●	●	●	●
Solar Energy UK	●	●	●	●	●
Wind Energy Ireland	●	●	●	●	●
WindEurope	●	●	●	●	●

● Aligned ● Partially aligned ● Not aligned

Action to be taken on results of the 2022/23 review

SSE will maintain active involvement with trade associations that were found to be fully aligned with its five key principles to reach net zero and which support advocacy related to these principles.

In the case of trade associations demonstrating implicit alignment with any of SSE's five principles, SSE will initiate a process to seek increased engagement on the specific issues where partial alignment was identified, ahead of the next review. SSE will continue to monitor the publications and policies of its trade associations to ensure that their advocacy activities do not oppose the goals in the Paris Agreement or SSE's net zero ambitions.

Of the six trade associations that were found to be partially aligned with SSE's five principles to reach net zero in 2022/23, five were renewable energy trade associations in southern Europe. Whilst limited material was publicly available to comprehensively assess their alignment with SSE's five principles, it was determined that the likelihood of these partially aligned associations holding contradicting positions against any of SSE's net zero principles was low. One United Kingdom-based trade association was also found to be partially aligned with SSE's five principles to reach net zero during this review. Charge UK, the trade association for the United Kingdom's electric vehicle charging industry, was created in 2023. Given that the association was in its infancy during the review period, few publications and web pages were publicly available to SSE on which to base its assessment of alignment with its principles to reach net zero.

All of SSE's new partially aligned trade association memberships were focused on the expansion of renewable energy capacity and the development of the electric vehicle charging network in their respective countries. These issues support SSE's goals of decarbonising both the power and transport sectors, providing comfort that there is a low risk of misalignment between SSE and its newly joined trade associations. SSE will seek to further engage with these trade associations to ensure that they are explicitly aligned with SSE's key principles to reach net zero. This engagement will broadly follow the approach taken with the Japanese Wind Power Association and Netherlands Wind Energy Association during 2022/23, with direct engagement and subsequent assessment of internal materials to determine alignment with SSE's five principles.

Conclusion and Next Steps

The need to increase the pace of decarbonisation has never been more compelling or urgent. During 2022/23, the climate emergency and cost-of-living crisis both demonstrated the risks of continuing to rely on a system dependent on volatile fossil fuels. SSE recognises that clean power is the first step towards decarbonising wider economies, with the company making great strides in building some of the world's largest clean energy projects and introducing a net zero aligned capital investment programme of £20.5bn in the five years to 2027.

However, SSE is aware that the pace of the transition to net zero must be accelerated if the goals of the Paris Agreement are to be achieved. The company aims to go further and faster by working with policymakers, industry, NGOs and other stakeholders to deliver key priorities that will bring a net zero energy system. As part of its credible pathway to reach net zero, SSE has developed a Net Zero Transition Plan, detailing 17 key actions SSE will take to accelerate decarbonisation in a just manner, and ensure its net zero ambitions are met. Two of the key actions (Action 3 and Action 13) are focused on transparent advocacy for stronger climate policies, which will help SSE to reach net zero emissions. Targeted action on both direct advocacy and advocacy undertaken through trade associations, aligned to the Paris Agreement, is key in supporting SSE and the countries it operates within to reach net zero.

As SSE expands beyond its home markets in the United Kingdom and Republic of Ireland, the company has joined more trade associations than ever before. Explicitly reviewing the climate policies of its newly joined organisations has been a valuable exercise and provides SSE with the comfort that none of its advocacy activity was undertaken in direct conflict with the goals of the Paris Agreement. Directly engaging with the Japanese Wind Power Association and Netherlands Wind Energy Association has established a channel for further collaboration on developing policy areas. SSE will aim to take a similar approach with the southern European trade associations that were found to be explicitly aligned during 2022/23.

The 2022/23 review also highlighted some limitations with the methodology used to assess alignment between SSE and its trade associations. Many of the new trade associations that SSE joined outside of the United Kingdom and Republic of Ireland did not have sufficient publicly available content to assess their alignment with SSE's principals to meet net zero. As these new trade associations memberships were for renewables associations, it is assumed that their positions on climate change will broadly follow those of SSE. SSE will seek to further engage with the new trade associations SSE joined outside of the United Kingdom and Republic of Ireland to ensure that they are explicitly aligned with SSE's key principles to reach net zero.

Finally, SSE will undertake a full review of its trade associations on a biennial basis. This review will consider the climate change positions of all SSE's trade associations within scope for assessment during the financial year. Within interim years, SSE will only assess its new memberships within the reporting period and provide an update on the actions taken to address its partially aligned memberships. However, if a significant change were to occur within the interim year, for example to SSE's business model or its trade association membership, a full review will be undertaken.

Appendix A: SSE's trade association memberships

Trade association	Overall alignment to SSE's key	Included in scope?	Board representation?
Association for Decentralised Energy	Aligned	Included	Yes
Asociación Empresarial Eólica	Partially aligned	Included	No
Association of University Directors of Estates	Aligned	Included	No
Associazione Nazionale Energia del Vento	Partially aligned	Included	No
Carbon Capture and Storage Association	Aligned	Included	Yes
Charge UK	Partially aligned	Included	No
Confederation of British Industry	Aligned	Included	No
Electricity Association of Ireland	Aligned	Included	Yes
Energy Networks Association	Aligned	Included	Yes
Energy UK	Aligned	Included	Yes
France Energie Eolienne	Partially aligned	Included	No
Global Wind Energy Council	Aligned	Included	Yes
Hydrogen Ireland	Aligned	Included	No
Hydrogen UK	Aligned	Included	No
International Hydropower Association	Aligned	Included	No
Irish Business and Employers Confederation	Aligned	Included	No
Irish Solar Energy Association	Aligned	Included	Yes
Japanese Wind Power Association	Aligned	Included	No
Marine Renewables Industry Association	Aligned	Included	Yes
Netherlands Wind Energy Association	Aligned	Included	Yes
RenewableNI	Aligned	Included	No
RenewableUK	Aligned	Included	No
Scottish Renewables	Aligned	Included	No
Solar Energy UK	Aligned	Included	No
Syndicat de l'Energie Solaire Renouvelable	Partially aligned	Included	No
Unión Española Fotovoltaica	Partially aligned	Included	No
Wind Energy Ireland	Aligned	Included	Yes
WindEurope	Aligned	Included	No

Trade association	Overall alignment to SSE's key	Included in scope?
American Clean Power Association	n/a	Excluded
Asociación Canaria de Energías Renovables	n/a	Excluded
Asociación de energías renovables	n/a	Excluded
Asociación de Energías Renovables de Andalucía	n/a	Excluded
Asociación de Promotores de Energía Eólica de Castilla y León	n/a	Excluded
Asociación Eólica de Cataluña	n/a	Excluded
Asociacion Eolica de Galicia	n/a	Excluded
Bruton Group	n/a	Excluded
Business in the Community Ireland	n/a	Excluded
Cluster de la Energía de Aragón	n/a	Excluded
Energy Storage Ireland	n/a	Excluded
Energy Transitions Commission	n/a	Excluded
Greek Association of RES Electricity Producers	n/a	Excluded
Hellenic Wind Energy Association	n/a	Excluded
Hydrogen Ireland	n/a	Excluded
Irish District Energy Association	n/a	Excluded
Marine Renewables Canada	n/a	Excluded
Marine Renewables Industry Association	n/a	Excluded
National Offshore Wind Association Ireland	n/a	Excluded
Offshore Wind California	n/a	Excluded
Pacific Ocean Energy Trust	n/a	Excluded
Syndicat des Energies Renouvelables	n/a	Excluded
The D Group	n/a	Excluded
UK District Energy Association	n/a	Excluded
Women In Transport	n/a	Excluded

Appendix B: Trade association membership costs for 2022/23

Membership cost (£)	Trade association
250,000 - < 550,000	Energy Networks Association.
100,000 - < 250,000	Confederation of British Industry; Energy UK.
50,000 - < 100,000	Netherlands Wind Energy Association
30,000 - < 50,000	Electricity Association of Ireland; Global Wind Energy Council; RenewableUK; Scottish Renewables.
15,000 - < 30,000	Association of Decentralised Energy; Carbon Capture and Storage Association; Charge UK; France Energie Eolienne; Irish Business and Employers Confederation; Hydrogen UK; International Hydropower Association; Unión Española Fotovoltaica; Wind Energy Ireland; WindEurope.
5,000 - < 15,000	Asociación Empresarial Eólica; Associazione Nazionale Energia del Vento; Association of University Directors of Estates; Hydrogen Ireland; Irish Solar Energy Association; Marine Renewables Industry Association Ireland; Solar Energy UK; Syndicat de l'Energie Solaire Renouvelable.
0 - < 5,000	RenewableNI, Japanese Wind Power Association ⁴ ;

⁴ During the 2021/22 review, the Japanese Wind Power Association membership fee was incorrectly recorded in the £15,000 -<30,000 range. The fee during 2021/22 should have been recorded in the £0 - <5,000 range and would therefore have been excluded from the review, as per SSE's [scope and methodology document](#). As the Japanese Wind Power Association was found to be partially aligned with SSE's five key principles to reach net zero, it was determined that the trade association should remain within scope for review and further engagement was required to ensure its support for the goals of the Paris Agreement.

Appendix C: Detailed assessment of SSE's new principal trade associations for 2022/23

Confederation of British Industry

About: The Confederation of British Industry (CBI) is a prominent business organisation in the UK that serves as a voice for businesses, advocating for their interests and contributing to the formulation of economic and business policies. The association's membership consists of a wide range of businesses from various sectors such as manufacturing, services, finance, and technology. The CBI has expressed a commitment to support the UK's transition to a net zero economy. This involves advocating for policies and initiatives that contribute to reducing GHG emissions across industries in a manner that supports economic growth and a just transition.

Overall alignment: Aligned

Detailed alignment:

1. Acknowledges the serious threat of climate change

The CBI recognises that there must be a limit in the rise of global temperatures to avoid the catastrophic worldwide impacts of climate change. The association believes that net-zero isn't just morally and socially important, but there are also major opportunities for all UK businesses in the transition to greener economy.

2. Supports the goals of the Paris Agreement

To avoid the devastating effects of climate change, the CBI supports the UK's legally binding emissions target of achieving net zero by 2050. The association believes this ambition is needed to ensure the UK delivers on its international commitments needed to keep global warming below 1.5°C, in line with the Paris Agreement.

3. Supports a strong carbon price

The CBI promotes the polluter pays principle, stating that green taxes should be targeted to a pollutant or a polluting behaviour. The association believes that all green taxes should be designed to introduce a price signal into the supply chain that promotes alternative, less environmentally damaging behaviour by making alternative options more economically viable.

4. Promotes innovation

The CBI identifies innovation and low-carbon investment as key enablers for net zero. It believes that businesses must harness the opportunity to apply the transformative effects of AI and other disruptive technologies to reap the decarbonisation and wider economic benefits of net zero.

5. Seeks a just transition to net zero

The CBI support the goal of reducing emissions to net zero by 2050, via a just transition to protect lives and livelihoods of current and future generations. It advocates for the government to support a just transition to net zero, so that businesses and workers alike can play an effective role in the shift to a net zero economy.

Paris Agreement Support: *"We congratulate the Government on the outcome of COP26. The Glasgow Climate Pact is an important step on the road to limiting the average global temperature rise to 1.5C above pre-industrial levels, and to supporting vulnerable countries in adapting to the terrible climate change they are already experiencing". - CBI, TUC and green groups call on government to implement Glasgow climate pact (CBI, 2021).*

Action: The CBI is fully aligned with SSE's key principles to reach net zero. SSE will continue to work closely with the CBI on numerous areas of policy development as the energy industry engages with the UK Government, Scottish Government and political parties on their net zero policy proposals. Recent examples include feeding in our views on policy to include in the CBI's Scottish Budget submission and the CBI Business Manifesto, as well as regular ongoing engagement with the CBI Net Zero Directorate through membership of the CBI's Net Zero Committee.

Solar Energy UK

About: Solar Energy UK serves as the voice of the solar and energy storage industry in the UK. It represents the interests of businesses operating in the solar energy sector, including solar PV and energy storage technologies. The association has a diverse membership that includes solar energy companies, manufacturers, installers, developers, and other stakeholders involved in the solar and energy storage value chain. Solar Energy UK engages in advocacy and works with policymakers to influence energy policies and regulations and advocates for a supportive policy environment that encourages the growth of solar and energy storage technologies. Solar Energy UK actively promote solar energy as a key contributor to achieving net-zero emissions. This involves highlighting the role of solar power in reducing carbon emissions and supporting a sustainable energy future.

Overall alignment: Aligned

Detailed alignment:

1. Acknowledges the serious threat of climate change

Solar Energy UK acknowledges the findings from the Climate Change Committee. It recognises that the action during the 2020s is critical for the prevention of dangerous climate change and that solar is poised to play a significant part in the decarbonisation of the UK economy.

2. Supports the goals of the Paris Agreement

Solar Energy UK supports the UK Government's net zero emissions commitment by 2050, which is required to limit overall warming to well below 2.0°C, in line with the UK's international commitments under the Paris Agreement.

3. Supports a strong carbon price

Solar Energy UK does not hold a strong view on supporting a strong carbon price. However, it has publicly declared that the UK Government's windfall tax, 45% levy on electricity generators, will have a 'perverse' impact on solar power. SSE holds a similar position, believing that the levy on electricity generators creates uncertainty for investments for low carbon infrastructure at a time where rapid build-out of renewables is required to meet the requirements of the Paris Agreement.

4. Promotes innovation

Solar Energy UK seeks to shape policy and regulation on innovative practices through its research and policy development. It recognises that solar energy's synergies with energy storage, electric vehicles and smart grids means the solar industry works on the frontline of technology and system change to deliver net zero carbon emissions.

5. Seeks a just transition to net zero

Solar Energy UK supports the Scottish Government's Energy Strategy and Just Transition Plan, which has set an ambition of at least 4, but up to 6, gigawatts of solar power by 2030, with the expectation that the appropriate level of community benefit and biodiversity standards are met.

Paris Agreement Support: *"There is now universal consensus among global climate scientists and governments that the climate is changing due to rising greenhouse gas emissions. The impacts of climate change are already being felt around the world; here in the UK extreme weather events such as storms, droughts and flooding are becoming much more frequent and severe. Generating energy from fossil fuels is the largest contributor of global carbon emissions, and the world is working together to limit the increase in temperatures to 1.5°C". - Natural Capital Best Practice Guidance (Solar Energy UK 2022).*

Action: Solar Energy UK is fully aligned with SSE's key principles to reach net zero. SSE will continue to work closely with Solar Energy UK on numerous areas of policy development to further the development of solar energy across the UK.