Who we are

We are a leading UK-listed energy company that invests in, develops, builds and operates electricity infrastructure and businesses needed for a clean, secure and affordable energy system. Our diversified portfolio includes onshore and offshore wind farms, hydro-electric power, solar and batteries, flexible thermal generation and electricity transmission and distribution networks. We also provide energy products and services for businesses and other customers.

Our year at a glance

Thanks to the resilience of our business mix, we met our financial objectives in 2024/25 and invested in the critical national infrastructure needed for the future energy system.

Group operating profit

£2,419.2m
Adjusted

£1,962.2m
Reported

Earnings Per Share

160.9p
Adjusted

108.2p
Reported

Dividend

64.2p

Adjusted investment and capex

£2.9bn

Safety (TRIR) per 100,000 hours worked

0.16

Economic contribution UK/ROI

£7.88bn/ €0.95bn

▶ Read more on pages 14 and 17

Highlights of the year

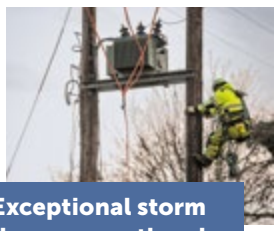
Martin Pibworth appointed SSE's new Chief Executive
Page 12

CFO Barry O'Regan on meeting our financial objectives
Page 17

Connecting Shetland for the first time
Page 36

Yellow River drives Ireland's green transition
Page 31

Slough Multifuel powers energy from waste
Page 33



Exceptional storm draws exceptional response
Page 38

SSE's role at the heart of the energy transition

In the transition to a cleaner, more secure and more affordable energy system, SSE is leading the way through the work it does in renewables, networks and system flexibility.

Our approach

A low-carbon economy needs clean, renewable energy that is supported by electricity networks to bring power to where it's needed and backed up by flexible generation.

We develop, build and operate all three pillars of the energy transition, while contributing to society through low-carbon jobs, community investment, critical services and taxes.

This provides balanced exposure across the energy value chain that generates returns, so the Group can continue to invest at scale in infrastructure that's vital to both net zero and an affordable, resilient energy system.

SSE is a clean energy pioneer, with roots that go back to large hydro-electric and transmission projects in the earliest days of electrification. We continue to bring investment and innovation to assets that are revolutionising the energy system.

As the climate emergency intensifies, policymakers in our primary UK and Ireland markets are working to meet stretching clean energy targets.

SSE is ideally placed to make these ambitions a reality, both as a critical partner to governments in delivering low-carbon growth and as a national clean energy champion.

We have a highly attractive opportunity to create more value for our stakeholders and society, while benefiting the planet.

Although we're clear about the risks and challenges of delivering infrastructure at this scale, we remain uniquely placed to contribute to a sustainable, responsible pathway to clean energy that leaves no one behind.

While SSE is dedicated to providing energy for our customers today, we also expect to invest significantly over the five years to 2027 through our Net Zero Acceleration Programme Plus – a plan that's building the clean, secure and affordable energy system of the future.

Our purpose

To provide energy needed today while building a better world of energy for tomorrow.

Our vision

To be a leading energy company in a net zero world.

Our values

SSE defines a healthy business culture as "doing the right thing", which is underpinned by the "SSE SET" of six core values:

Safety
If it's not safe, we don't do it.

Service
We can be relied upon to deliver.

Efficiency
We focus on adding value.

Sustainability
We do the right thing for people and the planet.

Excellence
We innovate to improve the way we do things.

Teamwork
We work together in an inclusive and collaborative way.

SSE's place in the future energy system

How our balanced portfolio is powering change

SSE is helping to create a new type of power system driven by clean renewable energy, flexible generation and grids which enable decarbonisation.

We have a unique portfolio that rewards shareholders with both index-linked earnings from our economically regulated networks and increased market exposure from our renewables and flexible assets.

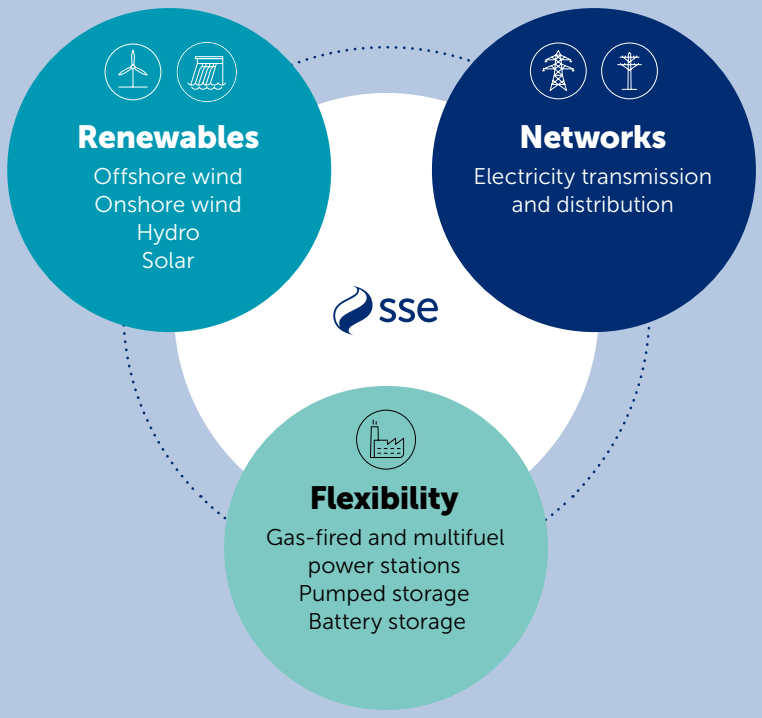
Our customer-facing businesses give us further resilience and diversity as a Group as well as direct interaction with the society we serve.

We also trade and sell energy to maximise value for SSE's assets, and we support our businesses through shared central services.

Renewables: Providing clean and affordable home-grown energy is mission-critical as societies phase out fossil fuels in favour of natural sources of power such as wind, water and the sun.

Networks: Ensuring that we can transport renewables generation to where it's needed is another key part of the electrification of the economy and our net zero future.

Flexibility: Balancing the grid system when the wind doesn't blow is vital to keeping the lights on as we decarbonise, so increasingly efficient gas-fired stations and storage technologies have a key role to play.



Committed to our purpose in a time of global volatility

SSE is committed to its long-term goal of building clean energy assets and networks, but we must navigate political and policy change, market sentiment and societal expectations. Climate change and the weather itself also affect SSE's operating environment. All these challenges and opportunities influence our strategy.

Addressing the climate emergency

In 2024, the world witnessed the hottest year on record, and the past decade has seen the 10 warmest years since records began. Planet-warming gases increased more quickly last year than ever before, jeopardising the 2015 Paris Agreement goal to limit climate change to 1.5 °C above pre-industrial levels. Extreme weather also made headline news; from wildfires in California to flooding in Europe and severe storms in the UK and Ireland.

These trends highlight the need for urgent global action and reinforce SSE's ambitions to lead the transition to clean energy. Wind was the largest source of electricity in the UK for the first year ever in 2024, accounting for 30% of generation, while gas produced 26.3%. SSE is proud to be playing its role in harnessing the natural power of our weather. It opened its 443MW Viking wind farm on the Shetland Islands, which is capable of powering nearly 500,000 homes annually.

But while SSE is at the heart of the energy transition, its stakeholders and its businesses also feel the effects of climate change. The weather affected the output of SSE's generational fleet in 2024/25 see page 30. SSEN Distribution mobilised 1,100 engineers and community support teams after Storm Éowyn brought 100mph winds to parts of Scotland.

As weather patterns evolve, SSE's networks businesses will continue to keep the electricity network resilient, reliable and able to cope with increasing demand. SSE remains committed to building clean energy assets as the best long-term way to tackle climate change.

Political winds of change

Politically, 2024 was a volatile year, with a record 75 national elections held globally. In the UK, the first Labour government in 14 years was elected with a commitment to decarbonise the power system and published its Clean Power 2030 Plan to explain how to get there. The Government has made progress to streamline planning and support investment in renewables, grid upgrades and flexible generation. SSE is currently well aligned with the broad direction of UK energy policy.

The year also saw the launch of a new body to oversee the energy system. The National Energy System Operator (NESO) will be a key stakeholder for SSE, responsible for developing strategic plans for the infrastructure that supports the UK's clean power 'mission.'

In Ireland, the new government re-committed to its 2030 renewable energy targets and is focused on aligning project delivery with economic growth.

SSE will continue to work with current and future governments, advocating market design and streamlined planning frameworks that support grid expansion, and the deployment of renewable and flexible generation.

Trade tariffs and conflicts in the Middle East and Ukraine are among the factors causing economic uncertainty. Reducing society's current reliance on volatile foreign gas markets by investing in clean UK energy remains the best long-term solution for billpayers and SSE's actions will help to improve the UK's energy security as well as mitigating climate change.

A critical partner in the clean energy transition

The new UK Government was elected in 2024 with a commitment to deliver clean power by 2030. SSE liaises with government to ensure policies, regulation and market design support infrastructure investment. SSE hosted its Business of Leading the Energy Transition (BLET) event in London attended by Energy Minister Michael Shanks MP, and other government figures including Chris Stark, Head of UK's Mission for Clean Power. SSE has engaged regularly with Ofgem and the newly created NESO, including hosting visits to SSE's Coire Glas, Blackhillock and Foyers sites.

SSE continues to engage with the new Irish Government, Northern Ireland Executive and regulators to support the delivery of decarbonisation goals across the island of Ireland. SSE Chief Executive designate Martin Pibworth attended the inaugural Ireland-UK Summit held in Liverpool, and SSE also hosted a subsequent reception with the British Embassy in Dublin on energy cooperation. On the global stage, SSE attended COP29 in Baku, Azerbaijan, to help drive widespread climate action.

▼ Chief Executive Alistair Phillips-Davies at SSE's BLET event

Uncertainty on market design

Clean power by 2030 is a bold ambition for the UK, so the industry and its supply chain need the confidence to commit the necessary long-term investment. In 2024, the sixth CfD (Contracts for Difference) Allocation Round drew offshore wind project bids, when the previous year attracted none. More participation in the forthcoming Auction Round 7 will be critical for the UK's clean power targets.

The UK and Scottish governments have also given encouraging signals of their intent to prioritise economic growth when it comes to unwieldy planning processes that have hindered project development. SSE will continue to make sure it develops the right projects in the right places. This includes its proposed 4.1GW Berwick Bank offshore wind farm in Scotland, which would be a giant step forward on the path to net zero but still awaits planning consent from the Scottish Government.

SSE also welcomed the UK Government's signals on a 'cap and floor' investment framework to aid deployment of long-duration electricity storage projects. With the right framework, such a mechanism would give SSE confidence to proceed with its Coire Glas pumped storage hydro project in the Scottish Highlands.

At time of writing the Review of Electricity Market Arrangements (REMA) was ongoing, and the public arguments for and against zonal pricing are well known. Whatever the outcome, SSE will continue to have natural balance across the energy value chain with attractive options at its disposal to navigate any ensuing market volatility.

Managing project challenges

Global operational offshore wind capacity exceeded 80GW in 2024, with China and then the UK having the highest volumes of future pipeline projects in the world. But construction of these assets is challenged by rising commodity costs, scarce key components and other supply chain issues.

SSE's Dogger Bank A offshore wind project has been subject to delays at the installation stage but will open later in 2025 without material impact on returns. Work has continued on Dogger Bank B and C and once fully open it will be the world's largest offshore wind farm.

Some international developers in the sector have cancelled projects due to poor returns or unforeseen costs. SSE is committed to rewarding shareholders for their risk by investing with capital discipline. By prioritising value over volume and focusing on efficiency, supported by the resilience of SSE's diversified mix of market-facing and regulated businesses, the Group continues to deliver its strategic objectives and create value.

Responding to the world around us

As a long-term business that adapts as it grows, SSE has acted decisively in the past year in response to the events and issues described on these pages. The changing macro-economic environment, delays to policy and planning, and the knock-on impact on SSE's pipeline have led to a revision of the Net Zero Acceleration Programme Plus, which is now targeting investment of around £17.5bn across the five years of the plan to FY27.

This reflects an upweighting of capex on regulated networks, where growth opportunities have accelerated, and also a reduction in spending on renewables, where progress has slowed.

There is a knock-on effect for SSE Renewables delivery targets, with the business now aiming for a reduced NZAP Plus target of c.7GW of installed capacity by FY27, down from ~9GW.

The acceleration in networks and slowdown in renewables is also likely to have an impact on SSE's 2030 Goals, which are subject to ongoing review to ensure they support SSE's strategy.

The NZAP Plus revisions are in keeping with a commitment to capital discipline that extends to operational areas too. Recognising that the timing of delivery and returns from investment in each business varies, the Group has conducted an efficiency review to ensure that SSE has the right structures, resourcing and accountabilities to maximise the enormous growth opportunities that decarbonisation offers. The review – which is expected to result in around £100m of annual recurring savings – will increase competitiveness and rebalance the Group for future growth.

Investing in decarbonisation

Electricity demand will rise with the take-up of electric vehicles and heat pumps, while the proliferation of data centres will also need accommodation on the grid. System flexibility and careful management of network constraints are needed to support more solar and battery storage assets. In fact, the National Infrastructure Commission (NIC) outlined that £37-50bn of load investment in the distribution network is needed to support extra demand and generation between today and 2050. SSEN Distribution is playing a key role in supporting net zero planning at a local level and providing flexibility services where localised high demand can be offset to extend overall network capacity.

> "The long-term demand for investment in low-carbon infrastructure remains clear in the UK and Ireland, where SSE's clean energy ambitions align with those set by legislators."

In December 2024, SSEN Transmission published its RIIO-T3 Business Plan, which sets out a bold blueprint to deliver at least £22bn of critical grid infrastructure in the five years to 2031. SSE also welcomed Ofgem's approval of its Beyond 2030 investment programme for replacing and upgrading transmission projects in the north of Scotland see page 35.

Looking ahead

The long-term demand for investment in low-carbon infrastructure remains clear in the UK and Ireland, where SSE's clean energy ambitions align with those set by legislators. The UK Government is dealing with the realities of balancing the books while seeking to attract investment and grow the economy. This makes delivering clean energy projects that help drive the economy forward ever more vital.

Energy affordability is likely to remain a key concern for governments and households. In the UK, there were three consecutive energy price cap rises from Ofgem in 2024/25, driven by higher gas prices, cold weather and low gas storage levels in Europe.

While consumers need short-term protection from fluctuating gas prices, these higher energy costs also underline the need to accelerate the expansion of home-grown clean and reliable energy as a long-term affordability solution.

In 2024 elected policymakers and many other stakeholders in our main markets demonstrated their commitment to clean energy. At the same time, net zero scepticism has gained traction in some quarters.

SSE, like all those committed to the clean energy transition, must keep making the case for progress. Only by engaging with all stakeholders can SSE help achieve a fair and just transition to a net zero world.

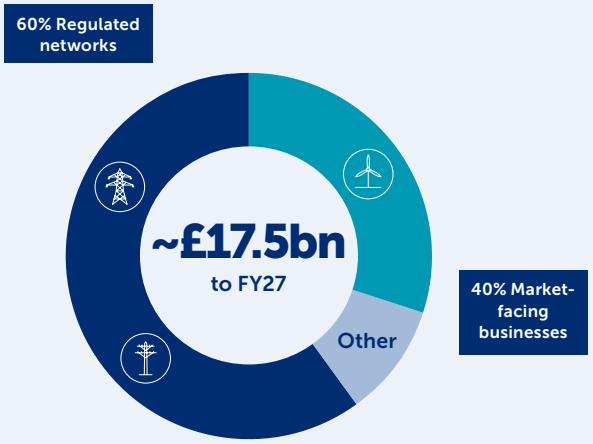
Creating sustainable value

Our strategy is to create value for shareholders and society in a sustainable way by investing in, developing, building and operating electricity infrastructure and businesses needed in the transition to net zero.

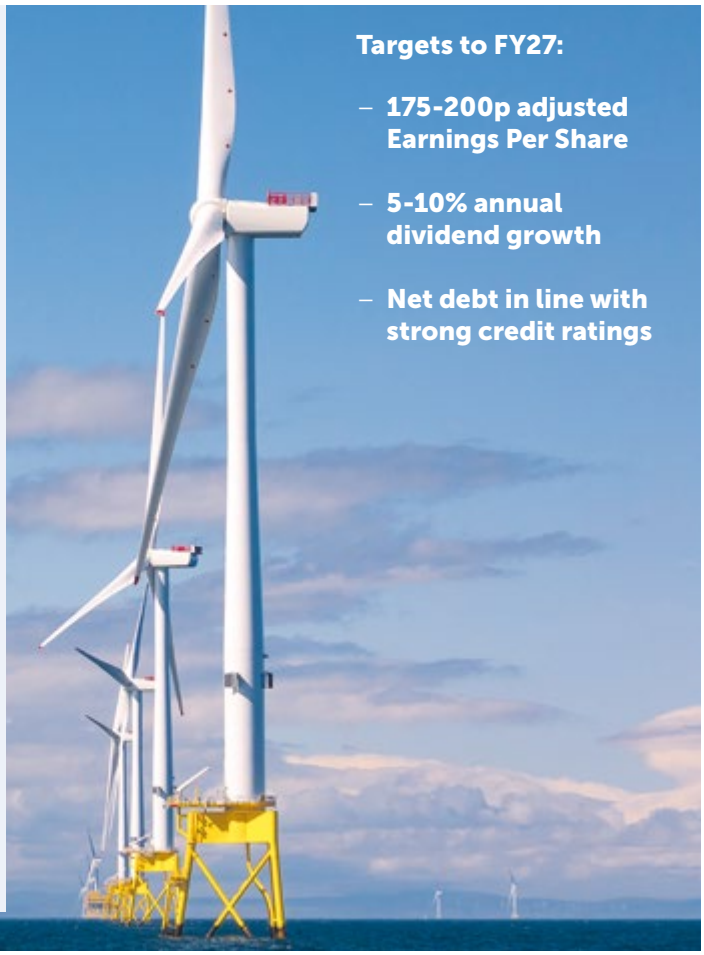
Our investment plan

Our Net Zero Acceleration Programme Plus is a five-year plan to 2027 currently forecast to invest around £17.5bn in renewables, electricity networks and system flexibility that will be needed to achieve clean power by 2030.

Our investment over five years to FY27



▶ For more detail on SSE's investment plans see Chief Financial Officer's review on page 17



Targets to FY27:

- **175-200p adjusted Earnings Per Share**
- **5-10% annual dividend growth**
- **Net debt in line with strong credit ratings**

Our 2030 Goals

We work to deliver social and environmental benefits that are recognised and supported by our stakeholders. This is measured by four business goals aligned to UN Sustainable Development Goals.

Cut carbon intensity by 80%

Reduce Scope 1 carbon intensity by 80% by 2030, compared to 2017/18 levels, to 61gCO_2e/kWh.

Aligns with UNSDG 13

Increase renewable energy output fivefold

Build a renewable energy portfolio that generates at least 50TWh of renewable electricity a year by 2030.

Aligns with UNSDG 7

Enable low-carbon generation and demand

Enable at least 20GW of renewable generation and facilitate around 2 million EVs and 1 million heat pumps on SSEN's electricity networks by 2030.

Aligns with UNSDG 9

Champion a fair and just energy transition

Be a global leader for the just transition to net zero, with a guarantee of fair work and commitment to paying fair tax and sharing economic value.

Aligns with UNSDG 8

Our business model

Delivering on our purpose

Aligning people, assets and capital to pursue growth ambitions and secure long-term benefit for all stakeholders.

We rely on

People
to deliver our strategy, invest in our projects, buy our products and provide our licence to operate.

Assets
to generate revenue and decarbonise the energy system.

Pipelines
of development for sustainable growth.

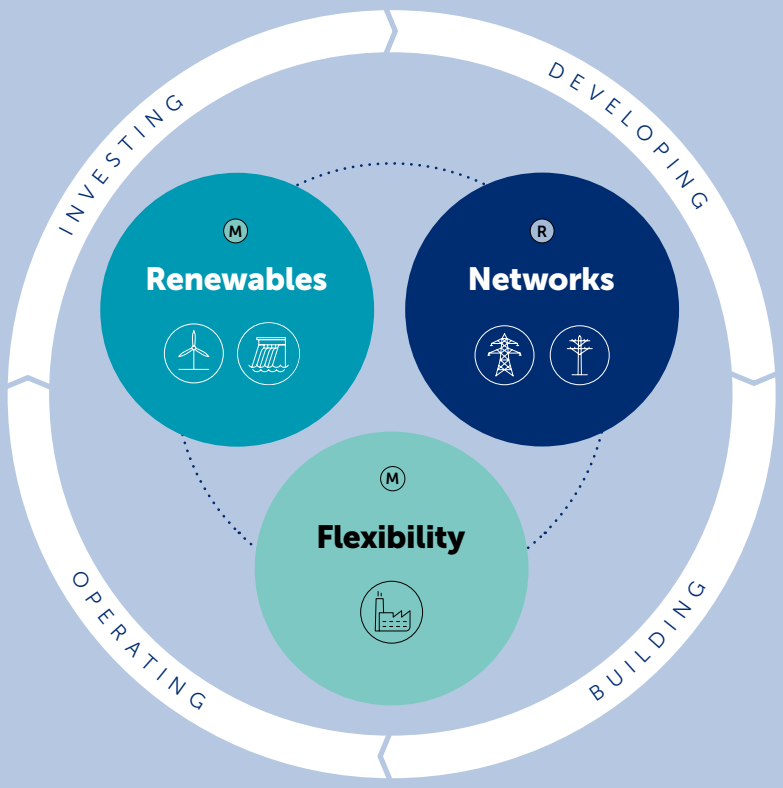
Funding
to finance our investment plans.

Wind, water, sunlight and gas
to produce energy.

Innovation
to drive our business forward.

What we do

We generate, back up and transport the electricity needed in everyday life. We do this by investing, developing, building, and operating in three key areas of the energy value chain, through a balanced portfolio of regulated and market businesses:



Key: (M) Market-focused businesses (R) Economically regulated businesses

How we create value

- World-leading capability in the provision of clean energy
- Strategic operation of a portfolio that balances market income with regulated earnings
- Investment that selectively allocates capital in a disciplined and targeted way
- A culture focused on keeping people safe
- Effective identification and mitigation of risk

Why it matters

The efficient operation of our business model supports the creation of a future energy system that is **cleaner**, more **affordable**, and more **secure**. Through it, we make a significant economic contribution to society, support the supply chain, create quality jobs, remunerate shareholders and deliver positive outcomes for energy users.

Who we do it for

- Employees
- Shareholders and debt providers
- Energy customers
- Governments and regulators
- NGOs, communities and society
- Suppliers, contractors and partners

Putting people and planet first

Meaningful interaction with everyone affected by SSE's decisions and actions is a key part of our decision making and our responsibilities to society.

Our binding contract with society

SSE can't operate in isolation from the society it serves. That means the business must be mindful of the impact of all that it does and reflect this in its strategy. SSE has an unwritten social contract, where society entrusts the Company with human, financial and natural capital and provides it with a regulatory and policy framework in which to work, and in return SSE provides jobs, pays taxes and delivers energy infrastructure. SSE's right to operate as a profitable business rests on fulfilling this obligation.

Stakeholders are the people, communities and organisations that have an interest in, or are affected by, SSE's decisions, actions and operations. It's a reciprocal relationship and when it functions effectively, both sides benefit. For example, the skills and experience of SSE's employees help the Company thrive. In return, employees receive a fair wage and have their rights protected.

Why we engage with our stakeholders

SSE must consider the broader views of society in its decision making. Stakeholder engagement makes sure the Company considers the insights and opinions of those affected by its operations. This makes SSE's decisions and strategy setting more inclusive and robust.

SSE has divided its stakeholders into six groups and uses a range of methods to engage effectively with them, such as consultations, roadshows or events. These interactions feed directly into SSE's decision making on operational plans and strategic objectives. They also reflect legal and regulatory requirements and, as far as possible, SSE strives to consider all perspectives from all stakeholders.

Reciprocal, value-creating relationships

▶ Section 172 Statement on page 102

Employees

SSE directly employs around 15,000 people in the UK, Ireland and selected overseas markets.

Why we engage

Engagement helps retain and attract a skilled workforce as the Company works to meet the challenge of decarbonisation.

How we engaged

- Took soundings on sentiment and connection to strategy and culture through annual all-employee survey
- Delivered communications that connected employees to strategy and provided leadership visibility
- Worked to embed safety culture through industry-leading immersive training programme
- Consultation with recognised trade unions, including on the impact of efficiency measures on employees

14,880*

Direct SSE employees

* This excludes employee data for Enerveo Limited, which remains under strategic review with the Infrastructure Solutions component of Enerveo being held for sale during 2024/25.

▶ Read more on page 53

Shareholders and debt providers

SSE has a large and diverse shareholder and debt provider base.

Why we engage

To ensure strategic decisions are properly informed by those with a financial stake in SSE's long-term success.

How we engaged

- Posted regular trading updates and gave results presentations supported by investor roadshows
- Met regularly with investors to understand their priorities, including those on ESG issues
- Had face-to-face engagement with retail shareholders at SSE's Annual General Meeting
- Provided written dialogue, including responding to shareholder queries
- Undertook engagement with credit rating agencies and debt providers

£18bn

Market cap as at 31 March 2025

▶ Read more on page 101

Energy customers

SSE directly serves energy supply customers in GB and the island of Ireland. It also provides grid connection to networks customers in its Distribution and Transmission operating licence areas.

Why we engage

To understand and address expectations and ensure customers are supported in a just transition to net zero.

How we engaged

- Engaged proactively with vulnerable networks customers through winter storms
- Promoted the benefits of SSE's existing and proposed business plans for electricity network price control settlements
- Engaged with home and business energy supply customers on efficiency measures
- Ensured ready access to support measures for energy supply customers and liaised with consumer groups

c.5m

Networks and supply customers

▶ Read more on pages 38 and 50

Governments and regulators

SSE has a non-partisan Political Engagement Policy under which it engages and partners with the institutions of government in a way that is consistent with its purpose and climate-focused strategy.

Why we engage

To influence policy frameworks that support investment in critical national infrastructure and serve the best interests of energy customers and the environment.

How we engaged

- Engaged with UK and Irish governments on the need for homegrown energy to support growth, deliver energy security and meet climate goals
- Contributed to government consultations and responded to calls for evidence and Parliamentary enquiries
- Partnered with UK Government on COP29 summit in Baku, Azerbaijan in support of global climate agenda
- Co-hosted Business of Leading the Energy Transition event attended by senior government figures

£2.9bn

Capex invested in infrastructure in 2024/25

▶ Read more on page 4

NGOs, communities and civil society

SSE works in close partnership with numerous third party organisations.

Why we engage

SSE relies on the support of the communities it works in and the backing of civil society as it plays its part in the transition to net zero.

How we engaged

- Held Scotland's most extensive public consultation exercise to give communities a say in plans to transform SSEN Transmission's onshore network
- Liaised with stakeholders to ensure effectiveness of our community investment funds, which awarded £16.3m in 2024/25. SSEN Transmission introduced its first ever community fund and SSE Airtricity a new all Ireland fund
- Outlined plans for 1,000 new homes as part of transmission projects in the north of Scotland
- Partnered with NGOs to deliver societal and environmental benefits to communities adjacent to SSE's operations

£16.3m

Investment in communities in 2024/25

▶ Read more on page 56

Suppliers, contractors and partners

SSE relies on a robust supply chain and specialist Joint Venture partners to meet its objectives.

Why we engage

Fostering good relationships and committing to measures such as the Prompt Payment Code helps SSE secure partnership expertise and achieve maximum value from its investments.

How we engaged

- Facilitated industry-government engagement on circular economy through SSE's Powering Net Zero Pact
- Trained 1,172 contractors through industry-leading immersive safety programme
- Direct interaction through SSE's long-running Supplier Relationship Management initiative
- Promotion of sustainability best practice through EcoVadis supply chain management tool

c.7,390

Active suppliers

▶ Read more on page 51

Fresh impetus in pursuit of growth

As we continue to deliver strong financial performance despite the complexity of the energy sector, we look forward to the next chapter of value creation under new executive leadership.

Another eventful year for SSE underlines the complexity facing our sector, as industry and government wrestle with the task of building the energy system on which a low-carbon economy will depend.

Amid geopolitical unrest, political change and shifting market dynamics, we invested £2.9bn last year. We've moved past the halfway point of the Net Zero Acceleration Programme Plus – our five-year, c.£17.5bn investment plan to 2027. And we're now preparing for growth over the remainder of the decade, largely driven by demand for the grid infrastructure required to meet national clean energy ambitions.

We also celebrated a number of strategic milestones and met our financial objectives in 2024/25, thanks to the adaptability and optionality of our portfolio insulating us from the worst of the disruption felt elsewhere in the sector.

Our clean power plan

There's no doubt the road to net zero is becoming increasingly complex to navigate. Governments across the world are making trade-offs on climate commitments. And tension persists in our home markets as legislators try to balance longer-term green policies with measures to address short-term affordability issues and stubbornly slow economic growth.

As one of the UK's largest investors, SSE takes the long view. By providing the renewables, electricity networks and system flexibility that will form the energy system of the future, we provide quality jobs, support supply chains and benefit communities. This puts us at the heart of the UK Government's Clean Power 2030 Plan. As a critical partner, we're committed to working with government on the policy dilemmas it faces, engaging all the while to achieve the best possible outcomes for both climate targets and customers. The signals from government on easing the planning and consenting blockages that have bedevilled large UK infrastructure projects for too long are welcome for our extensive development pipeline. We continue to work with Ofgem on an investable and financeable regulatory price control that supports grid transformation on a scale not seen since the 1940s.

However, greater certainty is still needed if low-carbon technologies like carbon capture and storage (CCS) and hydrogen are to play their full part in the transition to net zero. And we look forward to a more stable environment for much-needed private investment once we have clarity over the energy pricing model under imminent reforms to the UK energy market.

> "Alistair passes on to Martin a great platform to build on and a tried and tested strategy

New leadership, new impetus

Our standing as a national clean energy champion is testament to the inspirational leadership of our outgoing Chief Executive, Alistair Phillips-Davies. He departs with my personal thanks for his 12 years of impeccable service in the role.

We have a worthy successor in Martin Pibworth, who was the stand-out candidate in a highly competitive selection process, (see page 107 ›). Nobody understands SSE, or the energy sector, better than Martin and I have no doubt that he has the expertise, stakeholder understanding and commercial acumen needed to drive SSE forward. Alistair passes on to Martin a great platform to build on and a tried and tested strategy that flexes our diversified portfolio to adapt to market trends across a range of clean energy technologies. He has all the tools at his disposal – a resilient business mix, excellent people and assets, and balance sheet strength – to build an agenda for evolving SSE to meet whatever lies ahead.

Martin is also backed by a highly capable SSE executive team and a Board further strengthened by the addition of Hixonia Nyasulu, who brought a wealth of experience in international markets and consumer, industrial and financial services when she joined us in January 2025.

Delivering on our strategy

We're building a better world of energy by pursuing our purpose and the strategic delivery described in this report. There has been good progress right across our three strategic pillars of renewables, networks and flexibility. For SSE Renewables, milestones for Viking, Yellow River and Chaintrix onshore wind farms were well-publicised, but so too were events offshore at Dogger Bank, where the world's biggest wind farm under construction had to overcome delays caused by supply chain issues. In networks we celebrated energisation of the pioneering Shetland HVDC link and the start of construction on the subsea Eastern Green Link 2 HVDC project. At the same time our existing thermal fleet proved its worth in system balancing and the new Slough Multifuel plant brought added capacity when it entered full commercial operation.

People behind our progress

There can be no strategic progress without talented and committed people. The collective contribution of around 15,000

employees, and their focus on delivery and efficiency is reflected in the project milestones, operational excellence and, ultimately, the financial performance we've seen over the past year. Through our efficiency review, we are making some hard choices internally to ensure we thrive in the future, but we are committed to treating people fairly throughout. On behalf of the Board, I thank all our employees for their ongoing cooperation and efforts.

It's all the more pleasing that, through such a busy year in which we've achieved so much, safety has remained a priority. Safety is the most important of six core values (Safety, Service, Efficiency, Sustainability, Excellence and Teamwork) that guide what we do and how we do it. Our combined Total Recordable Injury Rate is the lowest we have seen in three years and, within that, the performance among our contract partners is particularly encouraging. This has been an area of focus for several years as construction has accelerated.

While keeping people safe is of paramount importance, the Board also believes a workplace that's welcoming and reflects the communities we operate in provides the best environment for optimal business performance. We're making good progress on this as we strive to make sure under-represented groups have a voice and that we set a positive tone from the top.

A healthy business culture

The insights and opinions of our six stakeholder groups make our decision making more robust and our actions more sustainable. Engagement with employees is a particular focus and the Board meets colleagues regularly as a check-in on sentiment and culture. The Board also monitors engagement with other stakeholder groups. We appreciate the support of shareholders who engage with us and have voted in favour of our Net Zero Transition Plan for the past four years. I've already noted the vital dialogue we have with legislators and regulators on energy policy. Energy users are central to all that SSE does, but it's our customer-facing businesses that engage on a daily basis around issues such as affordability, service and vulnerability. I'm pleased our close relationship with Joint Venture partners and suppliers has led to the improved contractor safety performance outlined earlier.

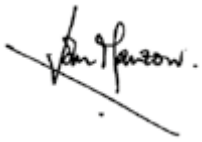
Finally, given the licence requirement to rewire much of the transmission network, there's been close engagement with communities in the north of Scotland. I've already mentioned that the transition to net zero will require trade-offs. Here, too, we recognise that local communities are hosting critical infrastructure in the service of a wider national imperative. With this in mind, before seeking planning approval we carried out what we believe is the biggest and most impactful public consultation exercise seen in Scotland. We've also provided tangible support through £2.3m of community benefit funding and our contribution to building at least 1,000 much-needed homes.

Listening to stakeholders in this way is important for a healthy business culture, and so too is transparency about our impact on the world around us. This report is part of that: tracking progress against our 2030 Goals and their associated science-based targets (see page 45), setting out our Principal Risks (see page 64) and also disclosing our scenario analysis of the climate-related financial risks and opportunities we face (see page 75). Balancing long-term targets with environmental, social and governance considerations is becoming increasingly complicated. Even so, the Board and the executive team still believe that there need be no tension between creating sustainable value and fulfilling our social contract.

2030 and beyond

With the completion of our five-year plan to 2027 now within touching distance, we're already planning for a ramping up of our growth ambition to 2030 and beyond. We have the assets and development pipeline to accelerate renewables, we already know the large-scale investment required to reinforce the grid, and we're ready to back it all up with the flexible generation needed by the future energy system.

The Board is proud of what SSE's employees have achieved in 2024/25, and excited about the opportunities that working with a new Chief Executive might bring. We're also extremely optimistic about the Company's growth prospects. And, as we consider what's to come over the rest of the decade, we remain focused on our responsibilities as Directors to consider the interests of all stakeholders while promoting SSE's long-term success.



Sir John Manzoni
Chair, SSE plc

20 May 2025

Milestones on the road to net zero

NZAP launches
November 2021

Plan unveiled to invest £12.5bn by 2027 – around £7m a day on low-carbon infrastructure

NZAP Plus launches
March 2023

Plan upgraded to invest £20.5bn to 2027 – around £10m a day on nationally critical clean energy assets

Viking wind farm

- **~£17.5bn invested in clean energy**
- **Further spending anticipated on net zero beyond 2030**

Future milestones:

2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027

Keadby 2 opens
March 2023

Europe's most efficient gas-fired power station enters commercial operation in north Lincolnshire

Seagreen completed
October 2023

Scotland's largest offshore wind farm, capable of powering 1.6m homes annually, is fully operational

Viking wind farm and Shetland HVDC link completed
August 2024

Subsea transmission link connects Shetland to GB energy grid for the first time

Capex plan pivots further to networks and revised to ~£17.5bn
May 2025

Ofgem's final determination of RIIO-T3
December 2025

Work continues to complete all phases of Dogger Bank wind farm

SSE aims to start building Berwick Bank offshore wind farm – pending consent approval

Guiding SSE to 2030 and beyond

After 12 years as Chief Executive, Alistair Phillips-Davies is retiring from SSE and handing over to Martin Pibworth. Here, Alistair and Martin reflect on SSE's progress over the past year and consider how SSE will continue its clean energy mission.

Let's start, as we always do at SSE, with safety. What was our performance like last year?

Alistair: Safety is our number one priority – always has been, always will be – and I'm pleased that it's been a good year on that front, with a Total Recordable Injury Rate of 0.16. As we build and operate ever more sizable projects it's vital that everyone gets home safe. It's particularly pleasing that, after a challenging few years, we're now seeing a marked improvement in safety performance among contractors. The significant investment we've made in an industry-leading immersive training centre has played a big part in this. Having received the training myself, I can say that it's a powerful experience that has a big impact on the way people think about their personal safety and the wellbeing of those around them.

How do you reflect on the past financial year?

Alistair: We've delivered on our financial targets, which is always important. More broadly, it's very gratifying to see how aligned our clean energy plan now is with that of the current UK Government. That means the opportunities in our home markets are as strong as they've ever been and when it comes to our international pipeline we've tried to maintain our value over volume approach. The diversity of our Group business model meant we could channel investment to the transmission network that will be so critical to getting to net zero. I'd like to thank colleagues across SSE who are ultimately the ones who execute and deliver on our strategy. It's been another outstanding year of delivery for SSE and a lot of hard work goes into that, which I never take for granted.

Martin: I'd point to the safety performance that Alistair has already mentioned. The improvement we've seen is down to a relentless focus on getting people home safe – and that's something that will continue. I'd also call out a few specifics on delivery: connecting up Shetland to the GB electricity grid for the first time thanks to a 260km subsea transmission link was phenomenal, as was the opening of the 443MW Viking wind farm. I thought our response to Storm Éowyn was heroic: we mobilised a team of 1,100 to support and reconnect our customers in Scotland who were hit by ferocious winter storms. Let's not forget Slough Multifuel opening as part of our commitment to flexibility, and I'd also mention our colleagues in customer-facing roles who are such an important shop window for SSE.

What role do you see for SSE in a future energy system built on renewables, networks and flexibility?

Martin: From a **renewables** perspective we've faced headwinds that are hampering our ability to develop and build projects as quickly as we'd like. Dogger Bank will be the world's largest wind farm when we finish construction, and while supply chain issues haven't helped us, the first phase is on track for completion in the coming months. We have constructed Yellow River onshore in Ireland and our first European wind farm in northern France over the past year, so we've made good progress. But there is no doubt that the pace will pick up again for Renewables because with net zero, it's a case of "when", not "if" – especially in the UK. The future for SSE Renewables is bright and it will continue to be a key strength in our portfolio.

Alistair: When it comes to **networks**, Transmission is a huge growth opportunity for us, with our five-year £22bn plan for RIIO-T3 price control to build critical infrastructure in Scotland. The challenge for SSE will be delivering the transformational change the grid requires while continuing to be mindful of the impact that work has on communities hosting infrastructure. Our Distribution business also has a big role to play when it comes to decarbonising the power system and we will continue to make the case with Ofgem and others for the need to accelerate investment.

Martin: The role of system **flexibility** in backing up intermittent renewables should never be undervalued when it comes to the clean energy transition. This year for example, we took a final investment decision to build the 300MW Tarbert Next Generation power station in Ireland, which will run on 100% sustainable biofuels with the potential to convert to hydrogen. That's a major boost to the electricity system in Ireland and reflects how we're adapting our thermal fleet for the future. We'd like to see quicker progress on hydrogen and carbon capture and storage, but these technologies of tomorrow are definitely coming, and we're ready to invest in them.

What has SSE been doing to navigate headwinds in the energy sector?

Martin: First and foremost, doing what we've always done – delivering on our plans and running our assets as effectively as possible. We've also continued to engage constructively with politicians and regulators, acting as a critical partner to the UK's Clean Power 2030 Plan and making the case for policy and market frameworks that best serve the needs of customers, investors and society more broadly. And yes, SSE, like many other companies, has had to respond directly to the realities of the world around it, which means making sure our business is the size and shape we need it to be. We've conducted an efficiency review and taken measures to make sure we continue operating in the most cost-effective way possible.

How well placed is SSE in terms of the current policy and market environment?

Alistair: If you look at our domestic markets, we've never been more aligned to UK Government policy. This gives us confidence to invest in the renewable generation and massive grid upgrades we need to make clean energy a reality. But if I've learnt one thing in my time as CEO it's that you can never get complacent. We can't ever take our mandate to build net zero assets as a given – we've seen the cross-party consensus unwind with the Conservatives describing 2050 net zero goals as unrealistic. If you look at the US, there has been a marked shift in green policy and that creates uncertainty which investors clearly don't like. SSE will need to keep making the case for decarbonisation while being transparent about the costs and investment needed to get there.

Martin: SSE is a long-term business, and our goals and targets will always ultimately depend on building assets that are part of multi-year capital programmes. We are particularly well-placed to pivot capital around the renewables, networks and flexibility assets that will be the backbone of a future energy system. But we must manage supply chain issues, cost pressures and general market volatility as part and parcel of what we do. On Dogger Bank, there's been significant progress this year and, importantly, the delays have had no material impact on returns. We must keep applying capital discipline so we can optimise future growth opportunities, and that approach won't change on my watch.

Looking to 2030 and beyond, what is going to be most important?

Martin: We're beyond the midway point of our c.£17.5bn five-year Net Zero Acceleration Programme Plus, so it's crucial that we deliver the growth we promised. I'm confident that a renewed focus on commerciality and efficiency will enable us to work through some of the pressures that are affecting us and others in the sector. The diversity and resilience of our business mix, the quality of our people and assets, and the strength of our balance sheet give us cause for real optimism. I'd love for us to get Berwick Bank offshore wind farm under way, as this is a project that could deliver a sizable contribution to the UK Government's clean energy mission. And if last year was the 'year of networks' then we could now be looking at the 'decade of networks' – they're going to be critical enablers of clean energy. There will also be technologies and projects that we haven't even thought about yet, which is the exciting part for me. There's a lot for us to aim at.

What are your main reflections on your time as Chief Executive?

Alistair: It's been an immense privilege and I'm extremely proud of how far we've come as a company. I actually joined SSE in the last century when wind was barely in our portfolio. Now we're at the vanguard of the clean energy revolution, building the biggest wind farms in the world, providing flexible generation to the system and investing heavily in the electricity networks we need to connect people to sources of clean power. All of this is made possible by the brilliant people I have had the privilege of working with over many years at SSE.

Martin, what will be your immediate priorities?

Martin: Well, I'd start by paying tribute to Alistair, who has led SSE brilliantly over the past 12 years and transformed it into a clean energy champion. My job is to continue, and build on, his good work. My first priority is to spend time with our key stakeholders for meaningful conversations which will help shape how we go forward. Of course, safety is paramount. I'll be working hard to make sure all those operating our assets or building future projects get the support they need as they do an amazing job every day. Alistair leaves me with a platform to see through the NZAP Plus investment programme and to set us up for an exciting period of growth out to 2030 and beyond. Net zero is coming. At SSE we need to be agile enough strategically to deliver that in the best way possible.

And a final word from you, Alistair?

Alistair: I can walk away knowing that SSE is in a very safe pair of hands. I've really enjoyed my time with SSE and I'm proud of the transformation the Company has made in recent years and the strategic role it's now playing in our energy future. My heartfelt thanks go to so many people – be they colleagues, investors, policymakers, community leaders or customers – who have helped me make a difference along the way.

Alistair Phillips-Davies
Chief Executive, SSE plc

Martin Pibworth
Chief Executive designate, SSE plc

20 May 2025

Martin succeeds Alistair as Chief Executive following SSE's AGM on 17 July 2025.

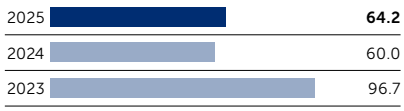
How we performed

We use a number of key measures to track our financial, non-financial and operational performance, and we keep them under review to ensure they align with our strategy.

Financial performance

Dividend per share (pence)

64.2

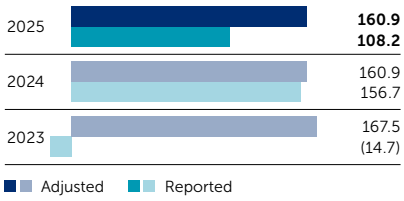


The recommended full year dividend, rebased in 2023/24, is in line with SSE's growth-enabling, five-year dividend plan to 2027.

Earnings Per Share (pence) APM R

160.9 Adjusted

108.2 Reported

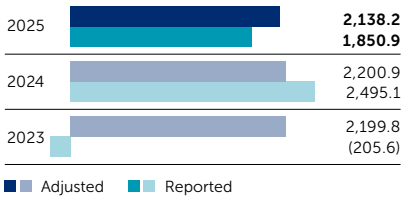


Strong results in against a challenging macroeconomic backdrop in 2024/25 were attributable to the resilience of SSE's balanced business mix. *APMs have been simplified to no longer adjust for interest on net pension assets, resulting in adjusted EPS increasing by 1.9p in 2024/25, 2.4p in 2023/24 and 1.5p in 2022/23.*

Profit before tax (£m) APM

2,138.2 Adjusted

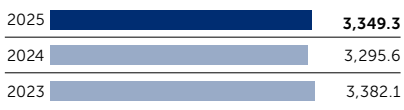
1,850.9 Reported



The reported figure for 2024/25 reflects exceptional charges including an impairment on SSE's investment in its Southern European renewables development pipeline. *APMs have been simplified to no longer adjust for interest on net pension assets, resulting in adjusted profit before tax increasing by £20.7m in 2024/25 and £26.2m in 2023/24.*

Adjusted EBITDA (£m) APM R

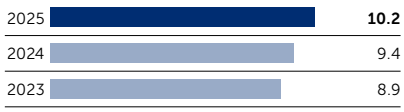
3,349.3



Performance reflects continued strong levels of cashflow generation across the diverse and resilient business mix despite the challenging macroeconomic backdrop.

Adjusted net debt and hybrid capital* (£bn) APM R

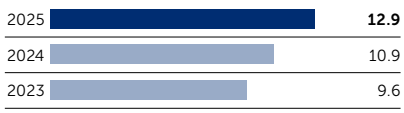
10.2



Increased over the year to fund a rising level of long-term investments in clean energy infrastructure across the Group.

Combined networks Regulated Asset Value (RAV) (£bn) R

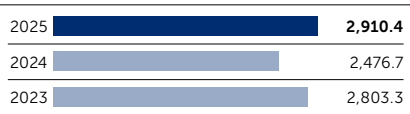
12.9



Accelerated build-out and reinforcement of SSE's three economically-regulated electricity networks contributed to higher RAV values in the year.

Adjusted investment, capital and acquisitions (£m)

2,910.4



SSE invested a record amount in 2024/25 in critical national infrastructure. The five-year plan continues to evolve, with a reduction in spend overall to FY27 and an upweighting of capital allocation within that to networks.

***Evolving KPIs to align with strategy**
SSE annually reviews its KPIs and while the majority are expected to be consistent over a number of years, changes may occur where they are deemed to better track strategic and operational performance of the Group. As a debt measure, adjusted net debt and hybrid capital allows management to record and monitor both operating cash generation and the Group's ongoing financing and liquidity position. The ratio of adjusted net debt and hybrid capital to adjusted EBITDA in any one period also helps inform decisions around remuneration.

Linking performance to pay
SSE's Remuneration Policy is linked to both operational and financial performance. The individual targets and measures used by the Remuneration Committee to inform decisions on Directors' pay have been indicated on these pages with the symbol shown here on the right. See the Remuneration Report in full from page 126.

Key R KPI linked to remuneration

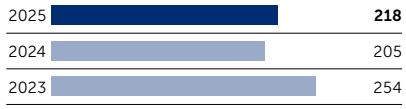
Performance against 2030 Goals

Cut carbon intensity by 80%

UNSDG 13

Scope 1 GHG intensity (gCO_2e/kWh) (R)

218



SSE saw a 6% increase in Scope 1 GHG intensity due to a rise in thermal generation output and constrained capacity on the grid for renewable energy.

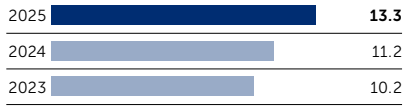
This KPI is on target but with risk – see page 47

Increase renewable energy output fivefold

UNSDG 7

Renewable generation output (TWh)* (R)

13.3



Renewables output was up 19%, largely due to delivery of Viking wind farm and a full year contribution from Seagreen wind farm.

This KPI is behind target – see page 49

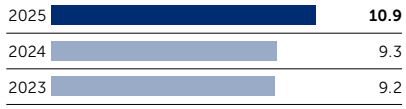
* Includes pumped storage, battery energy storage systems, biomass and constrained-off wind in GB.

Enable low-carbon generation and demand

UNSDG 9

Renewable capacity connected within SSEN Transmission network area (GW) (R)

10.9

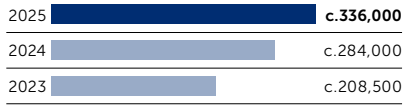


Connection of several large renewables schemes saw SSEN Transmission exceed its goal to deliver a network with the capacity and flexibility to accommodate 10GW of renewable generation by 2026.

This KPI is on target – see page 51

Pure electric or plug-in hybrid vehicles registered in SSEN Distribution's licence areas (R)

c.336,000



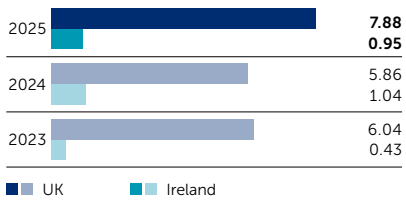
SSEN Distribution is progressing key innovation projects with partners to support flexible markets and future infrastructure provision for the mass adoption of electric vehicles.

Champion a fair and just energy transition

UNSDG 8

Contribution to UK/Ireland GDP (£bn/€bn)

7.88/0.95

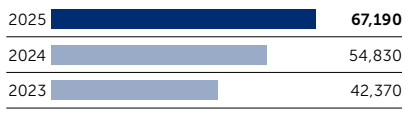


SSE saw an increase in total GDP contribution across the UK and Ireland, in part due to higher spending and investment compared to the previous year.

See page 56

Jobs supported in UK and Ireland

67,190



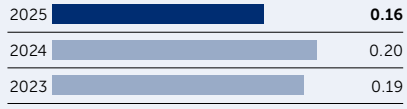
SSE saw an increase in total jobs supported in 2024/25, with 62,000 and 5,190 jobs supported in the UK and Ireland respectively.

See page 56

Safety performance

Total Recordable Injury Rate per 100,000 hours worked (employees and contractors) (R)

0.16



Following a period of sustained focus on the safety of SSE's partners, the TRIR for both employees and contractors combined in 2024/25 was at its lowest level in three years.

Review of the year

Chief Financial Officer's review

Delivering on our financial commitments

Capital and operational discipline dominated in a year of solid financial performance featuring higher regulated and index-linked earnings.

The defining quality of SSE's financial performance in recent years has been the steady increase in value derived from dependable, index-linked earnings. That trend continued in 2024/25, with more than 60% of Group operating profit coming through regulated electricity networks and contracted renewables assets.

This meant we met our financial commitments and delivered 160.9p adjusted Earnings Per Share. This was despite an expected fall in the profitability of our flexible thermal portfolio as we returned to more normalised market conditions, proving once again the benefits of a balanced and diverse business mix. The combination of our Business Units forms a strategically coherent SSE Group that is designed to weather uncertainty and risk in a highly dynamic sector – the whole SSE being greater than the sum of its parts.

Financial and operational performance for each of our Business Units is set out in detail on pages 30 to 41.

> "We pride ourselves on the strict capital discipline that we apply to all our investment decisions – always favouring value over volume."

An evolving plan

Our capital investment in the year topped previous records, with over £2.9bn invested in the infrastructure that puts SSE at the heart of the clean energy transition. Back in 2021, at the outset of the initial NZAP plan, we were clear that as opportunities evolved our investment plans would evolve with them – and we would exercise both agility and capital discipline along the way.

The initial plan anticipated around 40% of capital would be allocated to electricity networks. The growth opportunities for SSEN Transmission have increased significantly in the intervening years. So we are working to a revised £17.5bn plan with an upweighted 60% of that figure allocated to networks. And we now plan for a corresponding reduction in spending on renewables and flexibility, reflecting slower-than-expected progress on energy policy and planning. Within this, in SSE Renewables we have reduced both our capital and our capacity expectations and we're now targeting around 7GW of installed capacity by 2027.

While our performance in FY25 reflects the resilience of SSE's business mix and the success of our strategy, it also shows how we're prepared to adapt in order to succeed. The pivot of capital to regulated networks, the redoubling of discipline around investments in our energy businesses, and a sharpening focus on controllable costs and efficiencies are all responses to the current operating environment.

Stability amid uncertainty

The long-term drivers of growth in our business are very clear. Electrification is central to a decarbonised economy, and that means an energy system based on renewables, networks and flexibility.

Our shift of emphasis towards electricity networks increases our upside exposure to a strong, predictable regulatory environment that offers stable equity returns and inflation protection. At the same time, an increasing proportion of our renewables and flexibility assets also benefits from inflation protection through government-backed contracts such as Contracts for Difference and the Capacity Market.

This means that – despite the risk and complexity we see in the macro environment – we offer strong earnings protection and stability with index-linked earnings expected to account for around 70% of Group EBITDA by 2027 and 94% of debt held at fixed rates.

Value and efficiency over volume

We pride ourselves on the strict capital discipline we apply to all our investment decisions – always favouring value over sheer volume of projects. That discipline has helped us respond to market conditions that have forced changes across the energy sector. We are prioritising spending on regulated networks growth while applying an even stricter returns criteria in renewables – specifically in offshore wind.

Investments, whether in networks or generation, can only fully maximise shareholder value when they are executed with a relentless focus on efficiency and competitiveness. With this in mind, we have embarked on an efficiency review and we are making some difficult decisions internally to ensure we are the right size and shape for the future. We are simplifying our organisation, removing resource duplication across the business and enhancing efficiency in operating expenses. We expect this to deliver ongoing operational efficiencies of £100m per year, and an even higher degree of focus on the most value-accretive projects.

A strong balance sheet

Alongside the quality of our assets and pipeline, and the talents of our people, the strength of our balance sheet has played a large part in our continuing success.

Significant energy market and interest rate volatility have been features of the first half of our five-year NZAP Plus plan. Throughout, our solid investment grade credit ratings have remained above or in line with peers.

As we have moved through the investment plan, net debt to EBITDA has drifted upwards. As at 31 March it was 3.2x, in line with our expectation that it will reach around 4x by FY27. Ours is a fully-funded plan with half of the investment already made, and we have headroom to accommodate the additional spending that we anticipate out to FY27 and beyond.

Over and above this balance sheet strength we have various sources of near-term funding open to us should value-adding investment opportunities emerge between now and 2030. These potential funding sources include, but are not limited to, a rich portfolio of stake sale options in world-class assets, additional debt capacity, access to extra hybrid funding, and uncommitted capex that could be reallocated if required.

Financial performance

	Adjusted		Reported	
	Mar 2025	Mar 2024*	**Mar 2025**	Mar 2024
Operating profit (£m)	**2,419.2**	**2,426.4**	**1,962.2**	**2,608.2**
EBITDA £m	3,349.3	3,295.6	2,738.3	3,333.1
Profit before tax (£m)	2,138.2	2,200.9	1,850.9	2,495.1
Earnings Per Share (EPS) pence	**160.9**	**160.9**	**108.2**	**156.7**
Net debt and hybrid capital £	10,186.7	9,435.7	9,513.9	8,097.8
Full year dividend per share pence	**64.2**	**60.0**	**64.2**	**60.0**
Investment, capital & acquisitions £m	2,910.4	2,476.7	3,837.0	3,285.6
SSEN Transmission RAV – £m (100% basis)	–	–	7,171	5,676
SSEN Distribution RAV – £m	–	–	5,737	5,301
SSE Total Electricity Networks RAV – £m (100% basis)	–	–	**12,908**	**10,977**

* Comparative financial information has been restated, please see note 1.2 to the Financial Statements.

Growth-focused dividends

Dividends have always been an important part of delivering value to our investors, and we remain committed to delivering on a five-year dividend plan that supports the growth of the Group while offering an attractive total return to shareholders over the long term.

Given the strong set of sustainable earnings reported for 2024/25, we are recommending a final dividend of 43.0 pence, taking the full year dividend to 64.2 pence, an increase of 7% on the prior year.

Clarity on FY27 delivery

While we have revised our spending plan out to FY27, this doesn't change our earnings expectations for the Group. We remain confident about meeting our FY27 target of 175-200p adjusted Earnings Per Share, underpinned by anticipated growth across businesses and assets which are at the heart of an energy transition built on renewables, networks and flexibility.

Barry O'Regan
Chief Financial Officer, SSE plc

20 May 2025

▲ Barry O'Regan addresses colleagues from SSE Renewables at a conference in Glasgow

Financial review

Year ended 31 March 2025

In order to present the financial results and performance of the Group in a consistent and meaningful way, SSE applies a number of adjusted accounting measures throughout this financial report. These adjusted measures are used for internal management reporting purposes and are believed to present the underlying performance of the Group in the most useful manner for shareholders and other stakeholders. The definitions SSE uses for adjusted measures provide a consistent basis to assess performance and are explained – including a detailed reconciliation to reported measures – in the Alternative Performance Measures section of this document.

Group operating profit

The Group's balanced business mix delivered another strong financial performance in the year, despite continued wider economic turbulence and the expected normalisation of commodity price volatility.

Within this, the adjusted operating profit contribution from **Networks** and **Renewables** increased on prior year, contributing a combined 87% of the total adjusted operating profit compared to 63% in the prior year. This increase reflects the strong operating performance and continued investment in both businesses this year, in addition to one-off cost recoveries in networks through the regulatory price control. As expected at the start of the year, the significant decrease in market spark spread price volatility meant that adjusted operating profits from the flexible **Thermal** business declined 75% on the prior year. Finally, **Energy Customer Solutions** continued to see supply margins return to more sustainable levels whilst delivering tariff reductions to customers as energy prices stabilised.

Reported operating profit, in addition to the movements above, includes both the net re-measurement on forward contract derivatives under IFRS 9 as well as exceptional items and other financial items which are excluded from adjusted results on the basis they are materially non-recurring, uncontrollable or exceptional. Reported operating profitability decreased by (25)%, mainly as a large net-remeasurement gain on forward contract derivatives in the prior year moved to a small net-remeasurement loss in the current year. These remeasurements are unrelated to underlying operating performance. In addition, the current year result reflected exceptional charges totalling £(309.7)m, mainly comprising a £(249.5)m non-cash impairment of the Group's investment in the Southern Europe Renewables pipeline. This impairment reflects sector-wide delays impacting permitting and grid connections, which has meant the build-out of this platform has been slower than originally planned.

Operating profit performance for the Year to 31 March 2025

Key Financial Metrics (£m)

	Adjusted		Reported	
	Mar 2025 £m	Mar 2024[1] £m	**Mar 2025 £m**	Mar 2024[1] £m
Segmental operating profit/(loss)				
SSEN Transmission	322.5	419.3	430.0	559.1
SSEN Distribution	736.0	272.1	736.0	272.1
Electricity networks total	**1,058.5**	**691.4**	1,166.0	**831.2**
SSE Renewables	**1,038.8**	**833.1**	617.6	**630.3**
SSE Thermal	248.5	752.5	240.8	660.8
Gas Storage	(37.1)	82.8	(45.5)	(42.2)
Thermal Total	**211.4**	**835.3**	**195.3**	**618.6**
SSE Business Energy	32.7	55.2	32.2	55.2
SSE Airtricity (NI and ROI)	159.4	95.0	157.0	94.5
Energy Customer Solutions Total	**192.1**	**150.2**	**189.2**	**149.7**
SSE Energy Markets	**30.0**	**37.5**	**(42.9)**	**588.6**
Neos Networks	**(22.2)**	**(32.3)**	**(33.3)**	**(116.1)**
Corporate unallocated	**(89.4)**	**(88.8)**	**(129.7)**	**(94.1)**
Total operating profit	**2,419.2**	**2,426.4**	**1,962.2**	**2,608.2**
Net finance (costs)/income	(281.0)	(225.5)	(111.3)	(113.1)
Profit before tax	**2,138.2**	**2,200.9**	**1,850.9**	**2,495.1**
Tax charge	(296.4)	(371.0)	(518.0)	(610.7)
Effective tax rate (%)	*13.9*	*16.9*	*29.4*	*25.6*
Profit after tax	**1,841.8**	**1,829.9**	**1,332.9**	**1,884.4**
Less: hybrid equity coupon payments	(73.7)	(73.1)	(73.7)	(73.1)
Less: profits attributable to non-controlling interests	–	–	(69.8)	(100.8)
Profit after tax attributable to ordinary shareholders	**1,768.1**	**1,756.8**	**1,189.4**	**1,710.5**
Earnings Per Share (pence)	**160.9**	**160.9**	**108.2**	**156.7**
Number of shares for basic/reported and adjusted EPS (million)	1,099.2	1,091.8	1,099.2	1,091.8
Shares in issue at 31 March (million)[2]	1,106.3	1,093.4	1,106.3	1,093.4

1 Comparative financial information has been restated, please see note 1.2 to the Financial Statements.
2 Excludes Treasury shares of 4.9m in March 2025 and 2.8m in March 2024.

Segmental EBITDA results are included in note 5 to the Financial Statements. Further detail on certain key financial metrics is included within the Supplemental Financial Information. For detailed Business Unit financial performance commentary, please refer to the Business Operating Review.

Profit after tax and Earnings Per Share

Adjusted profit after tax was broadly flat year on year, reflecting an increase in net finance costs of 25% which was offset by a decrease in taxation of 20%. **Adjusted net finance costs increased** over the course of the year reflecting the generally higher level of adjusted net debt in the year, combined with a full year's interest charge on the non-recourse project financing relating to Seagreen offshore wind farm which was commissioned mid-way through the prior year. The **decrease in the adjusted taxation charge** was driven by "full expensing" capital allowance tax relief available on SSE's record levels of capital investment which reached £2.9bn this financial year.

Reported profit after tax includes the tax effect from the adjustments made to profit metrics as detailed in the previous section, as well as deferred tax arising as a result of differences in accounting and tax bases that give rise to potential future accounting credits or charges. Deferred tax for the Group increased by 39% on prior year, mainly due to the increase in the Group's capital investment programme.

Reflecting the movements above, adjusted Earnings Per Share was flat year on year at 160.9 pence with reported EPS decreasing by 31% to 108.2 pence.

Final dividend

SSE believes that dividends should be sustainable and based on earnings performance, while also enabling the longer-term growth prospects of its assets and operations. To that end, the existing dividend plan to 2026/27 is designed to balance income to shareholders with the appropriate funding for an accelerated growth plan that will ultimately create greater value and total return for shareholders over the long term.

In line with that dividend plan and reflecting financial performance in the year, SSE has announced a final dividend of 43.0 pence for payment on 18 September 2025. This amounts to a 2024/25 full year dividend of 64.2 pence, representing an increase of 7% on the prior year.

Capital expenditure programme

During the year ended 31 March 2025, SSE's adjusted investment, capital and acquisitions expenditure totalled £2,910.4m, compared to £2,476.7m in the prior year.

Investment in the reporting year was driven mainly by SSE's renewables and electricity networks divisions, with limited deployment of capital in thermal and other businesses, and no acquisitions expenditure.

In SSEN Transmission, £953.5m net capex was delivered including £103m on the EGL2 subsea HVDC being jointly delivered with National Grid, as onshore works get under way, and £85m on the Skye reinforcement as substation enabling works commence ahead of the overhead line consent decision. Construction has also commenced on the Orkney High Voltage Alternating Current system where £77m net capex was delivered and £86m was invested in Argyll and Kintyre after final planning approvals for the 275kV upgrade were granted in the year.

In SSEN Distribution, capital investment of £635.8m marks an increase of over 26% compared to the prior year as the business advances into year two of its ambitious RIIO-ED2 plan and local transformation programme. In the north, £221m was invested, with delivery of subsea cable projects from Orkney to Shapinsay and Jura to Islay continuing, alongside ongoing programmes to replace aging assets across the region. In the south, expenditure of £415m included ongoing works at Iver in West London and the Bramley–Thatcham reinforcement near Reading, in addition to the Leamington Park Network Upgrade and again alongside ongoing programmes to replace aging assets.

SSE Renewables invested a total of £1,001.8m during the year. In onshore wind this included £56m at Viking wind farm on Shetland which was completed during August 2024 and £47m at Yellow River wind farm in Ireland which is approaching completion. In offshore wind, progress has continued at Dogger Bank A, with £176m of equity and shareholder loans drawn to support construction ahead of completion expected in the second half of 2025. Across the battery and energy storage system (BESS) portfolio, £81m was invested at Ferrybridge (West Yorkshire) where completion is expected in 2025, and £132m and £44m invested at the Monk Fryston and Fiddlers Ferry projects respectively with completion expected at both sites during 2026.

Dividend per Share (pence)

	Mar 2025	Mar 2024
Interim Dividend	21.2	20.0
Final Dividend	43.0	40.0
Full Year Dividend	**64.2**	**60.0**

Capital expenditure programme

Adjusted Investment and Capex Summary	Mar 2025 Share %	**Mar 2025 £m**	Mar 2024 £m
SSEN Transmission (net of 25% non-controlling interest)	33%	953.5	595.6
SSEN Distribution	22%	635.8	505.1
Regulated networks total	**55%**	**1,589.3**	**1,100.7**
SSE Renewables	**34%**	**1,001.8**	**1,097.1**
SSE Thermal	6%	183.1	109.2
Gas Storage	–	0.7	0.8
Thermal Energy Total	**6%**	**183.8**	**110.0**
Energy Customer Solutions	3%	80.0	99.4
SSE Energy Markets	–	8.7	9.1
Corporate unallocated	2%	46.8	60.4
Adjusted investment and capital expenditure	**100%**	**2,910.4**	**2,476.7**
Adjusted investment, capital and acquisitions expenditure	**100%**	**2,910.4**	**2,476.7**

1 Comparative financial information has been restated, please see note 1.2 to the Financial Statements.

Financial outlook

Financial outlook for 2025/26

SSE's balanced portfolio of assets across electricity networks, renewables and flexible thermal generation provides a diverse and resilient business mix, with a high level of exposure to a strong, predictable regulatory environment that continues to create sustainable value despite a changing macro environment.

Reflecting this, the Group has set out the following expectations for the forthcoming year:

- **SSEN Transmission** – it is expected that adjusted operating profit will be more than 1.5 times higher than 2024/25, reflecting increased allowed revenue generated by continued investment growth in this business.
- **SSEN Distribution** – anticipates that adjusted operating profit will be less than half of 2024/25, as allowed revenue is expected to decrease by around £400m with the reversal of one-off inflationary cost recoveries.
- **SSE Renewables** – is expected to deliver higher adjusted operating profit than 2024/25, as increased capacity additions such as Dogger Bank A and a full year contribution from Viking more than offset the impact from lower power prices.
- **SSE Thermal and Gas Storage** – with the step up in contracted Capacity Market payments starting in financial year 2026/27, it is expected that the adjusted operating profit for these businesses will be similar to 2024/25, assuming similar market conditions.
- **Energy Customer Solutions** – as income from legacy wind farms starts to unwind, it is expected that the adjusted operating profit for these businesses will be lower than 2024/25.

These expectations are subject to normal weather conditions, current market conditions and plant availability.

Consistent with the approach taken in prior years, SSE will look to give specific adjusted Earnings Per Share guidance later in the financial year.

In line with SSE's existing dividend plan to 2026/27, it is expected that the dividend will increase by between 5 – 10% this financial year. However, in order to simplify the application of this commitment, the Group will move to a more formulaic approach to calculating interim dividends. Reflecting the inherent seasonality of the business, the interim dividend will be calculated as one-third of the prior year full dividend. Therefore, for 2025/26, the interim dividend is expected to be 21.4 pence, being one-third of the 2024/25 full year dividend of 64.2 pence. The Board will continue to recommend the final dividend in May, as part of the Full-year Results Statement, which will reflect an increase of between 5 – 10%.

Capital expenditure and investment continues to increase, as more projects enter construction. Full year capex is expected to continue to increase to over £3.0bn, with the net debt to EBITDA ratio expected to be towards the middle of the 3.5 – 4.0x targeted range across the five-year investment plan and well within a strong investment grade.

Net Zero Acceleration Programme Plus

An evolving investment programme

When SSE set out its first "Net Zero Acceleration Programme" in November 2021, it recognised the significant optionality the Group had within its business mix across the value chain and the need to flex investment as opportunities evolved. This evolution has been evident throughout each iteration of that investment plan, as the Group has steadily upweighted its investment in regulated electricity networks to reflect the growing opportunities there.

However, the Group's investment plans have not been immune to the changing macroeconomic environment and wider delays to the planning processes which have been seen over the last twelve months. Reflecting this investment landscape, the Group today announces a reduction in the overall size of the capital investment plan to around £17.5bn over the five years to 31 March 2027. Around 90% of this investment plan is currently committed, with the remainder subject to delay or potentially even cancellation if the right investment conditions do not emerge.

As noted above, the majority of this reduction is in our energy markets focused businesses with the overall investment plan continuing to reflect an upweighting towards regulated electricity networks:

- **SSEN Transmission (~40% or ~£7.0bn)** to deliver the RIIO-T2 baseline investment programme in addition to part of the eleven LOTI and ASTI projects which have regulatory approval and are critical to removing existing constraints within the electricity transmission network. This investment is expected to increase gross RAV to between £12 – 13bn by the end of 2026/27.
- **SSEN Distribution (~20% or ~£3.5bn)** in delivery of its RIIO-ED2 investment programme which continues to progress at pace. This business expects RAV to increase to around £7bn by the end of 2026/27.
- **SSE Renewables (~30% or ~£5.5bn)** to deliver its existing construction programme. With the business continuing to focus on financial discipline and selective renewables growth only where it is value accretive, it is reducing its capacity targets to ~7GW installed capacity by the end of 2026/27 with ~1GW under construction at that time.
- **SSE Thermal and other businesses (~10% or ~£1.5bn)** of which around 70% has been invested to date on projects such as Keadby 2 and Slough Multifuel, with the remainder largely comprising maintenance capex and technological investment.

In conjunction with this reduction in investment, and in line with SSE's commitment to capital and operational discipline, the Group commenced an operating and efficiency review, intended to ensure that SSE has the right structures, resourcing and accountabilities to maximise the growth opportunities ahead.

With over 90% of the revised investment plan expected to be invested in electricity networks and renewables, the substantial majority is focused on projects that support SSE's 2030 Goals which are linked to its most highly-material UN Sustainable Development Goals (SDGs) and aligned to the Technical Screening Criteria of the EU Taxonomy.

Balance sheet strength and stability

A core part of SSE's success has been its ability to realise value from disposals, create sustainable earnings growth and raise capital at highly attractive terms. Over the plan to date, more than £4bn of long-term debt has been issued at attractive, fixed coupons despite volatile market conditions.

The Group continues to target a range of between 3.5 – 4.0x net debt / EBITDA over the course of the investment plan to 2026/27, reaching around the top end of that range in the final year.

Significant additional funding optionality remains available to the Group out to FY27, with strong investment grade credit ratings providing further significant net debt capacity, access to around £2bn of additional hybrid borrowing which continues to increase over time, a portfolio of capital recycling options and partnering opportunities which include the option for a minority stake sale in SSEN Distribution and finally the ability to continually flex investment across businesses.

	Updated plan	Prior plan	Reduction
SSEN Transmission	£7.0bn	£7.5bn	(£0.5bn)
SSEN Distribution	£3.5bn	£3.5bn	–
SSE Renewables	£5.5bn	£7.0bn	(£1.5bn)
SSE Thermal & Other	£1.5bn	£2.5bn	(£1.0bn)
Total	**£17.5bn**	**£20.5bn**	**(£3.0bn)**

While full optionality on sources of funding remains, any future funding decision will be based on the option that creates maximum value for shareholders.

Commitment to delivering earnings growth and dividend plan

After considering the Group's reduced investment plan to 2026/27, in addition to the current and forecasted market conditions, SSE continues to be highly confident about reaching its 175 – 200p adjusted EPS guidance range for 2026/27. This confidence reflects an increased level of clarity on revenue growth including:

- **Electricity networks,** where in flight investments are expected to grow the regulatory asset base by ~50% over the next two years to around £20bn gross, driving increasing allowed revenues under the regulatory price controls;
- **Renewables capacity,** where output is expected to grow by ~40% or around 6TWh through delivery of under construction projects such as Dogger Bank phases A and B in addition to full year contributions from other projects such as Viking and Yellow River. The Group's hedging approach has already locked in over two-thirds of the expected merchant exposure in that financial year; and
- **Secured capacity market payments** across flexible thermal and hydro renewables are due to increase by around £150m in 2026/27 from 2025/26 – equivalent to an increase of adjusted EPS of around 10 pence with a further c.£150m increase secured for 2027/28.

Reflecting the continued confidence in delivering this sustainable earnings growth, the Group continues to target dividend increases of between 5 to 10% per year across 2025/26 and 2026/27. This dividend plan retains the scrip dividend option for shareholders, with a 25% cap on take-up implemented (if necessary) by means of a share buy-back.

Supplemental financial information

Changes to presentation and prior year adjustments

During the year, the Group has restated prior year segmental disclosures as previously announced and simplified adjusted profit metrics as set out below.

Restructuring of SSE Enterprise

SSE Enterprise has long been the incubator of new propositions for SSE, unlocking a number of new commercial opportunities including behind-the-meter solar and battery and energy optimisation services. SSE commenced a restructuring of this business in September 2024 to build an enhanced platform for growth and, following completion of this process, structural changes have now been made to incorporate the constituent parts of the business into other areas of the SSE Group as follows:

- **SSE Thermal** has taken responsibility for the Slough, Heat and Power business;
- **SSE Business Energy** has taken responsibility for private electric networks and businesses aligned with the provision of low carbon energy solutions to customers; and
- **SSE Energy Markets** has taken responsibility for energy optimisation services.

Comparative segmental financial information has been restated to reflect this restructuring, with the impact detailed in note 1.2 of the Financial Statements.

Alternative Performance Measures – interest on net pension assets/liabilities

In prior years, the Group's Alternative Performance Measures (APMs) excluded the non-cash interest credit or charge relating to defined benefit pension schemes valued under IAS 19 "Employee Benefits". This adjustment is now deemed unnecessary since the pension interest adjustment is less volatile and immaterial to the Group.

Comparative APMs have been restated to remove this adjustment, which increases adjusted profit before tax by £26.2m and adjusted Earnings Per Share by 2.4 pence in the year ended 31 March 2024. For the year ended 31 March 2025, the equivalent interest on net pension assets was £20.7m and increased adjusted EPS by 1.9 pence.

There have been no other changes to the way the Group calculates its APMs in the current year.

Exceptional items and certain re-measurements

Exceptional items

In the year ended 31 March 2025, SSE recognised a net exceptional charge within continuing operations of £(309.4)m before tax. The following table provides a summary of the key components included in the net charge:

Exceptional (charges)/credits within continuing operations	Total £m
Southern Europe renewables pipeline impairment	(249.5)
Enerveo impairment	(13.5)
Restructuring costs	(46.7)
Other	0.3
Total exceptional charge	**(309.4)**

Note: The definition of exceptional items can be found in note 3.2 of the Financial Statements.

The detail behind the exceptional items noted above is contained within note 7.1 of the Financial Statements.

Group-wide operating model and efficiency review

During the year, in line with SSE's commitment to capital and operational discipline, the Group commenced an operating model and efficiency review, intended to ensure that SSE has the right structures, resourcing and accountabilities to maximise the growth opportunities ahead. This review recognises that the timing, pace and returns from investment in each business will be different, reflecting both the changing macroeconomic environment as well as other external factors such as policy development, regulatory reform and consenting delays.

Whilst the first phase of this review is expected to complete by the end of June 2025, a number of efficiency and cost control measures have already been taken across the Group and most notably within the Corporate, Energy Customer Solutions and SSE Renewables businesses.

These measures have been taken to improve operational efficiency, increase organisational competitiveness and rebalance those businesses for future growth. At present, we anticipate that targeted measures could result in around £100m of annual recurring efficiencies across the Group.

Certain re-measurements

Certain re-measurements within continuing operations	Total £m
Operating derivatives (including share from jointly controlled entities net of tax)	(70.1)
Commodity stocks held at fair value	(8.4)
Financing derivatives	12.8
Total net re-measurement charge	**(65.7)**

Operating derivatives

SSE enters into forward purchase contracts (for power, gas and other commodities) to meet the future demands of its energy supply businesses and to optimise the value of its generation assets. Some of these contracts are determined to be derivative financial instruments under IFRS 9 and as such are required to be recorded at their fair value as at the date of the financial statements.

SSE shows the change in the fair value of these forward contracts separately as this mark-to-market movement does not reflect the realised operating performance of the businesses. The underlying value of these contracts is recognised as the relevant commodity is delivered, which for the large majority of the position at 31 March 2025 is expected to be within the next 6 – 18 months.

The change in the operating derivative mark-to-market valuation was a £(70.1)m negative movement from the start of the year, reflecting a £(49.0)m negative movement on fully consolidated operating derivatives combined with a £(21.1)m negative share of movement on derivatives in jointly controlled entities, net of tax.

The negative movement of £(49.0)m on fully consolidated operating derivatives includes:

- Settlement during the year of £(141.9)m of previously net "in-the-money" contracts in line with the contracted delivery periods; and
- A net mark-to-market re-measurement of £92.9m on unsettled contracts including affiliate CfDs, entered into in line with the Group's stated approach to hedging. This mark-to-market re-measurement reflects the reduced volatility seen in commodity markets during the year.

As in prior years, the reported result does not include re-measurement of 'own use' hedging agreements which do not meet the definition of a derivative financial instrument under IFRS 9 "Financial Instruments".

Commodity stocks held at fair value

Gas inventory purchased by the Gas Storage business for secondary trading opportunities is held at fair value with reference to the forward month market price. As trading churn towards the financial year end has combined with relative stability in gas prices, the book value is broadly aligned with the fair value.

However, whilst this assessment considers the net change in fair value of physical gas inventory held at the year end, it does not take into account any positive or negative mark-to-market movement on forward contracted sales. Therefore, similar to derivative contracts held at fair value, SSE does not expect that any valuation movement will reflect the final result realised by the business.

Financing derivatives

In addition to the movements above, a positive movement of £12.8m was recognised on financing derivatives in the year, including mark-to-market movements on cross-currency swaps and floating rate swaps that are classed as hedges under IAS 39. These hedges ensure that any fair value movement in net debt is predominantly offset by a movement in the derivative position. The positive movement was primarily driven by a Sterling strength on non-hedge FX and cross currency swap contracts.

These re-measurements are presented separately as they do not represent underlying business performance in the year. The result on financing derivatives will be recognised in adjusted profit before tax when the derivatives are settled.

Hedging position

The long-established approach to hedging followed by SSE looks to generally reduce its broad exposure to commodity price variation in advance of delivery. SSE continues to monitor market developments and conditions and periodically alters its hedging approach in response to changes in its exposure profile.

A summary of the hedging position for each of SSE's market-based businesses is set out below.

SSE Renewables – GB wind and hydro:

Energy output hedges are progressively established through the forward sale of either:

- Electricity – where market depth and liquidity allow;
- Gas and carbon equivalents – recognising that spark spread exposures remain; or
- Gas equivalents only – recognising that carbon and spark spread exposures remain.

This approach reflects that certain energy products have lower available forward market depth and liquidity. Whilst some basis risk or commodity exposure will remain, it facilitates the reduction of SSE Renewables' overall exposure to potentially volatile spot market outcomes.

The table below notes both the proportion of hedges and prices of those hedges for electricity and for gas alone. Due to market liquidity in later periods, there are no gas and carbon equivalent hedges in place.

The table below excludes any volumes and income under separate contracts such as CfDs, ROCs and Balancing Mechanism activity.

No hedging activity is undertaken for assets in early-stage construction, with hedging activity gradually built up over the construction period as greater certainty over operational dates is received.

SSE's established approach seeks to minimise the volumetric downside risk for renewable energy output by targeting a hedge of less than 100% of its anticipated wind energy output for the coming 12 months. The targeted hedge percentage is reviewed and adjusted as necessary to reflect any changes in market and wind capture insights.

Forward hedges for both wind and hydro are progressively established over a 36-month period, although the extent of hedging activity will depend on the available market depth and liquidity. Target hedge levels are achieved through the forward sale of either electricity or a combination of gas or carbon equivalents as outlined above.

	2024/25	2025/26	2026/27	2027/28
Wind				
Total energy output volumes hedged – TWh	**6.4**	**8.6**	**8.2**	**1.7**
– Hedge in electricity & equivalents – TWh	4.1	4.6	3.1	1.2
– Electricity hedge price – £MWh	£91	£87	£75	£68
– Hedge in Gas – TWh	2.3	4.0	5.1	0.5
– Gas hedge price – £MWh	£122	£77	£58	£50
Hydro				
Total energy output volumes hedged – TWh	**2.9**	**3.2**	**2.7**	**0.6**
– Hedge in electricity & equivalents – TWh	1.8	1.6	1.0	0.4
– Electricity hedge price – £MWh	£96	£86	£74	£68
– Hedge in Gas – TWh	1.1	1.6	1.7	0.2
– Gas hedge price – £MWh	£120	£82	£57	£52

Note: where gas and carbon trades have been used as a proxy for electricity, a constant 1 MWh:69.444 th and 1MWh:0.3815 te/MWh conversion ratio between commodities has been applied. These same ratios have been used to convert underlying commodity prices into electricity £MWh and therefore no assumptions have been made on either spark or carbon.

When gas-and-carbon hedges are converted into electricity hedges, a "spark spread" is realised which can lead to changes in the average hedge price expected. This can increase or decrease the previously published average hedge price or decrease it. Likewise, when gas hedges are subsequently converted into electricity hedges ahead of delivery, a carbon-and-spark spread value is realised which will also lead to changes in the average hedge price expected.

SSE Thermal:

Hedging for the flexible thermal fleet is by its nature dynamic, changing as market values vary with a constant process of re-optimisation to accrue future value for the Thermal fleet. At negative spark spreads this hedge volume is therefore likely to be very low; and at higher prices the hedge will be much larger.

At all times the Thermal portfolio offers the wider group protection from price spikes, renewables shortfall or asset availability issues and therefore has material risk management value to the Group.

Gas Storage:

The assets are commercially operated to optimise value arising from changes in the spread between summer and winter prices, market volatility and plant availability.

SSE Business Energy:

Sales to contract customers are hedged: at point of sale for fixed contract customers; upon instruction for flexi contract customers; and on a rolling hedge basis for tariff customers.

SSE Energy Markets:

This business provides the route to market and manages the execution for all of SSE's commodity trading outlined above (spark spread, power, gas and carbon). This includes monitoring market conditions and liquidity and reporting net Group exposures. The business operates under strict position limits and VAR controls.

There is some scope for position-taking to permit this business to manage around shape and liquidity and providing market insight whilst taking optimisation opportunities. This is contained within a total daily VAR limit of £9m.

Financial management and balance sheet

Debt metrics	Mar 2025 £m	Sep 2024 £m	Mar 2024 £m
Net Debt/EBITDA[1]	**3.2x**	**N/A**	**3.0x**
Adjusted net debt and hybrid capital (£m)	**(10,186.7)**	**(9,843.8)**	**(9,435.7)**
Average debt maturity (years)	5.6	**6.3**	6.4
Adjusted interest cover[2]	8.0x	**N/A**	9.8x
Average cost of debt at year end (including all hybrid coupon payments)	3.99%	**4.04%**	3.90%

1 Net debt represents the Group adjusted net debt and hybrid capital. EBITDA represents the full year Group adjusted EBITDA, less £153.3m at March 2025 for the proportion of adjusted EBITDA from equity-accounted Joint Ventures relating to project financed debt.
2 Comparative financial information restated to reflect change to adjusted net finance costs APM, please see note 1.2 to the Financial Statements.

Net finance costs reconciliation	Mar 2025 £m	Mar 2024[1] £m
Adjusted net finance costs	**281.0**	**225.5**
Add/(less):		
Lease interest charges	(26.9)	(25.8)
Notional interest arising on discounted provisions	(27.2)	(25.2)
Hybrid equity coupon payment	73.7	73.1
Adjusted finance costs for interest cover calculation	300.6	247.6

1 Comparative financial information has been restated, please see note 1.2 to the Financial Statements.

Principal Sources of debt funding	Mar 2025 £m	Sep 2024 £m	Mar 2024 £m
Bonds	60%	62%	58%
Hybrid debt and equity securities	16%	17%	18%
European investment bank loans	4%	4%	5%
US private placement	7%	7%	8%
Short-term funding	10%	7%	8%
Index-linked debt	3%	3%	3%
% of which has been secured at a fixed rate	**91%**	**94%**	**93%**

Rating Agency	Rating	Criteria	Date of Issue
Moody's	Baa1 'stable outlook'	'Low teens' Retained Cash Flow/Net Debt	17 January 2025
Standard and Poor's	BBB+ 'stable outlook'	About 18% Funds From Operations/Net Debt	20 December 2024

Maintaining a strong balance sheet

A key objective of SSE's long-term approach to balancing capital investment, debt issuance and securing value and proceeds from disposals is by maintaining a strong net debt/EBITDA ratio. SSE calculates this ratio based on a methodology that it believes best reflects its activities and commercial structure, in particular its strategy to secure value from partnering by using Joint Ventures and non-recourse project financing.

SSE considers it has the capacity to reach a ratio of up to around 4.5x, whilst remaining above the equivalent ratios required for a strong investment grade credit rating.

Given the strength of the Group's balance sheet, the net debt/EBITDA ratio at 31 March 2025 was 3.2x. It is expected that this ratio will trend upwards to around 4.0x, as the Group delivers on its ~17.5bn investment plan to 31 March 2027.

Adjusted net debt and hybrid capital

SSE's adjusted net debt and hybrid capital was £10.2bn at 31 March 2025, an increase of £0.8bn from 31 March 2024. With no significant acquisitions or divestments in the year, the debt movement predominantly relates to capital investment expenditure, working capital movements and dividend payments partially offset by operating cash flows and revaluation of foreign currency debt.

Debt summary as at 31 March 2025

The Group and its Scottish Hydro Electric Transmission (SHET) plc entity together issued £1.4bn of new long-term debt in the financial year whilst also continuing to roll short-term Commercial Paper at similar levels to March 2024. Substantial issuances include:

- In June 2024 SHET plc issued a 1.5bn NOK (£111m) 10-year private placement maturing June 2034 with a coupon of 4.731% and an all-in GBP cost of 5.3315% once swapped back to Sterling.
- In August 2024 SHET plc issued a €850m (£715m) 8-year green bond maturing September 2032 with a coupon of 3.375% and an all-in GBP cost of 4.9127% once swapped back to Sterling.
- In March 2025 SSE plc issued a €600m (£503m) 7-year green bond maturing March 2032 with a coupon of 3.50%. This bond has been predominantly left in Euros as a net investment hedge against the Group's Euro denominated assets.
- Over the course of the year, SSE plc rolled maturing short-term Commercial Paper at similar levels to March 2024. On 31 March 2025, €1,075m (£891m) Commercial Paper was in issue in Euros and swapped back to Sterling at an average cost of debt of 5.0%, maturing between April and June 2025.

Medium- to long-term debt maturing in the year comprised $320m (£204m) of US Private Placements which matured in April 2024.

Over the next 12 months there is a further £1.0bn of medium- to long-term debt and £1.2bn of short-term debt maturing.

Medium-term debt is the €600m (£531m) Eurobond maturing 16 April 2025 and €600m (£503m) Eurobond maturing 8 September 2025. Short-term debt is £340m of facility advances on the SHET plc £1.5bn committed facility and €1,075m (£891m) of Commercial Paper, however the current intention is to roll this maturing short-term debt forward throughout the 2025/26 financial year.

Hybrid bonds summary as at 31 March 2025

Hybrid bonds are a valuable part of SSE's capital structure, helping to diversify SSE's investor base and supporting credit ratings, as their 50% equity treatment by the rating agencies is positive for credit metrics.

A summary of SSE's hybrid bonds as at 31 March 2025 can be found below:

Issued	Hybrid Bond Value[1]	All-in rate[2]	First Call Date	Accounting Treatment
July 2020	£600m	3.74%	Apr 2026	Equity accounted
July 2020	€500m (£453m)	3.68%	Jul 2027	Equity accounted
April 2022	€1bn (£831m)	4.00%	Apr 2028	Equity accounted

1 Sterling equivalents shown reflect the fixed exchange rate on date of receipt of proceeds and is not subsequently revalued.
2 All-in rate reflects coupon on bonds plus any cost of swap into sterling which currently only applies to July 2020 Hybrid.

Further details on each hybrid bond can be found note 22 to the Financial Statements and a table detailing coupon payments is shown below:

Hybrid coupon payments

	2025/26		2024/25	
	HYe	FYe	HYa	FYa
Total equity (cash) accounted hybrid coupon[1]	**£74m**	**£74m**	**£74m**	**£73m**

1 Coupon payments on €1.5bn of hybrid bonds remain denominated in Euros, and are therefore subject to foreign exchange adjustments.

Managing net finance costs

SSE's adjusted net finance costs – which exclude equity accounted hybrid coupons – were £(281.0)m in the year ended 31 March 2025, compared to £(225.5)m in the previous year. The higher level of finance costs in the year is driven by a higher net debt position, a higher share of Joint Venture interest costs, predominantly due to interest charges from Seagreen offshore wind farm project finance. This is partially offset by higher capitalised interest costs reflecting continued increasing construction activity.

Reported net finance costs were £(111.3)m compared to £(113.1)m in the previous year. Higher interest charges incurred in Joint Ventures combined with a £6.7m greater beneficial movement on financing derivatives as previously referenced, more than offset the increase seen in adjusted net finance costs.

Summarising cash and cash equivalents

At 31 March 2025, SSE's adjusted net debt included cash and cash equivalents of £1.1bn, which is broadly unchanged from March 2024.

Cash collateral is only required for forward commodity contracts traded through commodity exchanges, with the level of cash collateral either provided or received depending on the volume of trading through the exchanges, the periods being traded and the associated price volatility.

At 31 March 2025, £72.9m of net cash collateral was held (2024: £353.2m net held) consisting of £82.5m received offset by £9.6m deposited on the commodity trading exchanges. The decrease in cash collateral posted reflects a decrease in the "in the money" trading positions held by the Group.

Short-term funding

SSE had £3.0bn (gross of the Minority Interest in SHET plc) of committed bank facilities in place at 31 March 2025 to ensure the Group has sufficient liquidity to allow day-to-day operations and investment programmes can continue in the event of disruption to Capital Markets preventing SSE from issuing new debt for a period of time. These facilities are set out in the table below.

Date	Issuer	Debt type	Term	Value
Oct 24	SSE plc	Syndicated Revolving Credit Facility with 15 Relationship Banks	2029	£1.5bn
Oct 24	SHET plc	Syndicated Revolving Credit Facility with 15 Relationship Banks	2029	£1.5bn

The facilities can also be utilised to cover short-term funding requirements. There was £340m drawings on the SHET plc facility and no drawings on the SSE plc facility as at 31 March 2025.

Both these new facilities have two one-year extension options and are classified as sustainability linked with interest rate and fees paid dependant on various ESG-related metrics being achieved.

In addition to the above, a $300m private placement shelf facility exists with NY Life which can be drawn in approximately two equal tranches 12 months apart before February 2026. At 31 March 2025 no drawings have been made on this facility. The Group also has access to a £21m of overdraft facilities.

Maintaining a prudent treasury policy

SSE's treasury policy is designed to be prudent and flexible. Cash from operations is first used to finance regulatory and maintenance capital expenditure and then dividend payments, with investment and capital expenditure for growth generally financed by a combination of cash from operations, bank borrowings and bond issuance.

As a matter of policy, a minimum of 50% of SSE's debt is subject to fixed rates of interest. In achieving this, SSE borrows as required on different interest bases with financial instruments being used to achieve the desired out-turn interest rate profile. At 31 March 2025, 91% of SSE's borrowings were at fixed rates (31 March 2024: 93%).

Borrowings are mainly in Sterling and Euros to reflect the underlying currency denomination of assets and cash flows within SSE. All other foreign currency borrowings are swapped back into either Sterling or Euros.

Transactional foreign exchange risk arises in respect of procurement contracts, fuel and carbon purchasing, commodity hedging and energy portfolio management operations, and long-term service agreements for plant. SSE's policy is to hedge any material transactional foreign exchange risks using forward currency purchases and/or financial instruments. Translational foreign exchange risk arises in respect of overseas investments; hedging in respect of such exposures is considered on a case-by-case basis.

Operating a Scrip Dividend Scheme

SSE's Scrip Dividend Scheme was renewed for a three-year period at the 2024 AGM. As part of the Group's dividend plan to 2026/27, take-up from the Scrip Dividend Scheme is capped at 25%. This cap is implemented by means of a share repurchase programme, or 'buyback', following payment of the final dividend. The scale of any share repurchase programme would be determined by shareholder subscription to Scrip Dividend Scheme across the full year, taking into account the interim and final dividend elections.

Overall Scrip Dividend take-up for the 2023/24 financial year was 35.7%, therefore the Group initiated a share buy-back programme to limit any dilutive effect back to 25%. This share buy-back programme commenced on 30 September 2024 and completed on 16 October 2024, following the repurchase of 3.8m ordinary shares.

Principal Joint Ventures and Associates

SSE's financial results include contributions from equity interests in joint ventures ("JVs") and associates, all of which are equity accounted. The details of the most significant of these are included in the table below. This table also highlights SSE's share of off-balance sheet debt associated with its equity interests in JVs which totals around £3.7bn as at 31 March 2025.

SSE principal JVs and associates[1]	Asset type	SSE holding	SSE share of external debt	SSE Shareholder loans
Marchwood Power	920MW CCGT	50%	No external debt	No loans outstanding
Seabank Power	1,234MW CCGT	50%	No external debt	No loans outstanding
Slough Multifuel	55MW energy-from-waste facility	50%	No external debt	£181m
Triton Power Holdings	1,200MW CCGT & 140MW OCGT	50%	No external debt	No loans outstanding
Beatrice Offshore Windfarm	588MW offshore wind farm	40%	£567m	Project financed
Dogger Bank A Wind Farm	1,200MW offshore wind farm	40%	£950m	£188m
Dogger Bank B Wind Farm	1,200MW offshore wind farm	40%	£941m	Project financed
Dogger Bank C Wind Farm	1,200MW offshore wind farm	40%	£807m	Project financed
Ossian Offshore Windfarm	ScotWind seabed	40%	No external debt	No loans outstanding
Seagreen Wind Energy	1,075MW offshore wind farm	49%	£400m	£961m[2]
Seagreen 1A	Offshore wind farm extension	49%	No external debt	£29m
Lenalea Wind Farm	30MW onshore wind farm	50%	No external debt	£14m
Lely Alpha Offshore Wind	Netherlands seabed	50%	No external debt	£34m
Clyde Windfarm	522MW onshore wind farm	50.1%	No external debt	£127m
Dunmaglass Wind Farm	94MW onshore wind farm	50.1%	No external debt	£47m
Stronelairg Wind Farm	228MW onshore wind farm	50.1%	No external debt	£89m
Cloosh Valley Wind Farm	105MW onshore wind farm	25%	No external debt	£25m
Neos Networks	Private telecoms network	50%	No external debt	£84m

1 Greater Gabbard, a 504MW offshore wind farm, is proportionally consolidated and reported as a Joint Operation with no loans outstanding.
2 For accounting purposes, £315m of the £961m of SSE shareholder loans advanced to Seagreen Wind Energy Limited have been classified as equity.

Taxation

SSE is one of the UK's biggest taxpayers, and in the Total Tax Contribution survey published in November 2024 was ranked 14th out of the 100 Group of Companies in 2024 in terms of taxes borne (those which represent a cost to the company, and which are reflected in its financial results).

SSE considers being a responsible taxpayer to be a core element of its social contract with the societies in which it operates and seeks to pay the right amount of tax on its profits, in the right place, at the right time. While SSE has an obligation to its shareholders, customers and other stakeholders to efficiently manage its total tax liability, it does not seek to use the tax system in a way it is not meant to operate or use tax havens to reduce its tax liabilities.

SSE was the first FTSE 100 company to be Fair Tax Mark accredited and has now been accredited for ten years.

In November 2024, SSE published its 'Talking Tax 2024: ten years of tax transparency' report. It did this because it believes building trust with stakeholders on issues relating to tax is important to the long-term sustainability of the business. SSE also won PwC's Building Public Trust Award for Tax Reporting in the FTSE 350 for the third consecutive year in November for the quality of its tax reporting.

In the year, SSE paid £592.1m of profit taxes, property taxes, environmental taxes, and employment taxes in the UK, compared with £679.2m in the previous year. The decrease in total taxes paid was primarily due to less corporation tax being paid on UK profits. This was the result of higher capital allowances on capital investment (see below), partly offset by higher amounts of Electricity Generator Levy due to higher electricity generation prices.

As with other key financial indicators, SSE's focus is on adjusted profit before tax and, in line with that, SSE believes that the adjusted current tax charge on that profit is the tax measure that best reflects underlying performance. SSE's adjusted current tax rate, based on adjusted profit before tax, was 13.9%, compared with 16.9% in 2023/24 on the same basis. The decrease in rate is primarily due to higher UK capital allowances on the Group's capital investment programme under full expensing, which was introduced by the UK Government from 1 April 2023.

The UK Finance Act (No.2) 2023 introduced legislation in respect of Multinational Top-up Tax in line with OECD BEPS pillar 2 principles, which came into force in the current year. Similar legislation has been introduced in the Republic of Ireland and other EU jurisdictions. The Group has undertaken modelling and has found there to be no impact arising as tax rates in the countries in which the Group operates exceed 15%.

Pensions

Contributing to employees' pension schemes – IAS 19	**March 25 £m**	March 24 £m
Net pension scheme asset recognised in the balance sheet before deferred tax £m	**501.8**	421.6
Employer cash contributions Scottish Hydro Electric scheme £m	**0.9**	1.0
Employer cash contributions SSE Southern scheme £m	**25.5**	27.1
Deficit repair contribution included above £m	**15.5**	16.3

In the year to 31 March 2025, the surplus across SSE's two pension schemes increased by £80.2m, from £421.6m to £501.8m, primarily due to actuarial gains of £52.8m and contributions to the schemes.

The valuation of the SSE Southern scheme increased by £65.8m in 2024/25 primarily due to actuarial gains of £45.1m driven by gains in actuarial assumptions and contributions to the scheme of £25.5m, offset by losses on plan assets.

The Scottish Hydro Electric Pension scheme has partially insured against volatility in its deferred and pensioner members through the purchase of 'buy-in' contracts meaning that the Group only retains exposure to volatility in active employees. During the year the scheme's surplus increased by £14.4m driven by actuarial gains relating to actuarial assumptions, offset by losses on plan assets.

Additional information on employee pension schemes can be found in note 23 to the consolidated financial statements.

How our businesses fit together

SSE has a very deliberately diversified business mix that spans the clean energy value chain. These businesses, and the world-class assets they maintain, operate alongside each other to optimise growth and create long-term value.

SSE Renewables (M)

Who SSE Renewables serves
Electricity customers across GB, Ireland and selected overseas markets which are increasingly seeking lower-carbon sources of energy.

How it supports SSE's strategy
SSE Renewables is driving the net zero transition through the development, financing, construction and operation of world-class renewables in domestic and selected international markets. It also operates and develops pumped hydro storage that provides flexible and dispatchable electricity needed for a smooth transition to net zero.

How it is remunerated
Through wholesale electricity markets, ancillary services markets, capacity markets, balancing markets, power purchase agreements, and government schemes for renewable energy.

SSE Thermal (M)

Who SSE Thermal serves
Electricity suppliers, traders and other generators through the energy market; the national grid, and ultimately electricity customers.

How it supports SSE's strategy
SSE Thermal is providing critical flexibility to offset renewables variability as the energy system transitions to net zero. The strategic importance of its Gas Storage assets has been highlighted by recent world events and the increasing focus on national energy self-sufficiency.

How it is remunerated
The wholesale energy market, Capacity Market and ancillary services market provide the core revenue streams. The fleet also responds to forward market volatility and within day demand, providing flexible generation and storage.

SSEN Transmission (R)

Who SSEN Transmission serves
Electricity generators, large electricity demand customers and ultimately all electricity customers across the north of Scotland and beyond.

How it supports SSE's strategy
SSEN Transmission invests in critical infrastructure needed for a network for net zero that connects sources of renewable electricity to the national grid and transports it to areas of demand. The business is 75% owned by SSE plc and 25% by investment partner the Ontario Teachers' Pension Plan Board.

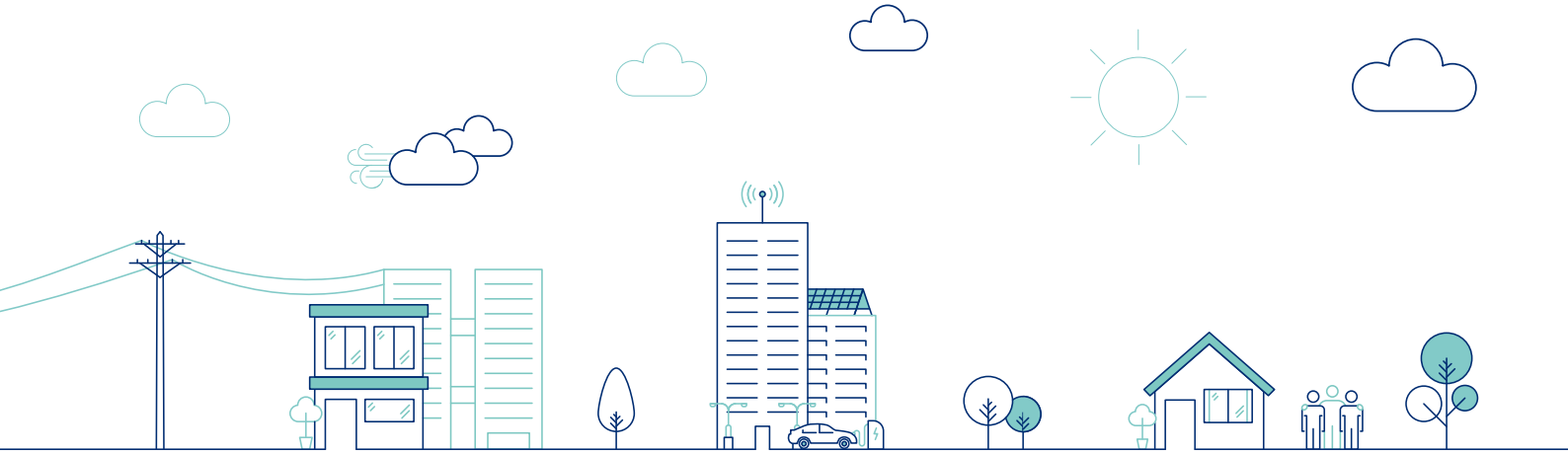
How it is remunerated
Through economically regulated returns and incentives that are recovered from users of the GB transmission system. In addition to baseline total expenditure agreed with Ofgem as part of the regulator's determination of business plans, Uncertainty Mechanisms permit recovery of additional revenue in a given price control period to reflect additional investment requirements. These Uncertainty Mechanisms fund network upgrades during the price control period.

← Renewables — Flexibility → ← Networks →

Corporate Services

Who Corporate Services serves
The Corporate Services comprise central functions such as HR, IT, finance, legal, procurement, corporate affairs and investor relations. These services are being further optimised through SSE's recent operating review to provide its businesses with efficient, continuously improving, shared services, enabling informed decision making, and strategic delivery.

Key: (M) Market-focused businesses (R) Economically regulated businesses



SSEN Distribution (R)

Who SSEN Distribution serves
Over 3.9m homes and businesses in two large, diverse licence areas in southern central England, and the north of Scotland.

How it supports SSE's strategy
SSEN Distribution drives the growth of net zero connections for the communities it serves. It does this through a combination of strategic network investment and the targeted deployment of flexible solutions. Together, these support increased connections to the network, and the increasing take-up of low-carbon technologies.

How it is remunerated
Through economically regulated returns recovered from customers and connecting parties. Additional earnings come through efficient delivery of investment and performance-related incentives.

SSE Energy Markets (M)

Who SSE Energy Market serves
SSE's individual Business Units and the SSE Group.

How it supports SSE's strategy
The work SSE Energy Markets does is key to managing risk associated with the operations behind SSE's Net Zero Acceleration Programme Plus. It trades the principal commodities to which SSE's asset portfolios are exposed, as well as the spreads between two or more commodity prices (e.g. spark spreads); power (baseload and other products); gas; and carbon (emissions allowances). Each commodity has different risk and liquidity characteristics, which impacts the quantum of hedging possible.

How it is remunerated
It receives fees for providing energy trading services to the constituent parts of SSE and has a growing portfolio of third party assets that bring independent value to the Group.

Energy Customer Solutions (M)

Who Energy Customer Solutions serves
770,000 domestic and business customers in the all-island Ireland energy market, and around 310,000 non-domestic customers in GB.

How it supports SSE's strategy
Energy Customer Solutions is responding to the climate emergency as a route to market for SSE's low-carbon energy generation and through the provision of a suite of energy solutions to customers on the transition to net zero.

How it is remunerated
By competing for customers and direct billing them or third party intermediaries, through state-supported schemes and through income from legacy wind farms contracted to SSE Airtricity.

Networks → ← **Routes to market**

How it supports SSE's strategy
The Corporate Services functions develop and maintain SSE's strategic framework, set financial and ESG goals, provide capital funding, ensure compliance with regulatory requirements and offer regulatory and policy insight relevant to Business Unit objectives.

How it is remunerated
They are funded by the Business Units through a recharge model and corporate unallocated costs which are set out in the Financial Statements.

▶ See Our business model on page 7 for more on how SSE creates value

SSE Renewables

SSE Renewables is a leading developer and operator of renewable energy generation, focusing on onshore and offshore wind, hydro, solar and battery storage across the UK and Ireland, and in carefully selected international markets.

▲ Seagreen wind farm's first full year of production boosted SSE Renewables output

SSE Renewables Key Performance Indicators

	March 2025	March 2024
Adjusted operating profit – £m	**1,038.8**	833.1
Reported operating profit – £m	**617.6**	630.3
Adjusted investment & capital expenditure – £m	**1,001.8**	1,097.1
GENERATION CAPACITY – MW		
Onshore wind capacity (GB) – MW	**1,728**	1,285
Onshore wind capacity (NI) – MW	**117**	117
Onshore wind capacity (ROI) – MW	**581**	582
Onshore wind capacity (Europe) – MW	**28**	–
Total onshore wind capacity – MW	**2,454**	1,984
Offshore wind capacity (GB) – MW	**1,014**	1,014
Conventional hydro capacity (GB) – MW	**1,164**	1,159
Pumped storage capacity (GB) – MW	**300**	300
Battery capacity (GB) – MW	**50**	–
Total renewable generation capacity (inc. pumped storage) – MW	**4,982**	4,457
Contracted capacity	**3,189**	2,792
GENERATION OUTPUT – GWH (INCLUDING COMPENSATED CONSTRAINTS)		
Onshore wind output (GB) – GWh	**4,447**	2,991
Onshore wind output (NI) – GWh	**224**	251
Onshore wind output (ROI) – GWh	**1,324**	1,352
Onshore wind output (Europe) – GWh	**17**	–
Total onshore wind output – GWh	**6,012**	4,594
Offshore wind output (GB) – GWh	**3,878**	3,178
Conventional hydro output (GB) – GWh	**2,946**	3,071
Pumped storage output (GB) – GWh	**324**	315
Battery output (GB)-GWh	**46**	–
Total renewable generation (inc. pumped storage & battery) – GWh	**13,206**	11,158

1 Capacity and output based on 100% of wholly owned sites and share of joint ventures
2 Total renewable generation capacity is increased by 526MW. This principally reflects 443MW from Viking wind farm, 50MW from Salisbury BESS and 28MW from Chaintrix wind farm.
3 Contracted capacity includes sites with a CfD, RESS contract, eligible for ROCs, or contracted under REFIT (CfD contracts may be still to commence).
4 Onshore GB wind output includes 1,290GWh of compensated constrained-off generation in FY2024/25 and 530GWh in FY2023/24; Offshore GB wind output includes 1,748GWh of compensated constrained-off generation in FY2024/25 and 701GWh in FY2023/24.
5 Biomass capacity of 15MW and output of 69GWh in FY2024/25 and 77GWh FY2023/24 is excluded, with the associated operating profit or loss reported within SSE Thermal.

Financial performance

Adjusted operating profit increased by 25% to £1,038.8m from £833.1m in the prior year. The increase reflected 18% higher output driven principally by increased operating capacity with Viking onshore wind farm (443MW) reaching completion in August 2024 and a full year contribution from Seagreen offshore wind farm (1,075MW, SSE share 49%). The increase in output was delivered in a higher hedged price environment, with 2024/25 hedge prices around 30% higher than the prior year, delivering value for SSE Renewables despite a still volatile price environment.

Reported operating profit decreased to £617.6m from £630.3m in the prior year. This reflects the above and other movements including a non-cash impairment of £249.5m relating to the Southern Europe Renewables pipeline, reflecting delays in permitting and grid connections resulting in a slower than originally anticipated build of these projects, and an increase in the Joint Venture/ associate share of interest and tax.

Operational delivery

Year-on-year onshore wind volume increased by 31% from 4.6TWh to 6.0TWh, primarily due to the addition of Viking. Weather conditions were variable throughout the year, and operational availability was negatively impacted by the effects of Storm Éowyn in January 2025.

In offshore wind, output increased by 22% from 3.2TWh to 3.9TWh. The increase is primarily driven by the first full year of operations of Seagreen which saw a year-on-year increase in production, partially offset by variable weather conditions over the winter months.

In hydro, plant availability was strong but production decreased by 4% from 3.1TWh

to 2.9TWh due to the impact from highly variable weather, ranging from extended lower-than-average rainfall periods to extreme storm events. Tummel Bridge returned to service in September 2024 following refurbishment, increasing output by 6MW to 40MW during optimum conditions.

Agreements for de-rated capacity were secured in the T-4 GB capacity auction for 1,238MW of hydro, pumped storage, onshore wind and solar generation at a clearing price of £60/kW. In the T-1 capacity auction, SSE Renewables secured a one-year contract for 30MW (SSE share) of offshore generation at Seagreen for delivery year 2025/26. In Ireland, contracts were secured for 11MW of onshore wind and 14MW of battery storage (10-year agreement) in Ireland for delivery year 2028/29.

Delivering world-class assets

Onshore, in addition to the delivery on time of Viking in Shetland, SSE Renewables is approaching completion and full commercial operations at Yellow River wind farm (101MW) in Ireland which is contracted under a 16.5-year RESS 3 contract with the Irish Government.

Following a final investment decision in December 2024, construction commenced in May 2025 on Strathy South wind farm (208MW) in the Scottish Highlands. The project – fully contracted through a 15-year Allocation Round 5 (AR5) CfD contract with the UK Government – is targeting commercial operations in late 2027. At Aberarder wind farm (50MW) in Scotland, also fully contracted under an AR5 CfD contract, turbine deliveries will commence in summer 2025 ahead of commercial operations by the end of 2026.

In England, SSE Renewables is finalising construction of its 150MW Ferrybridge battery energy storage system (BESS) project, with commercial operations expected in summer 2025. Battery installation is ongoing at Monk Fryston BESS (320MW) and Fiddlers Ferry (150MW) ahead of expected operations in early and late 2026, respectively.

At Seagreen, an agreement was signed in March 2025 to sell the Offshore Transmission Assets as required by the offshore transmission regime.

At Dogger Bank A (1,200MW, SSE share 40%), offshore turbine installation and commissioning continues. In April 2025, turbine installation passed the halfway mark, and the project remains on track to reach completion within the second half of 2025.

On Dogger Bank B (1,200MW, SSE share 40%), all 95 monopile foundations have been installed while interarray cable-laying work is expected to complete in summer 2025. On Dogger Bank C (1,200MW, SSE share 40%), installation of monopile foundations has commenced and the last of the foundations has been delivered to storage. A second jack-up vessel, the Seaway Ventus, will join the turbine installation campaign in the second quarter of 2026 to support delivery of Dogger Bank B and C.

In hydro, improvement works are continuing on assets to maximise run-off, storage and optimisation benefits. In February 2025, a £70m investment to repower the 45MW Lochay power station and ex-tend its operational life by at least another 40 years was announced. In March 2025, Inverawe power station (22.75MW) secured a 15-year refurbishment contract in the GB T-4 capacity auction.

In north-east France, Chaintrix (28MW) entered commercial operations in February 2025. Construction is ongoing at Jubera (64MW) in northern Spain, targeting commissioning at the end of 2025. In southern Italy, construction has commenced at the combined Castel Favorito and Masseria la Cattiva (together 17MW) with commercial operations expected in 2026.

Growth opportunities

In onshore development, SSE continues to progress Drumnahough wind farm (60MW, SSE share 50%) in Ireland and Cloiche wind farm (130.5MW) in Scotland, both fully contracted in 2024 under Ireland's RESS-4 and the UK's AR6 auction rounds, towards final investment decisions expected in the second half of 2025.

In offshore development, outline planning permission was granted in November 2024 for Berwick Bank wind farm's (4.1GW) remaining onshore transmission infrastructure and grid connection in Northumberland. SSE Renewables expects to receive a determination by Scottish Government ministers on its Section 36 consent application for the offshore aspects of the project by summer 2025.

The UK Government's CfD Allocation Round 7 (AR7) is expected to open towards the end of summer 2025. Depending on the final auction eligibility criteria, SSE could have onshore and offshore wind projects eligible to participate.

In March 2025, Ofgem and DESNZ jointly published a high-level design of the long-duration electricity storage cap and floor scheme. The first application window is open with the first projects to be awarded a cap and floor contract by Q2 2026. SSE intends to submit its Coire Glas pumped hydro storage project (c.1,300MW) into the first window subject to the level of risk and uncertainty associated with large-scale pumped storage hydro investment being appropriately recognised in the scheme.

▼ Yellow River is set to play its part in helping to meet Ireland's Climate Action Plan targets

Yellow River drives Ireland's green transition

SSE's new 101MW Yellow River Wind Farm in Rhode, County Offaly, is approaching completion and full commercial operations, driving progress towards Ireland's 2030 renewable energy targets.

The project's 29 turbines can power the equivalent of 67,000 homes annually, with all its capacity contracted under a 16.5-year RESS 3 contract with the Irish Government.

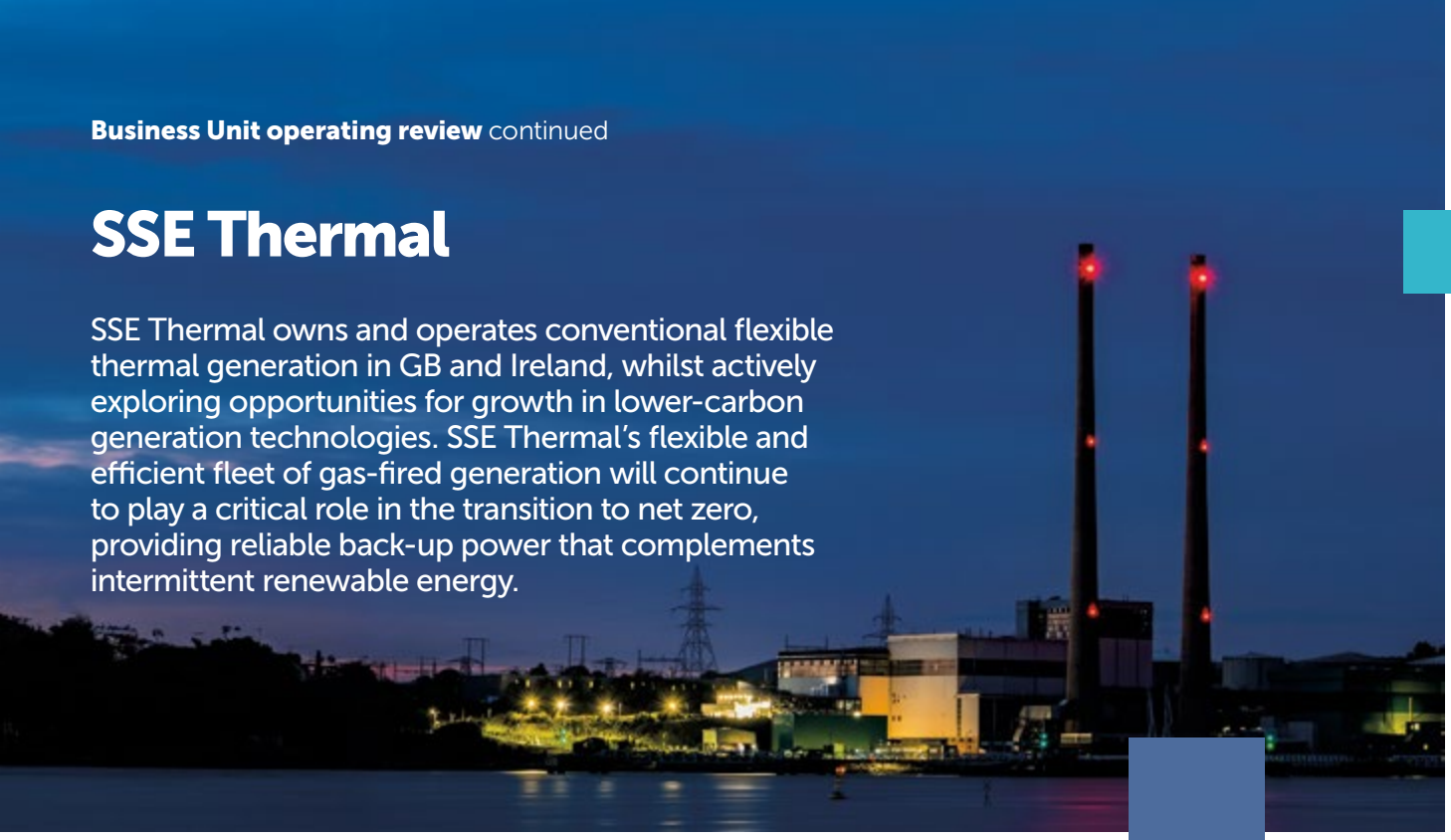
Yellow River Wind Farm supported up to 150 jobs during construction and the project will leave another positive legacy through its annual community benefit fund.

67,000

homes powered annually by Yellow River Wind Farm

SSE Thermal

SSE Thermal owns and operates conventional flexible thermal generation in GB and Ireland, whilst actively exploring opportunities for growth in lower-carbon generation technologies. SSE Thermal's flexible and efficient fleet of gas-fired generation will continue to play a critical role in the transition to net zero, providing reliable back-up power that complements intermittent renewable energy.



▲ Assets like Great Island power station offer back-up to intermittent renewables

SSE Thermal key performance indicators

	March 2025	March 2024
Adjusted operating (loss)/profit – £m	**248.5**	752.5
Reported operating (loss)/profit – £m	**240.8**	660.8
Adjusted investment and capital expenditure – £m	**183.1**	109.2
GENERATION CAPACITY – MW		
Gas- and oil-fired generation capacity (GB) – MW	**5,538**	5,538
Gas- and oil-fired generation capacity (ROI) – MW	**672**	672
Energy from waste capacity & Biomass (GB) – MW	**43**	15
Total thermal generation capacity – MW	**6,252**	6,225
GENERATION OUTPUT – GWH		
Gas- and oil-fired output (GB) – GWh	**16,237**	13,597
Gas- and oil-fired output (ROI) – GWh	**1,405**	1,650
Energy from waste & Biomass output (GB) – GWh	**182**	78
Total thermal generation – GWh	**17,824**	15,325

1 Capacity is wholly owned and share of joint ventures, and reflects Transmission Entry Capacity.
2 Output is based on SSE 100% share of wholly owned sites and 100% share of Marchwood PPAs due to the contractual arrangement.
3 During the year ended 31 March 2025, SSE Thermal took responsibility for the Slough Heat and Power business from SSE Enterprise. Comparative performance has been restated.

Financial performance

Adjusted operating profit decreased by 67% to £248.5m, compared to £752.5m in the prior year. This decrease was in line with expectations set out at the start of the financial year and principally driven by lower spark spread prices and significantly lower market volatility due to continued normalisation of energy prices. The result also reflects a fall of £38m in Capacity Market payments compared to the previous year, reflecting the lower T-1 auction outturn, as well as a £38.8m one-off benefit from the sale of land at Ferrybridge.

Reported operating profit decreased to £240.8m, compared to £660.8m in the prior year. In addition to the movements above, the prior year result was impacted by a £(63.2)m non-recurring impairment charge on Triton Power and losses on re-measurements of operating derivatives in that business.

Operational delivery

Thermal plants continue to provide back-up reserve to the renewables-led system as well as flexible response as overall UK balances change. Increasingly this means that the value of the intrinsic baseload spark spread is less relevant to SSE Thermal revenues, and value is accrued through the Capacity Market, providing dispatchable capacity during periods of tight system margin, offering the National Energy System Operator (NESO) services though the Balancing Mechanism and other ancillary contracts, and through trading the option value of assets.

Managing availability responsibly, both within year and taking a view of future system needs, continues to be a priority for SSE Thermal. As such, the fleet delivered strong commercial availability overall although extended outages at Great Island limited its operation in the market at times. Likewise, planned and unplanned outages at Keadby 2 also reduced opportunities to secure value during the year.

The UK Government's recently announced Clean Power 2030 Plan indicates a need for around 35GW of unabated thermal plant to be on the system into the 2030s. With older existing assets (Keadby 1, Medway and Peterhead) now expected to play an important role on the system for longer than originally anticipated, and at least to 2035, SSE Thermal is now proactively planning investment across a number of years to build in additional longevity and resilience across the fleet.

Construction programme

Construction and commissioning of Slough Multifuel (55MW) was completed in August 2024. The 50/50 joint venture energy-from-waste plant was delivered ahead of schedule and on budget, with its 15-year Capacity Market agreement commencing in October 2024.

In Ireland, construction of a 150MW Temporary Emergency Generation unit at Tarbert has completed, with some final scopes being completed this year. Delivered at the request of Irish authorities, the unit is now available to the system and will only be utilised when market-sourced generation is insufficient to meet system needs.

On the same site, construction will begin this year on the 300MW Tarbert Next Generation power station ahead of a planned completion by the end of 2027. The construction cost is expected to total up to €300m, and the station benefits from a 10-year capacity agreement which has secured a total of €335m of revenues.

Growth opportunities

SSE Thermal is committed to bringing forward new flexible generation which can support short-term security of supply requirements while also delivering long-term decarbonisation. As a pragmatic partner to government, the business is developing options in both GB and Ireland which can deliver much-needed capacity ahead of anticipated increases in electricity demand, recognising that some new unabated flexible power may be needed to fill a gap if low-carbon options cannot be delivered in time.

In December 2024, SSE Thermal launched Mission H2 Power with Siemens Energy, which aims to deliver gas turbine technology capable of running on 100% hydrogen. This will directly support the decarbonisation of Keadby 2 as well as the wider development of a low-carbon power portfolio, with the UK Government confirming its intention to develop a Dispatchable Power Agreement to support deployment of hydrogen-to-power.

SSE Thermal continues to progress plans for new 'decarb-ready' power stations which would initially run on natural gas before converting to hydrogen. Public consultations have been completed for the 900MW Keadby Next Generation power station in North Lincolnshire, with planning expected to be submitted later this year.

The UK Government Comprehensive Spending Review, expected summer 2025, should provide an update on further deployment of carbon capture technology and implications for SSE Thermal's proposed up to 900MW Peterhead and Keadby Carbon Capture power stations.

In April 2025, Aldbrough Hydrogen Pathfinder was shortlisted in the UK Government's Hydrogen Allocation Round 2 process and received planning permission. Subject to reaching a final investment decision, the project could be operational by 2029.

In Ireland, planning permission has been granted for Platin power station in County Meath with a final investment decision targeted later this year, and for a synchronous compensator at Great Island, which could bring an additional source of revenue if a contract for Low Carbon Inertia Services is secured.

▼ Slough Multifuel is the latest addition SSE Thermal's portfolio of flexible plant

Slough Multifuel powers energy from waste

SSE Thermal and partners Copenhagen Infrastructure Partners (CIP) opened a new energy-from-waste facility in Slough – ahead of schedule. The 55MW facility is expected to process around 480,000 tonnes of waste that would otherwise go to landfill.

Slough Multifuel began a 15-year capacity agreement for 42MW of de-rated capacity at a price of £18/kW on 1 October 2024. The site is run by Hitachi Zosen Inova (HZI).

Steam produced by Slough Multifuel is being reused by neighbouring businesses, helping to decarbonise its operations and contribute to the estate's circular economy.

480,000

tonnes of waste saved from landfill

Gas Storage

SSE holds around 40% of the UK's conventional underground gas storage capacity at two sites on the east Yorkshire coast. The Atwick facility, near Hornsea, is wholly owned by SSE, while the Aldbrough facility is operated as a joint venture with Equinor. These two sites support the security of gas supply for the UK whilst providing important liquidity to the UK and interconnected gas markets.

SSE Gas Storage key performance indicators

	March 2025	March 2024
Adjusted operating (loss)/profit – £m	**(37.1)**	82.8
Reported operating (loss) – £m	**(45.5)**	(42.2)
Adjusted investment and capital expenditure – £m	**0.7**	0.8
Gas storage level at year end – mTh	**79**	40
Gas storage level at year end – %	**47**	21

Financial performance

Adjusted operating profit decreased to a £(37.1)m loss, compared to a profit of £82.8m in the prior year. A typical year sees gas injected in the summer months when prices are low and then withdrawn and sold in winter months when prices are higher. The past year has seen unusual market conditions for these assets with the impact of mandatory gas storage filling targets in the European Union, and proposed gas storage support in Germany driving summer prices higher than those in the winter, distorting the natural functioning of the market and limiting the assets' ability to trade and secure value. However, the markets are now providing pockets of valuable spread and summer re-injection has commenced.

Reported operating loss increased to a £(45.5m), compared to a loss of £(42.2)m in the prior year. In addition to the movements above, this mainly reflects a £(134.1)m impairment charge in the prior year which was not repeated this year.

Operational delivery

SSE's Gas Storage business continues to be an important risk management tool for the Group's generation portfolio. It offers flexibility as a result of the assets' technical ability to cycle quickly and mitigate exposures from wind speeds and demand variability, which drives short-term gas demand from thermal generation.

Third party contracts were secured with three customers for injection and withdrawal, locking in value for the assets while maintaining the ability to trade the remaining capacity. However, the gas markets demonstrated limited volatility over the course of the financial year, with minimal spreads between Summer 2024 and Winter 2024 prices reducing the ability to secure value.

Injection availability at Atwick was limited from August, due to planned maintenance on Cavern Three and the compressors. At Aldbrough, all caverns provided strong injection and withdrawal availability across the full year. Political intervention in the wider European gas storage market was one of the major factors which limited and even inverted the normal summer/winter spreads.

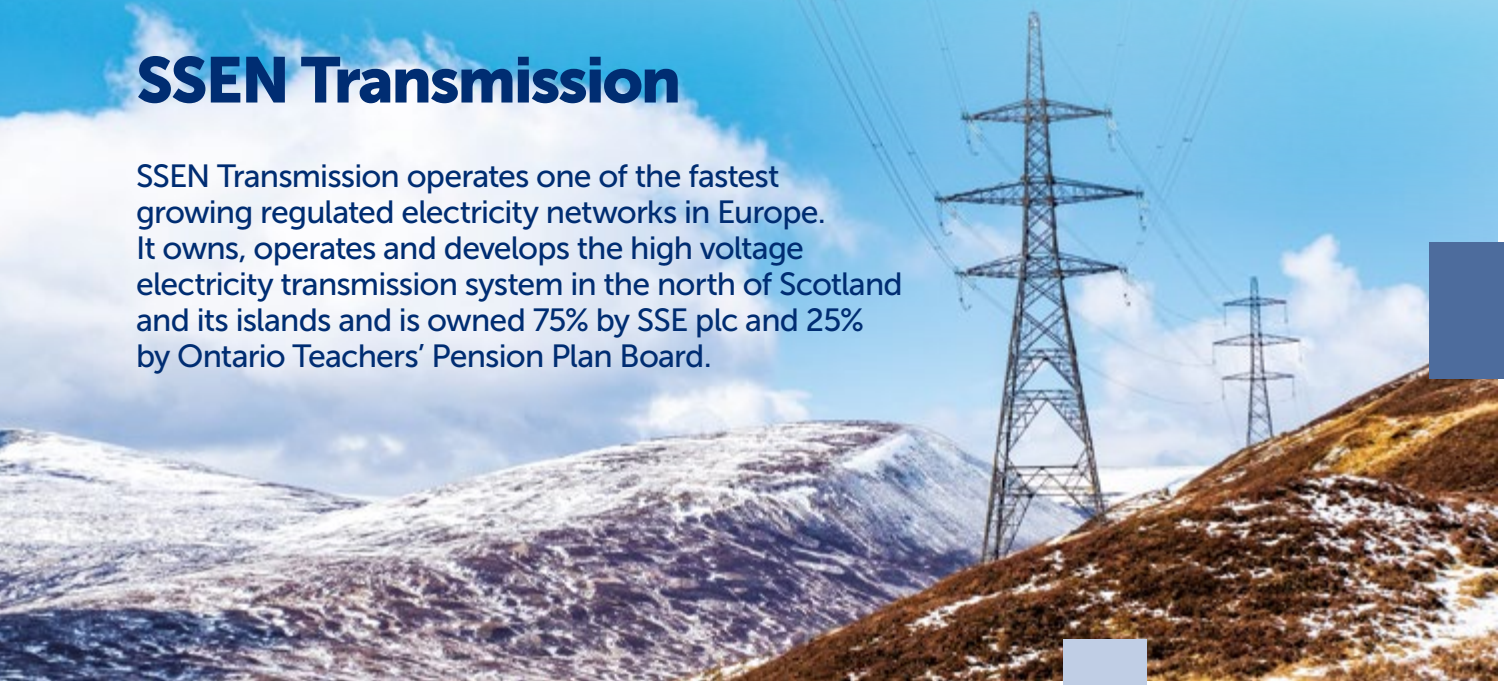
Work is under way to prepare Cavern Eight at Atwick for potential rewatering in the next financial year. If a decision to rewater is taken, it would create an opportunity to secure value from the maintained cushion gas, whilst leaving open the future possibility to return to service as natural gas or hydrogen storage, should market conditions support this.

Growth opportunities

Ahead of the National Energy System Operator taking on this responsibility in 2026, the UK Government is progressing work on strategic planning of hydrogen storage and transport infrastructure. In November 2024, the Government began early engagement, as a first step in a formal procurement process for hydrogen storage. This was followed by confirmation in December 2024 that the Government aims to publish details for the first allocation during 2025, with an ambition for up to two storage projects to be in operation or construction by 2030. To support this ambition, a planning application for Aldbrough Hydrogen Storage is being targeted for late 2025.

SSEN Transmission

SSEN Transmission operates one of the fastest growing regulated electricity networks in Europe. It owns, operates and develops the high voltage electricity transmission system in the north of Scotland and its islands and is owned 75% by SSE plc and 25% by Ontario Teachers' Pension Plan Board.



▲ Assets like the Beauly-Denny line transport vital clean energy to where it's needed

SSEN Transmission key performance indicators

	March 2025	March 2024
Adjusted operating profit[1] – £m	**322.5**	419.3
Reported operating profit – £m	**430.0**	559.1
Adjusted investment and capital expenditure[1] – £m	**953.5**	595.6
Gross Regulated Asset Value (RAV) – £m[2]	**7,171**	5,676
SSE Share Regulated Asset Value (RAV)[1,2] – £m	**5,378**	4,257
Renewable Capacity connected within SSEN Transmission area – GW[3]	**10.9**	9.3

1 Excludes 25% minority interest.
2 Estimated and subject to outturn of annual regulatory process.
3 Transmission and distribution connected capacity within the SSEN Transmission Network area, includes pumped storage and battery storage.

Financial performance

Adjusted operating profit, which is presented net of the business's 25% non-controlling interest, decreased by 23% to £322.5m from £419.3m in the prior year. Despite growing expenditure and associated underlying allowances, a true-up for benefit received in the 2023/24 financial year in relation to "full expensing" accelerated capital allowances means that net allowed revenues were lower than the prior year. In addition, operating costs and depreciation continue to increase as the business grows rapidly to deliver the investment programme agreed with the regulator.

Reported operating profit decreased to £430.0m compared to £559.1m, as a result of all of the movements above but reflecting that non-controlling interests are fully consolidated for all profit metrics under IFRS.

All references to performance indicators relate to 100% of the business unless otherwise stated.

Operational delivery – RIIO-T2

SSEN Transmission continues to deliver a sector-leading operational performance through the safe and reliable transmission of electricity, recognising the increasingly important contribution its network makes to national security of supply.

Despite the significant impact of several named storms, SSEN Transmission achieved 95% of the annual RIIO-T2 reward through the 'Energy Not Supplied Incentive' of £0.7m in 2018/19 prices.

Capital investment programme

SSEN Transmission's capital investment programme continues to make good progress, increasing the network capacity that will support clean power, net zero and energy security targets.

As of 31 March 2025, the network's total installed capacity was 12.2GW, of which 10.9GW was renewable and other low-carbon sources – including 0.8GW of pumped storage and battery storage.

Following the successful energisation of the Shetland HVDC link in August 2024, on budget and ahead of schedule, good progress continues to be made connecting Shetland's electricity distribution network to the HVDC link. Energisation will follow the completion of SSEN Distribution's 'Shetland Standby Project' in 2026, connecting Shetland's homes and businesses to the GB electricity network for the first time.

The East Coast 400kV upgrade continues, with good progress being made on replacing the existing overhead line conductors between Kintore and Kincardine and associated substation upgrades. This includes the new Kintore 400kV substation, which upon completion is expected to be the world's first SF_6-free 400kV substation.

Delivering a pathway to 2030

The Pathway to 2030 programme includes 11 major projects, six onshore and five offshore. Regulatory approvals for all these investments have been secured through Ofgem's Large Onshore Transmission Investment (LOTI) Uncertainty Mechanism and Accelerated Strategic Transmission Investment (ASTI) framework.

Following the granting by Scottish Ministers of the final major overhead line consent in September 2024, the Argyll and Kintyre 275kV Reinforcement Project is progressing with groundworks well advanced at all five substation sites. Overhead line enabling works continue to make good progress, with overhead line construction set to commence in summer 2025. The project is due for energisation in 2029.

In September, construction began on the Orkney transmission link, with good progress made with groundworks and preparatory works for the onshore cable.

At Dounreay West substation in Caithness works were temporarily suspended in November 2024 following the identification of suspected radium during planned radiation monitoring activities. In April 2025, agreement was reached with SEPA to secure the necessary permit to allow works to recommence safely, with energisation still on track for 2028.

For the Skye Reinforcement project, all substation consents are in place, however a decision is still awaited from Scottish Ministers for overhead line consent, which continues to take significantly longer than anticipated following its submission back in September 2022. Substation enabling works have already commenced, with main construction works expected to start in 2026 and energisation by the end of 2029.

The Eastern Green Link (EGL) 2 project, the first of a series of 2GW subsea superhighways between Peterhead and England, is now in construction with groundworks progressing well at convertor station sites at Peterhead and Drax. This joint arrangement project with National Grid Electricity Transmission (NGET) remains on track for energisation in 2029.

All remaining ASTI substation and convertor station planning applications required for 2030 delivery have now been submitted to the relevant Local Planning Authority, with most decisions expected throughout 2025.

Coachford substation, which was part of the Beauly-Peterhead 400kV scheme, is no longer being taken forward following engineering and construction challenges identified through extensive site surveys and ground investigation works at the proposed site. A new substation site in the wider area will still be required for delivery in the early 2030s, which will now be rescoped and redeveloped.

In April 2025, the Fort Augustus substation was approved by the Highland Council's South Planning Committee. This is the first major ASTI planning application to be determined and a major milestone for the Pathway to 2030 investment programme.

All remaining Section 37 consents are due to be submitted in summer 2025 and are expected to be determined through the Scottish Government's new Priority Applications for Transmission Infrastructure guidance which sets out a 52-week determination ambition, including instances where a Local Public Inquiry is triggered.

Work to progress EGL3 continues, with the outcome of the supply chain tender expected in summer 2025. Energisation is now expected in the early 2030s due to delays in progressing required changes of scope to NGET's onshore infrastructure in Lincolnshire.

With the supply chain for the remainder of the ASTI projects already in place and all associated consents submitted, all other ASTI projects remain on track for 2030 delivery, subject to timely and positive consent decisions.

▼ A new 260km subsea transmission link is unlocking Shetland's clean energy potential

Connecting Shetland for the first time

Last year, the Shetland Islands were connected to the GB electricity grid for the first time by a new 260km subsea transmission link to the Scottish mainland. The Shetland High Voltage Direct Current (HVDC) Link has the capacity to transport enough clean energy to power 500,000 homes, through the first multi-terminal HVDC switching station of its kind anywhere in Europe.

The link brings clean power from SSE Renewables' 443MW Viking wind farm on Shetland to the GB transmission grid too, with the two projects representing over £1bn of combined investment, supporting around 650 jobs during peak construction and contributing £125m to the Shetland economy. Delivered on time and on budget, this landmark project will play a key role in the UK's clean energy transition.

260km

length of subsea cable connecting Shetland to the Scottish mainland

RIIO-T3 price control

In December 2024, SSEN Transmission submitted to Ofgem its Business Plan for the RIIO-T3 regulatory price control, covering the period from April 2026 to March 2031.

The plan sets out total expenditure of at least £22.3bn, in 2023/24 prices. This includes around £16bn of ASTI and LOTI investments already approved by Ofgem. The plan also sets out the potential for an additional £9.4bn of future Uncertainty Mechanism expenditure, which includes the regional and system operability investment required to deliver Clean Power 2030.

The successful delivery of this plan requires a financial framework that recognises the unprecedented levels of investment needed. Draft Determinations are expected on 25 June 2025 ahead of Final Determinations in December 2025.

Growth opportunities

In December 2024 Ofgem reaffirmed the need for several additional strategic investments in the north of Scotland that were set out in the National Energy System Operator's (NESO's) 'Beyond 2030' report, providing initial funding to take these projects the consenting stage through the regulator's 'Delivery Track' funding route and access to Ofgem's new Advanced Procurement Mechanism.

These projects include a second HVDC link to Shetland and combined represent an investment of over £5bn for delivery between 2030 and 2035. Ofgem has also exempted these projects from competition.

Further investments will also be required to deliver the local and regional investments that are critical to support the UK Government's Clean Power 2030 target. This includes potential customer connections and system operability investments, all of which were submitted to Ofgem in February 2025 as an addendum to the RIIO-T3 Business Plan.

A further high capacity HVDC subsea link from the north-east of Scotland to England, EGL5, which follows a change in scope by the NESO from its previously proposed coordinated offshore grid, presents additional future growth opportunities.

These additional growth opportunities were included within the potential £9.4bn RIIO-T3 Uncertainty Mechanism expenditure noted above.

SSEN Distribution

SSEN Distribution, operating under licence as Southern Electric Power Distribution plc (SEPD) and Scottish Hydro Electric Power Distribution plc (SHEPD), serves more than 3.9m homes and businesses across central southern England and the north of Scotland. The business serves some of the most diverse and unique geographies across the UK, spanning more than 75,000km^2, and keeps customers and communities connected while developing the flexible electricity network vital to achieving net zero.

▲ SSEN Distribution's two networks span more than 75,000km^2

SSEN Distribution key performance indicators

	March 2025	March 2024
Adjusted and reported operating profit – £m	**736.0**	272.1
Adjusted investment and capital expenditure – £m	**635.8**	505.1
Regulated Asset Value (RAV) – £m	**5,737**	5,301
Electricity Distributed – TWh	**38**	37
Customer minutes lost (SHEPD) average per customer	**69**	66
Customer minutes lost (SEPD) average per customer	**51**	58
Customer interruptions (SHEPD) per 100 customers	**59**	57
Customer interruptions (SEPD) per 100 customers	**42**	51

RAV, Customer minutes lost and Customer interruptions figures estimated and subject to outturn of annual regulatory process

Financial performance

Adjusted and reported operating profit increased by 170% to £736.0m compared to £272.1m in the prior year. The large increase in price control allowed revenues in the year reflects that 2024/25 was the earliest financial year when unexpectedly-high cost inflation in 2022/23 and 2023/24 could be recovered, as tariffs are set 15 months before the start of financial year. This one-off cost inflation catch-up is partially offset by increasing operating costs associated with business transformation and improving network resilience, as well as higher depreciation on a growing asset base.

Operational delivery – RIIO-ED2

SSEN Distribution has completed the second year of the five-year RIIO-ED2 price control which runs until March 2028 and includes £3.6bn of baseline expenditure (2020/21 prices). It also provides the opportunity to trigger additional funding under Uncertainty Mechanisms (UMs) which could add at least £0.7bn to expenditure in the period.

During the financial year, an additional £106m has been secured through UMs related to investment in subsea and on island infrastructure, storm resilience and cyber security. An additional £236m of UMs are currently being assessed by Ofgem, with further submissions planned in the remaining years of the price control.

Customer performance

In RIIO-ED2, the ability to secure higher incentive performance has been tightened compared to previous price control periods. Within the Interruptions Incentive Scheme (IIS), SSEN is offered an incentive on its performance against the loss of electricity supply through the recording of the number of Customer Interruptions (CI) and Customer Minutes Lost (CML). These include planned, as well as unplanned, interruptions.

Following a challenging start in the first year of the price control, IIS performance across both measures improved in the SEPD region in 2024/25, with a decrease in CI of 18% and CML by 12% due to targeted improvement work. However, an unsettled winter in the SHEPD region adversely impacted CI and CML performance, with small increases of 4% and 5% respectively. An overall penalty of £9m was incurred across SEPD and SHEPD under the scheme, reduced from £14m in 2023/24.

Cumulative investment of over £40m in automation across both licence areas continues to have a positive impact on SSEN Distribution's ability to reconfigure the system quickly and remotely, following unplanned faults. This, alongside projects to reinforce the network, aims to improve IIS performance in future years.

SSEN Distribution's performance in exceptional storm events remains a strength. In January 2025, Storm Éowyn, which the Met Office called the 'strongest storm in a decade', caused 580 faults on SHEPD's network. Power was restored to 95% of the 92,000 customers affected within 48 hours and customer service during the storm was maintained at close to BAU levels.

Customer Satisfaction performance remains a clear focus for the business. The Broad Measure incentive score remained broadly level in 2024/25 across SEPD and SHEPD but new technology and process improvements, including self-serve functionality and improved channel options, are expected to benefit future performance.

SSEN's Distribution System Operations (DSO) activities are estimated to have received an around £4m reward in 2024/25 through the DSO Annual Incentive process.

Achieving upper-tier performance against other DNOs, SSEN's "exceptionally well-put together" submission was praised by Ofgem's independent panel.

Capital investment

The second year of RIIO-ED2 has seen an acceleration of the major capital investment programme across both networks. This is delivering performance improvements, an improved service for customers, and future earnings through RAV growth.

In the SEPD region £1bn of investment is to be delivered under efficient Capital Delivery Agreements with three contract partners. A £200m, multi-year programme of investment to transform Oxfordshire's local electricity system is getting under way and work began on a £12m project to improve Bournemouth's local network, following two £8m network reinforcement projects in Portsmouth and Southampton which will be completed later this year.

In SHEPD, similar holistic contracts worth £450m have been signed with five contract partners to deliver network improvements across the north of Scotland licence area by the turn of the decade. During 2024/25, the laying of a new 2km subsea cable linking Islay with Jura was completed, ensuring a safe, reliable supply for these communities.

Proposals for the 'Shetland Standby Project' were approved in December 2024, with £93m of funding awarded over 10 years. A battery storage system will be built to provide interim supply in the event of a network fault while Lerwick power station is brought out of standby mode. Work will accelerate later this year, with energisation due in 2026.

Growth opportunities

The National Infrastructure Commission's recent call for greater proactive investment in Electricity Distribution networks aligns with SSEN Distribution's progressive approach to strategic development planning. The NIC estimates between £37-50bn of investment in the GB distribution network is needed by 2050 which represents a doubling of current annual allowances for load-related expenditure, on top of 'business as usual' investment. This aligns with SSEN Distribution's work to develop Strategic Development Plans at each Grid Supply Point (GSP).

SSEN's award-winning Local Energy Net Zero Accelerator (LENZA) tool has now been adopted by all local authorities based wholly within its network areas. 455 local planners – a three-fold increase in a year – are now using LENZA to devise the most-efficient locations for decarbonised developments in their communities.

▼ Engineers at work restoring supply to customers during the storms of January 2025

Exceptional storm draws exceptional response

Storm Éowyn was described by the Met Office as "the strongest storm in a decade", with winds of up to 100mph causing 92,000 of SSEN Distribution's customers to lose supply in Scotland. In response the business mobilised a 1,100-strong team to fix faults and support communities.

Efforts to restore supply were hampered by fallen trees blocking access and the sheer volume of damage to overhead lines caused by the destructive winds. During Storm Éowyn SSEN's customer service team spoke with over 2,000 vulnerable customers on the phone and provided over 7,000 hot meals to people waiting to be reconnected.

SSEN Distribution continues to prepare for increasingly severe and frequent extreme weather events through investment in infrastructure resilience. It also has over one million of its 3.9 million customers registered on its Priority Services Register.

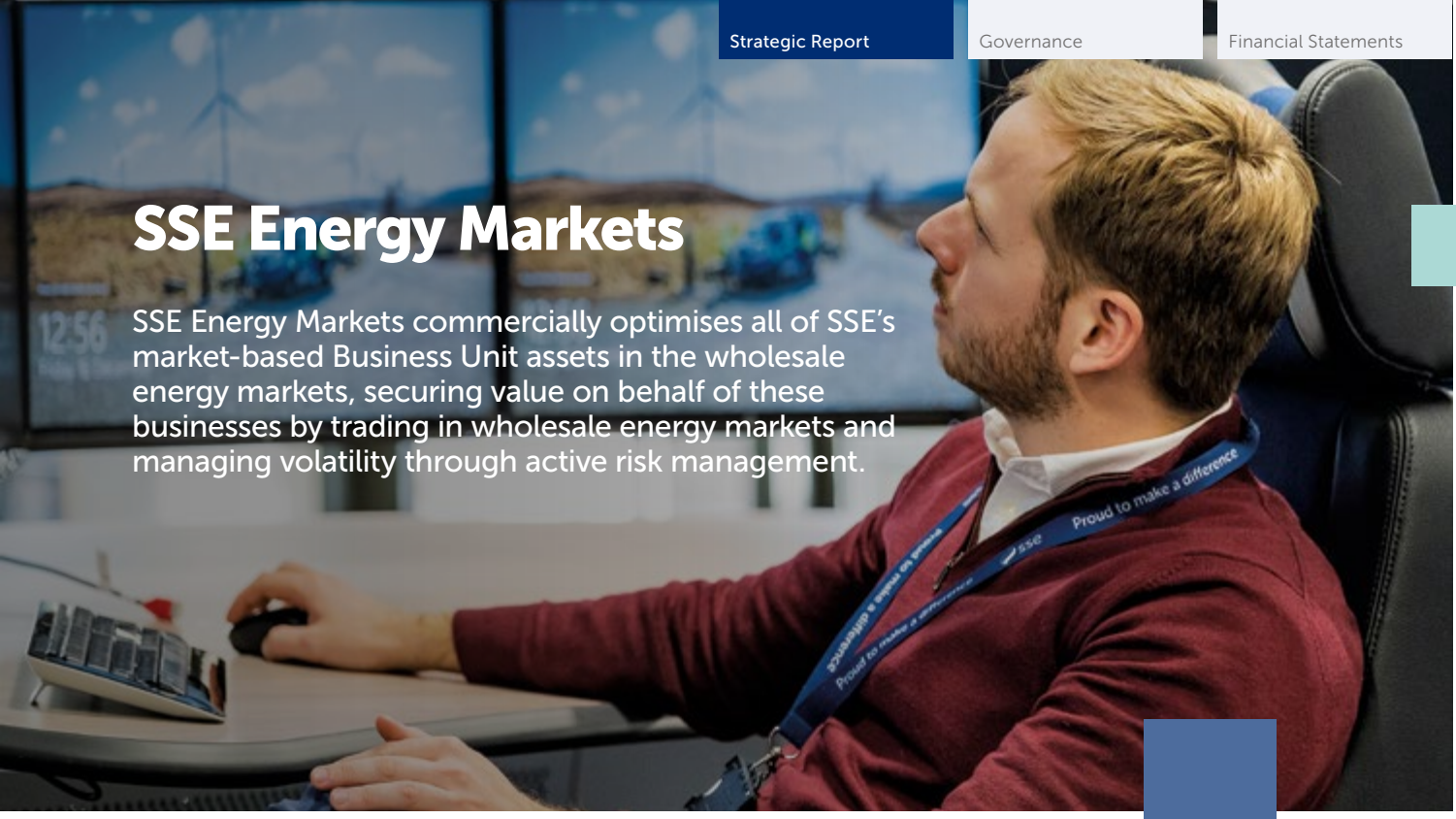
1,100

strong team mobilised by SSEN Distribution to help customers through Storm Éowyn

This move to a strategically-planned and long-term investment approach is also informing SSEN Distribution's submission to the RIIO-ED2 load-related Uncertainty Mechanism later this year and emerging thinking ahead of the ED3 price control which begins in 2028. Further detail is included in SSEN's Empowering Communities, Enabling Growth publication, issued in early May 2025. In late April, Ofgem published its Framework Decision for ED3 which signalled a clear shift to a more planned and proactive approach to investment. It is expected to build on this approach in its Sector Specific Methodology Consultation, launching in the summer of this year.

SSE Energy Markets

SSE Energy Markets commercially optimises all of SSE's market-based Business Unit assets in the wholesale energy markets, securing value on behalf of these businesses by trading in wholesale energy markets and managing volatility through active risk management.



▲ SSE Energy Markets trades the principal commodities to which SSE's asset portfolios are exposed

SSE Energy Markets key performance indicators

	March 2025	March 2024
Adjusted operating profit – £m	**30.0**	37.5
Reported operating profit/(loss) – £m	**(42.9)**	588.6

1 During the year ended 31 March 2025, SSE Energy Markets has taken responsibility for energy optimisation services from SSE Enterprise. Comparative performance has been restated.

SSE Energy Markets' operations involve trading the principal commodities to which SSE's asset portfolios are exposed, as well as the spreads between two or more commodity prices (e.g. spark spreads): power (baseload and other products); gas; and carbon (emissions allowances). Each commodity has different risk and liquidity characteristics, which impacts the quantum of hedging possible.

This is supplemented by optimisation activities and position taking – both subject to strict position limits and value at risk controls – and contracting for third party Power Purchase Agreement (PPA) and route-to-market contracts.

Financial performance

Adjusted operating profit has decreased 20% to £30.0m from a £37.5m profit in the prior year. Energy Markets continues to drive significant value for the energy-exposed businesses through its trading services and the business itself generates a relatively low level of baseline operating earnings from these services. The decrease in year-on-year profitability is mainly due to reduced margin on optimisation activities given the continued normalisation of volatility and price of power and gas trades in the market.

Reported operating profitability decreased to a loss of £(42.9)m from a profit of £588.6m in the prior year. In addition to the movements above, the reported operating result includes net re-measurement losses on forward commodity derivatives relative to a large gain in the prior year. These IFRS 9 re-measurements exclude any re-measurement of 'own use' contracts and are unrelated to underlying operating performance.

Operational delivery

SSE Energy Markets has continued to play a pivotal role in navigating energy market volatility, managing risk and ensuring the Group's market-based Business Units can capture and maximise value. This covers all trading periods, with decisions being made from one centre of excellence. The value Energy Markets secures for SSE's asset portfolio continues to be reported against individual Business Units.

The business has an increasing focus on building a portfolio of third party assets, bringing added independent value to the Group. In the financial year, SSE Energy Markets signed a 10-year agreement to optimise two major battery energy storage systems being developed by Copenhagen Infrastructure Partners (CIP) in Scotland with a combined capacity of 1GW.

It also signed a number of route-to-market PPA contracts ranging from two to 15-year terms. In total, SSE Energy Markets now holds route-to-market contracts with 2.75GW of assets which are backed by a Contract for Difference, of which around 2.3GW are classed as third party.

SSE Energy Markets has also increased the volumes it is trading in European power and gas markets, subject to strict position limits and Value at Risk (VAR) controls, which will be critical as the Group seeks opportunities in carefully selected international markets. It has also continued to adapt to the shifting energy landscape by further strengthening its data and advanced analytics capabilities.

Energy Customer Solutions

Energy Customer Solutions (ECS) is SSE's shop window to the non-domestic market in GB and the whole energy supply market on the island of Ireland, with dedicated energy experts as key account managers pulling together the best of SSE into powerful combined propositions.

▲ New partnerships have been formed to develop EV related product offerings

SSE Airtricity key performance indicators

	March 2025	March 2024
Adjusted operating profit – £m	**159.4**	95.0
Reported operating profit – £m	**157.0**	94.5
Adjusted investment and capital expenditure – £m	**6.9**	14.8
Aged Debt (60 days past due) – £m	**19.2**	18.2
Bad debt expense – £m	**2.8**	13.7
Airtricity Electricity Sold – GWh	**6,704**	6,400
Airtricity Gas Sold – mtherms	**237**	199
All Ireland energy market customers – m	**0.77**	0.75

During the year, ECS has continued to focus on serving customers; extending our service range and expanding our product portfolio. Tight commercial and risk controls have enabled the business to navigate volatility while providing a range of tariffs and low carbon solutions to all customer segments.

In January the former SSE Enterprise division merged with ECS to achieve a greater range of integrated energy solutions, including distributed energy offerings for cities and large energy customers. During the year the breadth of ECS's Corporate Power Purchase Agreement products was extended, securing major customers in the retail and banking sectors.

SSE Airtricity

Financial performance

Adjusted profitability increased 68% to £159.4m, from £95.0m in the prior year. The prior year saw lower margins as the business supported customers through the cost-of-living crisis and by largely absorbing the impact of higher commodity costs and indirect costs including bad debt expenses. The normalisation of energy prices in the last financial year meant the business was able to deliver tariff reductions within year whilst also returning supply margins to more sustainable levels. In addition, income from legacy wind farms contracted to SSE Airtricity remained robust, increasing by around £10m compared to prior year.

Reported operating profit also increased to £157.0m compared to £94.5m in the prior year, mainly reflecting a £(2.0)m restructuring charge relating to the Group operating model and efficiency review in addition to the movements above.

Operational delivery

SSE Airtricity has achieved an increase in customer accounts to 770,000 thanks to a market-leading fixed-price offer and strong customer service. We aim to support customers to understand and reduce their energy bills and the business is pleased that around 20% of customer acquisitions are on a smart product.

Airtricity has a long history of financial support for customers and in October 2024 it decided against passing through significant increases in transmission and distribution charges during winter, a decision which suppressed margins in the second half of the year. Following other market movements, it announced in February 2025 that it would increase tariffs by an average of 9.5% with effect from 2 April to collect these regulated charges from customers.

Beyond energy supply, Airtricity actively develops propositions that will help lower bills and move customers towards a low carbon pathway. During the financial year, a partnership with Activ8 Energies installed solar on over 2,000 rooftops, lowering bills by up to 50%. Energy Services products were delivered to around 5,000 customers throughout the year, ranging from Smart home surveys and heating upgrades to full-scale domestic retrofits.

Airtricity also supported customers to access up to £20m in grant funding. New partnerships have also been formed with Ohme and Nevo to help deliver integrated product offerings including Electric Vehicles (EVs), home charging and a smart EV tariff.

SSE Business Energy key performance indicators

	March 2025	March 2024[1]
Adjusted operating profit – £m	**32.7**	55.2
Reported operating profit – £m	**32.2**	55.2
Adjusted investment and capital expenditure – £m	**73.1**	84.6
Electricity Sold – GWh	**9,840**	10,693
Gas Sold – mtherms	**120**	168
Aged Debt (60 days past due) – £m	**279**	336
Bad debt expense – £m	**40**	113
Energy customers' accounts – m	**0.31**	0.38

1 During the year ended 31 March 2025, SSE Business Energy has taken responsibility for private electric networks and businesses aligned with the provision of low carbon energy solutions to customers from SSE Enterprise. Comparative performance has been restated.

SSE Business Energy

Financial performance

Adjusted profitability decreased by 41% to £32.7m compared to £55.2m in the prior year. The focus for the business during the past year was the stabilisation of a new customer management and billing system known as Evolve.

During the stabilisation period, servicing of existing customers was prioritised whilst acquisition and onboarding activity was limited, contributing to an overall reduction in customer numbers and volumes sold. This was partially offset by a lower bad debt expense as improved customer data from the Evolve system, lower customer tariffs and a more stable market price environment reduced the overall level of provisioning required.

Reported operating profit also decreased to £32.2m compared to £55.2m in the prior year, reflecting the movements above in addition to a £(0.5)m share of interest and tax from Joint Ventures.

Operational delivery

Over the last 12 months, Business Energy (BE) has delivered solid performance with a focus on billing platform stabilisation and the extension of low-carbon and distributed energy solutions. Evolve has been implemented, modernising the IT estate and providing the basis for improved customer experience, product delivery and commercial controls.

The business understands the needs of commercial customers of all sizes and has selected a small number of partners to bring a range of propositions to market. A partnership with Ortus Energy, offering rooftop solar installations to commercial customers, includes the acquisition of 13MW of existing rooftop solar assets and the option to finance up to 130MW of future projects over the next three years.

In July 2024 a Joint Venture was agreed with TotalEnergies – Source – to deploy and operate up to 3,000 high power charge points, grouped in 300 EV hubs. The joint venture has made a strong start with 222 charge points at 24 EV charging hubs completed.

Growth opportunities

As the shop window for SSE, backed by the Group's generation assets, ECS will continue to deliver access to increasing volumes of green energy from SSE's wind farms for all customer segments. With the proven ability to innovate and create partnerships, ECS will continue to provide a growing suite of energy products and distributed energy solutions to support customers on the journey to net zero, including Corporate Power Purchase Agreements.

The business aims to remove complexity for customers as they reduce their carbon emissions. In Ireland, ECS currently provides around 85% of the energy by volume used by data centres and will continue to target the tech and pharma sectors where the strongest growth is expected.

In GB, the UK Government's focus on growth and devolution to regions is an opportunity to leverage strong relationships the business has with combined authorities and other public bodies.

▼ SSE's Klair Neenan announces the fund with Northern Ireland First Minister Michelle O'Neill

SSE Airtricity's discretionary €5m community fund for green growth

The SSE Airtricity Generation Green Community Fund was established to support communities across the island of Ireland in the journey towards a greener future. Community engagement was crucial throughout the establishment of this fund, with the design of 10 focus areas, including community climate projects and climate education, informed by over 600 public consultation responses. The fund is particularly aimed at fostering local leadership and promoting social equity, ensuring that all communities can contribute to Ireland's sustainable future.

Fifty-six fully funded sustainability projects across the island of Ireland, have been approved for funding include a STEM education programme developed by students for secondary schools in Ireland.

€5m

SSE Airtricity Generation Green Community Fund launched by SSE

Sustainability

Chief Sustainability Officer's review

Transparency through the transition

A holistic view of sustainability, combined with a pragmatic approach to goal-setting that takes account of the changing world around us, has led to a timely update of SSE's Net Zero Transition Plan.

For SSE, we have long understood that it is impossible to be sustainable unless we are tackling climate change. However, we also see that it is possible to tackle climate change in a way that is unsustainable for people and nature. That is why a holistic approach to sustainability is so important: incorporating all three pillars (economic, social, and environmental) set out in the late 1980s by the United Nations Brundtland Commission.

In 2024/25, SSE made a larger contribution to social sustainability than the year before. We made our largest-ever annual contribution through community benefit funds with £16.3m made in community grant awards. The gender pay gap narrowed for the fifth year in a row, and the proportion of women in senior roles increased, despite stalled progress at the highest executive levels.

We marked our 10th year of consecutive Fair Tax Mark accreditation, and we continued to support living wage movements in the UK and beyond. And while recruitment has since slowed in parts of the Group, we attracted more people into SSE across 2024/25 and continued to attract workers from former high-carbon industries. Over a third of respondents to our new joiners survey had transitioned to a low-carbon role with SSE – thereby demonstrating a sense of a 'just' transition.

Environmentally, there were fewer damaging incidents, and the delivery of 'biodiversity net gain' across our portfolio of onshore projects is picking up pace.

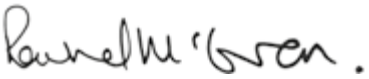
However, the year was mixed in relation to climate action. At a time when ambition from the UK Government has never been so clear, planning and policy delays mean progress is not accelerating to the extent to which climate science demands, and this is having an impact on SSE's business objectives.

> "SSE remains as committed as ever to playing its part in decarbonising the power system in a way that's good for people and nature too."

SSE's response is a downwards revision of capital and renewables capacity expectations within the five-year investment plan to FY27. We expect that this updated five-year plan will have a knock-on impact on our medium-term sustainability targets, including the likelihood that our 2030 Goal on renewable generation is unlikely to be met in time. This is on top of anticipated year-to-year fluctuations in greenhouse gas emissions, and it will, inevitably, result in diminished socio-economic gains too.

The update of SSE's Net Zero Transition Plan is therefore timely. It is striking how little the fundamentals of the plan have changed since it was first published in 2022. A renewables-led power system, backed up by decarbonised flexible generation and connected by low-carbon grids, is both the most effective way to tackle climate change and the most affordable. This year, in the interests of complete transparency, we have included two scenarios within that Plan to demonstrate the variables that affect it.

While this level of transparency is important to build trust with stakeholders, the purpose of these disclosures is to support the policy and wider environment in establishing the conditions under which it is possible to get back on track. SSE remains as committed as ever to playing its part in decarbonising the power system in a way that's good for people and nature too.



Rachel McEwen
Chief Sustainability Officer, SSE plc

20 May 2025

How we approach sustainability

SSE aims to share the benefits of climate action as widely as possible, while leaving no one behind. This ambition is enshrined in our purpose, guides our business strategy, informs our 2030 Goals and is underpinned by a robust governance structure. We also work collaboratively to help deliver a just transition.

Focusing on the sustainability topics that matter most

SSE's approach to sustainability is informed by its stakeholders and four core 2030 Goals (see page 45). These 2030 Goals are aligned to the UN's Sustainable Development Goals (SDGs) that are most material to SSE's business. SSE's commitment to minimising its impact on the natural world is guided by a further three environmental-related SDGs (see page 58).

SSE prioritises the topics that matter most to the business and its stakeholders through a double materiality assessment. This determines the actual or potential impacts of SSE's operations on society and the environment, as well as how sustainability issues might affect the Company's financial performance. In 2024/25, SSE carried out a 'pulse check', which confirmed that the Company remains focused on the most material topics. Find more detail in SSE's Sustainability Report 2025.

SSE's main stakeholder groups are described on pages 8 and 9.

Building lasting partnerships to achieve more

One of the best ways that SSE can address sustainability topics is by working in partnership with others. Some partnerships have lasted over a decade and focus on sharing value with society, such as SSE's work with the Living Wage Foundation and Fair Tax Foundation. Others focus on driving positive change more quickly. For example, SSE is involved in several industry collaborations that focus on key decarbonisation challenges facing the energy sector. This includes SSE Renewables being a founding partner of Sustainability Joint Industry Partnership (SusJIP). SusJIP brings together global offshore wind developers and aims to develop the first standardised approach for calculating lifecycle emissions of offshore wind farms.

How we govern sustainability

Responsibility for ensuring that sustainability is embedded in everything SSE does starts at the top of the Company. SSE's Board, Chair, Chief Executive, Group Executive Committee and sub-committees are all accountable for the most material sustainability impacts. To drive accountability, SSE links a portion of executive pay to Group performance against independent ESG ratings, as well as to longer-term progress towards the 2030 Goals.

SSE's most material sustainability topics

1	Carbon emissions
2	Sustainable energy generation
3	Affordable and reliable energy
4	Supply chain management
5	Skilled workforce

Opportunities for enhanced impact

1	Just transition
2	Circularity
3	Nature and biodiversity

The Board is advised on matters relating to safety, sustainability, health and the environment by the Safety, Sustainability, Health and Environment Advisory Committee. SSE also has issue-specific steering groups and sub-committees and some of SSE's Business Units have their own sustainability committees, which report to their Business Unit Executive Committees. In 2024/25, SSE's Audit Committee approved a new Sustainability-related Financial Disclosures Committee, reporting to the Group Risk Committee.

See more in the Governance Report, pages 84 to 160.

Our sustainability reporting

SSE provides comprehensive sustainability disclosures within this Annual Report, as well as in a number of other publications which make up its reporting suite.

In this report, the Sustainability section explains SSE's impact on society and the environment, and performance against goals and targets. Detailed disclosures that support this narrative can be found in the Disclosures Statements section.

Sustainability section

This section (pages 42 to 59) is structured around five key areas, aligned to the UN SDGs most material to SSE and where the Company can make the biggest impact.

Disclosure statements

The Disclosure Statements section on pages 70 to 83 includes the following sustainability information:

- Climate-related financial disclosures
- Carbon performance disclosures
- EU Taxonomy assessment
- Non-financial and sustainability information statement

Additional sustainability disclosures

SSE provides enhanced disclosure of its policies, practice and performance against its key economic, social and environmental impacts and goals in it Sustainability Report 2025. It also publishes a number of topic specific reports. These publications can be found at sse.com/sustainability.

Monitoring developments in disclosure requirements

In the coming years, SSE will be affected by new sustainability disclosure requirements, including from the UK Sustainability Disclosure Requirements and the EU Corporate Sustainability Reporting Directive. See the Audit Committee Report on pages 113 to 119 for more on how the Company is monitoring changes in the sustainability disclosure landscape to ensure it complies with the latest requirements.

Taking stock on the pathway to 2030

2030 Goals provide a framework to ensure SSE plays a meaningful role in addressing the challenge of climate change in ways that are fair to working people, consumers and communities.

Since first establishing the Goals in 2019, SSE has made considerable progress. There is good progress towards its ambition to connect renewable energy to the electricity transmission network in the north of Scotland. However, in the context of the current market and policy environment, there are increasing challenges in meeting SSE's carbon intensity goal and SSE does not expect it will meet its ambitious goal to increase renewables output fivefold by 2030.

More detailed discussion on SSE's progress in these areas is outlined in the following pages.

Progressing towards 2030 Goals

Cut carbon intensity by 80%

13 CLIMATE ACTION

Reduce scope 1 carbon intensity by 80% by 2030 to 61gCO_2e/kWh, compared to 2017/18 base year of 307gCO_2e/kWh.

218gCO_2e/kWh

On target but with risk

61gCO_2e/kWh

See page 47

Increase renewable energy output fivefold

7 AFFORDABLE AND CLEAN ENERGY

Build a renewable energy portfolio that generates at least 50TWh of renewable electricity a year by 2030.

13.3TWh*

Behind target

50TWh

See page 49

Enable low-carbon generation and demand

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Enable the connection of at least 20GW of renewable generation capacity within SSEN Transmission's licence area.

10.9GW

On target

20GW

See page 51

Champion a fair and just energy transition

8 DECENT WORK AND ECONOMIC GROWTH

Be a global leader for the just transition to net zero, with a guarantee of fair work and commitment to paying fair tax and sharing economic value.

£8.68bn
contribution to UK and Irish GDP

67,190
jobs supported in the UK and Ireland

See page 56

* Includes pumped storage, battery energy storage systems, biomass and constrained-off wind in GB.

Driving climate action

With the case for climate action more pressing than ever, SSE is at the forefront of the energy transition, providing practical solutions needed for a clean power system. At the same time, we're increasing focus on climate adaptation to ensure our operations and assets are resilient to climate change.

A strategy for net zero

SSE's strategy is tackling climate change head-on supporting the energy transition and achieving clean power. SSE's Net Zero Transition Plan, 2030 Goals and accompanying science-based targets set out how the Company intends to achieve this.

Our Net Zero Transition Plan

To demonstrate its commitment to the energy transition, SSE aims to reach net zero across scope 1 and 2 greenhouse gas (GHG) emissions by 2040 at the latest (subject to security of supply requirements), and across scope 3 GHG emissions by 2050 at the latest.

These are long-term ambitions, so to make meaningful progress, SSE has set four near-term targets verified by the Science Based Targets initiative (SBTi) and aligned to a 1.5°C pathway. See the graphic below.

These targets form the basis of SSE's Net Zero Transition Plan which sets out the tangible actions to remove GHG emissions from SSE's electricity generation, operations and value chain. The plan makes clear that, while the transition may not be linear, over time, the power system as a whole needs to decarbonise completely. This means deploying renewables at scale while transitioning away from unabated gas generation to new low-carbon flexible generation. SSE's role in the transition also goes beyond its own targets, with the Company's investment in decarbonised electricity helping other key sectors to remove carbon from their operations too.

Updating SSE's Net Zero Transition Plan

In 2024/25, SSE updated its Net Zero Transition Plan, consistent with the Transition Plan Taskforce (TPT) recommendation to update standalone plans every three years. SSE's refreshed Plan is structured around three core themes: generation, operations and value chain. This structure helps stakeholders better understand SSE's actions to reduce emissions.

The Plan also includes action to protect and restore nature, and new emissions scenarios against SSE's scope 1 and 2 2030 science-based targets. In light of the UK Government's Clean Power 2030 Action Plan, these scenarios are based on the timing of the phased reduction in unabated gas generation and its shift to a back-up role to balance the system and ensure security of supply.

Amendment to SSE's shareholder 'say on climate' resolution

The Board plans to table a resolution at the 2025 Annual General Meeting (AGM) that will reset the framework and establish a three-year cycle for voting on SSE's Net Zero Transition Report. Progress against SSE's carbon targets and Net Zero Transition Plan will continue to be published yearly in SSE's Annual and Sustainability Reports. SSE introduced the framework for the advisory vote in 2021, and shareholders last voted at the 2024 AGM, with 98.2% voting in its favour.

SSE's Net Zero Transition Plan pathway

This graphic shows SSE's near- and long-term carbon targets.

S1 Scope 1 S2 Scope 2 S3 Scope 3

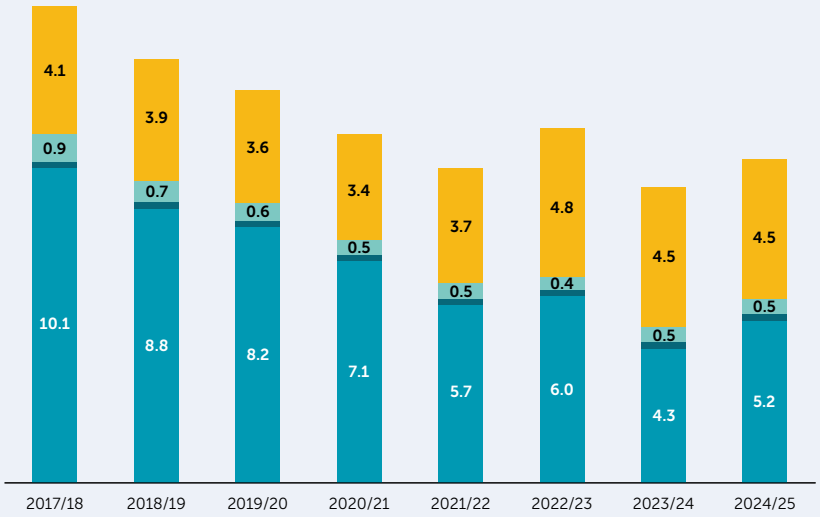
	Near term (2025 – 2035)				Long term (2035 – 2050)	
TARGETS	**Carbon intensity** Reduce the carbon intensity of scope 1 GHG emissions by 80% by 2030, from a 2017/18 base year.	**Absolute emissions** Reduce absolute scope 1 and 2 GHG emissions by 72.5% by 2030 from a 2017/18 base year.	**Supplier engagement** Engage with 90% of suppliers by spend to set science-based targets by 2030.	**Gas sold** Reduce absolute GHG emissions from use of products sold by 50% by 2034 from a 2017/18 base year.	**Scope 1 and 2** Net zero for SSE's scope 1 and 2 emissions by 2040.	**Scope 3** Net zero for all SSE's remaining scope 3 emissions by 2050.
	S1	S1 S2	S3	S3	S1 S2	S3

Note: for definitions of scopes 1, 2 and 3 SSE follows the GHG Protocol.
For further information on SSE's Sustainability Reporting Criteria 2025 see sse.com/sustainability

SSE's total reported emissions

SSE's total reported emissions increased by 10% between 2023/24 and 2024/25, mainly due to an increase in scope 1 emissions from thermal generation. Overall, SSE's reported emissions have decreased by 32% versus the 2017/18 base year, falling from 15.1MtCO_2e to 10.2MtCO_2e in 2024/25. SSE's total reported emissions in 2024/25 consisted of 51% scope 1 emissions, 5% scope 2 emissions and 44% scope 3 emissions. For more detail see Carbon performance disclosures page 79.

Figure 1: SSE's GHG emissions by scopes between 2017/18 and 2024/25 (million tonnes CO_2e)



- **Scope 3:** Gas sold (Category 11), Joint Venture investments (Category 15), well-to-tank emissions from raw fuels purchased (excluding gas sold) and transmission and distribution emissions from electricity used in non-operational and operational buildings (Category 3), SSEN Transmission network losses (Category 9), contractor vessels (Category 4), and business travel (Category 6)
- **Scope 2:** Electricity consumption in operational and non-operational buildings and SSEN Distribution network losses
- **Other scope 1:** Operational vehicles and fixed generation, sulphur hexafluoride and gas consumption in buildings
- **Scope 1:** Electricity generation carbon emissions

Figure 2: 2024/25 progress against SSE's science-based targets from a 2017/18 base year

Scopes 1 and 2

Reduce the carbon intensity of scope 1 GHG emissions — by 80% by **2030**

36% progress

2024/25: **218gCO_2e/kWh** (29% reduction from base year)

Reduce absolute scope 1 and 2 GHG emissions — by 72.5% by **2030**

67% progress

2024/25: **5.70MtCO_2e** (48% reduction from base year)

Scope 3

Reduce absolute GHG emissions from use of products sold — by 50% by **2034**

46% progress

2024/25: **1.95MtCO_2e** (23% reduction from base year)

Engage with 90% of suppliers by spend to set science-based targets — by **2030**

51% engaged

2024/25: **51% by spend engaged**

Performance against SSE's Net Zero Transition Plan

This year marks an important halfway point towards two of SSE's key science-based targets that are focused on carbon intensity and absolute emissions. The Company has made progress against each of the four near-term targets, as outlined in Figure 2.

SSE is now one-third of the way towards its scope 1 carbon intensity reduction target and two-thirds of the way towards its absolute scope 1 and 2 reduction target. SSE is nearly halfway towards meeting its scope 3 gas sold target. Last year it also met its supplier target to engage with 50% of suppliers by spend to help them set science-based targets by 2024. The updated Net Zero Transition Plan includes a revised supplier target, to engage 90% of suppliers by spend by 2030.

Scope 1 and 2 emissions performance

This year, SSE's scope 1 GHG intensity of electricity generated was 218gCO_2e/kWh (2023/24: 205gCO_2e/kWh). This represents a 29% reduction against the 2017/18 base year. Meanwhile, SSE's scope 1 and 2 absolute emissions were 5.70MtCO_2e (2023/24: 4.81MtCO_2e), representing a 48% reduction against the 2017/18 base year.

Both SSE's scope 1 carbon intensity and absolute scope 1 and 2 emissions increased compared to last year due to a 24% rise in thermal generation output and constrained capacity on the grid for renewable energy. This year's rise in thermal generation output was caused by changes in market demand and increased running of SSE's most efficient assets.

SSE's Scope 2 GHG emissions were 0.48MtCO_2e in 2024/25. This represents a 2% increase from the previous year (2023/24: 0.47MtCO_2e). This was due to a marginal increase in emissions from distribution losses from more power being transported across the distribution networks.

With thermal electricity generation accounting for 99% of SSE's scope 1 emissions in 2024/25, both its thermal and renewables businesses have an important role to play in reducing SSE's carbon intensity of generation. This year, that included new investment in a power station in Ireland that will run on 100% sustainable biofuels, the start of operations at Viking onshore wind farm in Shetland and near completion and commercial operations at Yellow River Wind Farm in Ireland.

SSE's other operational emissions accounted for 9% of scope 1 and 2 emissions in 2024/25, and the Company is involved in a range of activities to reduce them. These include trialling hydrotreated vegetable oil (HVO) as an alternative to standby diesel generation for remote electricity distribution customers, switching SSE's car fleet to electric models and tackling sulphur hexafluoride (SF_6) leaks. For more information see page 59

Scope 3 emissions performance

SSE's largest scope 3 emissions categories are gas sold to customers (43%), emissions from joint venture thermal generation (35%) and upstream well-to-tank emissions from fuels purchased for thermal generation (19%).

SSE's total scope 3 emissions in 2024/25 increased slightly by 2% to 4.54MtCO_2e (2023/24: 4.46MtCO_2e). This was due to higher upstream well-to-tank emissions from increased fuel use in the thermal power stations.

Scope 3 emissions from gas sold to customers in 2024/25 were 1.95MtCO_2e (2023/24: 2.01MtCO_2e). This represents a 23% reduction against the 2017/18 base year. Emissions associated with joint venture thermal generation remained consistent at 1.60MtCO_2e in 2024/25.

SSE is working with customers to help them reduce gas consumption and with joint venture partners to develop their transition plans.

SSE has also been working towards better understanding the scope 3 emissions embedded in the goods and services it buys to help estimate its purchased goods emissions using a spend-based methodology. In future, SSE is aiming to move towards a hybrid reporting method that combines supplier and spend data.

Adapting to climate change

The physical impacts of climate change have the potential to adversely affect SSE's operations and interrupt energy supply to homes and businesses. So it's more important than ever that the Company ensures its operations and networks are both prepared and resilient.

A key climate risk is the impact from extreme weather events, such as high winds or intense storms. SSE has made investments to manage this risk and help teams respond to problems as quickly as possible. For example, SSE monitors short- and long-term weather patterns, has robust business continuity plans and is investing to improve the resilience of its infrastructure.

SSE's work was put to the test in January 2025, when 1,100 engineers and community support teams were mobilised to respond to Storm Éowyn, which brought 100mph winds to parts of Scotland. During this storm, SSEN Distribution quickly restored power to approximately 92,000 affected customers. See case study on page 38 for more detail.

Meanwhile, SSE's Business Units are preparing their climate risk assessments and adaptation plans. In 2024/25, SSEN Transmission published a new climate resilience strategy, while SSEN Distribution published its fourth standalone report in response to UK Government requirements on power companies. SSE also participates in national adaptation frameworks, which this year included contributing to the fourth round of voluntary, industry-level Climate Adaptation Power reporting (APR4).

Figure 3: Summary of SSE's key climate-related opportunities and risks

As part of meeting its climate-related financial disclosure requirements set out by the Financial Conduct Authority, SSE has identified the material climate-related opportunities and risks related to the Company's strategy. The Company reviews these every two years and this year updated them as shown here.

This table provides a summary of SSE's material climate-related opportunities and risks, alongside time horizon assessed and the scenario sensitivity. For more detail on the opportunities, risks, time horizons and scenario sensitivities see pages 71 to 78.

Time horizon of opportunity or risk:
SSE considered different warming scenarios over three time horizons to assess the financial impact in each time period.

Period of opportunity or risk — Most material impact

Scenario sensitivity:
Scenario sensitivity indicates the financial significance of different warming scenarios as indicated by the scenario modelling.

High sensitivity — Low sensitivity — Warming scenario not assessed

		Time horizon			Scenario sensitivity		
		2035	2050	2080	1.5°C	2.5°C	4°C
Transition opportunities	Accelerated transmission growth	■	●		●●●●	●●●	▨
	Accelerated wind investment	■	●		●●●●	●●●●	▨
	Valuable flexible hydro	■	●		●	●	▨
	Valuable flexible thermal	■	●		●●●	●	▨
	Driving distribution transformation	■	●		●●	●●	▨
Transition risk	Wind generation price	■	●		●●●●	●●●	▨
Physical risks	Variable renewable generation risk		■	●	●●●	▨	●●●●
	Extreme weather network damage		■	●	●●	▨	●●

Providing affordable and clean energy

The best way we can make energy more affordable for consumers is by developing new sources of renewable generation supported by transition finance to unlock investment. As we do so, we continue to ensure our own customers have access to secure, reliable energy, helping those in vulnerable circumstances stay connected.

Our 2030 Goal: increasing renewable output

SSE's 2030 Goal to increase renewable energy fivefold to 50TWh a year, while established in 2021, is critical support to clean power ambitions in the UK and Ireland.

During 2024/25, renewables output increased by 19% to 13.3TWh* (2023/24: 11.2TWh), meaning that SSE is now just over a quarter of the way towards its 2030 Goal. This was due to the addition of Viking onshore wind farm and the first full year of operation of Seagreen offshore wind farm. Average wind speeds modestly improved relative to last year, but operational production was negatively affected by Storm Éowyn in early 2025.

Generation capacity across SSE Renewables' portfolio increased to 4,982MW at 31 March 2025 (2023/24: 4,457MW). As well as Viking in the Shetland Islands, SSE's Chaintrix-Bierges and Vélye Wind Farm entered commercial operations – SSE's first operational asset in mainland Europe. SSE Renewables' first battery storage project is also now fully operational.

The delivery of the Dogger Bank A offshore wind farm has been subject to delays as outlined on page 31, with work continuing at Dogger Bank B and C.

SSE Renewables has seen a significant growth in installed capacity and output over the last few years, however the changing macroeconomic environment and wider delays to planning processes mean the Group has reduced its near-term capital investment expectations. As a result, it is unlikely to meet its ambitious goal of 50TWh Renewable generation output by 2030. More information can be found in the SSE Renewables business operating review on pages 30 to 31.

Financing the net zero transition

Green- and sustainability-linked finance are an important part of how SSE can help accelerate the transition to net zero. In March 2025, SSE plc issued its ninth Green Bond – a €600m, seven-year Green Bond to support investment in critical national infrastructure.

The proceeds will help finance and/or refinance SSE Renewables projects that are under construction or recently completed. At the time of issuing, this Green Bond reaffirmed SSE's position as the largest UK corporate issuer of Green Bonds, with the total outstanding Green Bonds issued by SSE plc and its subsidiaries now standing at £4.9bn.

Meanwhile, in October 2024, SSE plc and SSEN Transmission signed new sustainability-linked revolving credit facilities (RCFs) totalling £3bn.** Both RCFs include sustainability-related, business-specific key performance indicators that focus on priority elements of each business's sustainability strategy.

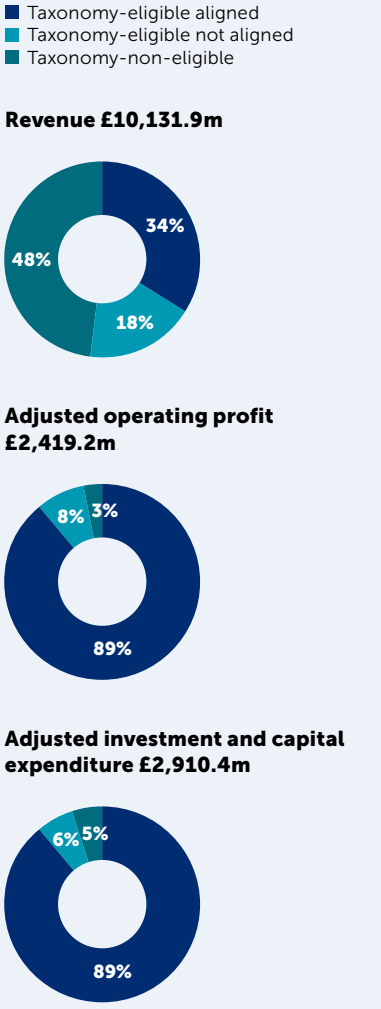
Measuring green economic activity

Green taxonomy frameworks are useful tools for helping stakeholders understand the scale of a company's green economic activities. With the UK's Green Taxonomy framework still in development, SSE voluntarily aligns its reporting with the EU Taxonomy. The high-level results of this assessment are outlined in Figure 4.

In 2024/25, 89% of SSE's adjusted investment and capital expenditure was aligned with the EU Taxonomy. This demonstrates progress against SSE's NZAP Plus investment plan to accelerate the build-out of the renewables, electricity networks and system flexibility that will be needed to reach net zero.

A full breakdown of SSE's taxonomy eligible activities and the assumptions used can be found in the Disclosure Statement on page 80.

Figure 4: Taxonomy-aligned activities 2024/25



* Includes pumped storage, battery energy storage systems, biomass and constrained-off wind in GB.
** Of which £1.5bn relates to SSEN Transmission, which is 75% owned by SSE plc.

Helping customers with a just energy transition

SSE's purpose is to provide energy needed today while building a better world of energy for tomorrow. It does that in the most direct way by supplying electricity and gas to households on the island of Ireland, and to businesses in both GB and Ireland. SSE energises homes with a market-leading range of energy plans designed around customers' lifestyles and budgeting preferences and, supports business customers on their own low-carbon journey with tools and support to monitor and track energy use.

The following examples outline a snapshot of the different ways that SSE has helped customers during the year.

Managing Irish price increases

SSE Airtricity has worked hard to shield customers in Ireland from the impact of increased network prices and other charges. The business has reduced prices three times since the peak of the energy crisis in 2022 and forewent profit in 2023 in order to return funds to customers.

However, rising external costs, including network charges and wholesale energy costs, means that in February 2025, SSE Airtricity announced increases to standard variable household electricity and gas prices in Ireland.

Increasing prices is always a last resort and as part of its commitment to working with customers, SSE Airtricity is a member of the voluntary Energy Engage Code. Following this code is one of the ways SSE Airtricity supports customers concerned about paying their bills.

Prioritising vulnerable customers

Anyone can find themselves in vulnerable situations, and SSE is committed to ensuring people in particular need have access to energy, whatever their circumstances. For example, SSEN Distribution's Priority Service Register (PSR) identifies customers who are in potentially vulnerable situations, and who may be particularly affected in the event of supply interruptions. The case study on this page outlines the SSEN Distribution's work in 2024/25 to raise awareness of the PSR.

SSEN Distribution also supports community warm hubs through its partnership with the Warm Welcome Campaign. Started as a crisis response to keep people warm through the winter, the charity helps people find a place of connection and warmth close to home. 550 warm hubs are provided across SSEN Distribution's licence areas, creating warm, safe and welcoming spaces run by and for the community.

Supporting households with energy efficiency

SSE Airtricity actively develops propositions that will help customers lower bills and move towards a low-carbon pathway.

In Ireland, progressive government policies are in place to support energy efficiency measures for domestic customers. In support of this, SSE Airtricity delivered over 2,000 rooftop solar installations in partnership with Activ8 Energies in 2024/25, lowering bills by up to 50%.

In addition, to support vulnerable households in Northern Ireland, SSE Airtricity provided Bryson Charitable Group with a donation of £250,000 in 2024/25. This is in addition to £2m previously donated and will help provide practical support to homes at risk of energy poverty and long term winter invention measures for service users.

See more information on page 40 ❯.

Advising on energy affordability

Through a number of strategic partnerships, SSEN Distribution supports customers with the cost of energy, largely through energy efficiency advice and services. During 2024/25, this included providing energy efficiency advice to more than 1,000 households and more than 50 households receiving support to install energy efficiency measures. In addition, SSEN's partnership with Maggie's cancer charity, supported over 1,800 households with advice and signposting around benefits, maximising income, grants and household bills.

▼ Vulnerable customers are a priority – particularly in severe weather

Supporting energy customers in times of need

SSEN Distribution's Priority Services Register (PSR) identifies customers who are in potentially vulnerable situations,and who may be particularly affected in the event of supply interruptions, providing them with adapted services and additional support

SSEN Distribution ensures that it continually raises awareness around its PSR to ensure it captures as many people in need as possible, as people's situations change over time. In 2024/25, the number of customers signed up to SSEN Distribution's PSR reached over one million.

This milestone was reached through enhanced engagement by SSEN Distribution with community organisation and customers during the year. This included improvements to SSEN's Community Toolkit, which helps charities, vulnerable customer representatives and other local organisations promote the PSR with members of their community.

1 million

customers now signed up to SSEN Distribution's Priority Services Register

Investing in industry, innovation and infrastructure

SSE is working to deliver the new infrastructure needed for the just transition to net zero, with targets for low-carbon generation and demand. Delivering at pace and scale means investing in new technologies while working with our suppliers to create a more sustainable supply chain.

Our 2030 Goal: enabling low-carbon generation and demand

Delivering the transition to net zero requires the rapid roll out of new low-carbon infrastructure. That's why SSE has a 2030 Goal to connect at least 20GW of renewable generation capacity and facilitate around two million electric vehicles and one million heat pumps on SSEN's electricity networks by 2030.

At 31 March 2025, SSEN Transmission had 10.9GW of renewable capacity connected within its network area. This is a 17% increase compared to the previous year. This strong progress means that SSEN Transmission has exceeded its RIIO-T2 target to deliver an electricity network in the north of Scotland with the capacity and flexibility to accommodate 10GW of renewable generation by 2026. It means SSE is also on track to meet its 2030 Goal of 20GW.

SSEN Distribution had around 336,000 pure electric vehicles or plug-in hybrid vehicles registered in its licence areas at 31 March 2025, and around 56,400 heat pumps connected to its networks. It continued to progress several key innovation projects to support flexible markets and future infrastructure provision for the adoption of low-carbon technologies. This included further roll-out of its LENZA tool for local authorities (see page 38) and being awarded £450,000 of funding from Ofgem for 'EqualLCT' – a project aiming to support wider uptake of heat pumps by coordinating roll-outs with energy efficiency measures to reduce demand for electricity at peak times.

Unlocking net zero through innovation

SSE was founded on innovation – driving the hydro-electric revolution in the north of Scotland in the 1940s and building the electricity networks needed to transport that clean power. Today, SSE invests in innovation to accelerate the availability of low-carbon technologies and demonstrate their practical application, guided by three strategic areas: innovation that helps make the world safer, greener and smarter.

SSE's Innovation Advisory Council (IAC) oversees the Group-wide vision for innovation, identifying promising low-carbon technologies and providing a forum to drive a structured approach to innovation and technology horizon scanning. Guided by this vision, SSE's Business Units set their own innovation priorities and are accountable for delivering them.

They are supported by a central Partnership Funding team, which works with them to access government grants to test new technologies and market models.

SSE also works collaboratively with peers, suppliers and academia to make faster progress through shared learning and knowledge. For example, SSE is a founding member of two National Demonstration Research Centres and has enduring partnerships with Imperial College London, the University of Strathclyde, the University of Highlands and Islands and University College Dublin.

An innovative approach to local networks

Delivering net zero requires a transformation in the way that local electricity networks operate. SSEN Distribution is focused on building a smarter and more flexible network that enables the connection of more low-carbon technologies.

As uptake of these technologies increases, the demand for electricity will go up. SSEN Distribution has begun testing innovative solutions and services to find new ways of managing peak electricity demand in the north of Scotland. The new approach, which the business is calling 'Demand Diversification' will involve conducting real-world trials to manage electricity demand. These will be augmented by simulations run with the teams at the University of Strathclyde's Power Network Demonstration Centre and the Energy Systems Catapult, to model how this new solution would work at scale.

Electricity networks are designed to meet peak demands, which means much of their capacity is underused for most of the day. Demand Diversification will give customers incentives to spread their demand to less busy times, tapping into the ability of technologies, like EVs, heat pumps, and electric storage heaters, to be scheduled to periods when network demand is lower. Solutions such as Demand Diversification could have an important role both in helping to save consumers money and reducing waiting times for some new network connections.

Supporting a more sustainable supply chain

Building the clean power infrastructure needed to deliver SSE's strategy and NZAP Plus investment plan requires key goods and services, such as steel, concrete, cables and maritime vessels, which relies on a resilient, sustainable supply chain. As SSE ramps up its growth ambitions, it will need more of these goods and services. So it is committed to carefully managing the impact of its investment activities, while working collaboratively with suppliers to achieve shared sustainability ambitions.

In 2024/25, SSE spent £5.6bn with its supply chain partners, remaining consistent with the previous year. This follows a significant increase in supply chain spend between 2022/23 and 2023/24, from £3.7bn to £5.5bn.

Sustainable procurement

SSE works in partnership with suppliers to help them understand its ambitions and expectations, guided by several Group-level frameworks. These include a Sustainable Procurement Code, Sustainable Procurement Plan and a new Supplier Diversity Strategy, launched in September 2024. SSE and its Business Units hold sustainability-related supplier engagement sessions to promote these frameworks and encourage greater collaboration. For example, SSEN Distribution hosted two sessions in 2024/25 to encourage climate and social action across the supply chain.

SSE uses EcoVadis – a globally recognised sustainability assessment platform – to assess supplier performance against key environmental, social and governance areas. At 31 March 2025, 46% of SSE's suppliers by spend had a valid score through the EcoVadis platform. SSE itself has been awarded EcoVadis's top rating, Platinum, putting the Company in the top 1% of all companies assessed by EcoVadis.

Working with suppliers to set science-based targets

In 2024, SSE reached its target to engage with 50% of suppliers by spend to help them set science-based targets. It has now expanded the target to engage 90% of suppliers by spend by 2030. To date, 51% of SSE's suppliers by spend have set, or committed to set, verified science-based targets (2023/24: 51%).

▼ SSE Chief Executive Alistair Phillips-Davies speaks at the PNZP workshop in Reading

Working with partners on critical and conflict minerals

Critical minerals such as lithium, silicon and copper are essential for building the green technology components that power wind turbines, solar panels and batteries. But these minerals are often located in parts of the world that are at higher risk of human rights abuses and conflict. So understanding and tracing their origin are vital for a just transition. However it can be challenging for companies to access transparent mineral data.

To support greater transparency, the Powering Net Zero Pact (PNZP), which brings together SSE's suppliers, partners and peers, held a workshop in November 2024, focused on these critical and conflict minerals. The workshop included guest speakers from the UK's Foreign, Commonwealth and Development Office, the Department for Business and Trade, and the Initiative for Responsible Mining Assurance (IRMA).

The day highlighted the need to build awareness across the industry on this challenging subject matter and for internationally recognised standards on social and environmental performance at mining sites.

Committed to decent work and economic growth

Providing decent work and stimulating economic growth are essential for us to achieve our strategic objective related to creating and sharing value. This means helping to develop the workforce of the future and creating a safe and ethical workplace, while ensuring we support the wider economy, society and local communities.

Our Just Transition Strategy in action

Tackling climate change requires big changes in how society produces, transports and uses energy. SSE aims to influence those changes in ways that create shared value. This includes setting a 2030 Goal to be a global leader for the just transition to net zero, with a guarantee of fair work and commitment to fair tax and sharing economic value.

SSE's work is guided by its Just Transition Strategy. The strategy takes a 'place-based' approach, recognising how important it is that the energy transition is grounded where it will happen, informed by the views of the people who will be most affected. The work highlighted in the rest of this section are all examples of SSE's Just Transition Strategy in action.

Building a workforce for a net zero future

SSE needs to have the right people with the right skills in place to deliver a clean power system. This includes helping people switch from high-carbon to low-carbon jobs and offering opportunities that will suit people from diverse backgrounds.

As of 31 March 2025, SSE's total headcount was 14,880, reflecting a net increase of 989 – a 7% rise on the previous year (2023/24: 13,891). Most of this growth occurred within SSEN Transmission and Distribution, which together accounted for 788 of the new roles, in line with their regulated business plans. This expansion means SSE has exceeded its estimate of creating 1,000 new jobs per year from 2021/22 to 2024/25 to support its investment strategy (2021/22 headcount: 9,942).

Following this period of accelerated growth, the speed of that growth is temporarily slowing in some areas.

SSE has commenced an operating and efficiency review, intended to ensure that it has the right structures, resourcing and accountabilities to maximise the growth opportunities ahead. The review will involve measures to improve operational efficiency, increase organisational competitiveness and rebalance businesses for future growth. SSE will ensure that any changes made that impact employees are concluded in a fair and transparent manner.

SSE's focus this year therefore has been on embedding new talent, as well as helping employees make the most of career development opportunities, and encouraging internal job moves to ensure teams are set up effectively to deliver the NZAP Plus.

This year, SSE's employee retention rate was 91.1% (2023/24: 91.3%), while voluntary turnover was 5.2% (2023/24: 5.5%).

SSE continues to invest in employee training and development, which this year included new mandatory onboarding for new managers and piloting a new 'Leading Leaders' programme for senior employees.

The Company continues to support early careers and encourage social mobility and diversity through its talent development pipeline. For example, in 2024/25 SSE invested £11.4m in its graduate development programme (2023/24: £11.2m). Its ongoing partnership with Enable helps people with a disability or long-term health condition into work.

To help develop a robust talent pipeline, SSE participates in science, technology, engineering and maths (STEM) programmes for young people, including a new partnership with STEM Learning, through which 172 employees have now registered as 'STEM Ambassadors'.

Supporting an ethical workplace

Supporting a just transition starts with SSE and the way it interacts with the people who work for and with the Company – from employees to supply chain partners. It means keeping people safe, acting responsibly, listening to people's views, guaranteeing fair work, and creating a culture of respect.

Our workforce in 2024/25

Total headcount at 31 March

14,880
(2023/24: 13,891)

Retention rate

91.1%
(2023/24: 91.3%)

34%
(2023/24: 35%)

of new joiners have transitioned from high- to low-carbon roles*

Developing our people

96.3%
(2023/24: 89.4%)

of employees received training or development

£41.0m
(2023/24: £34.2m)

invested by SSE in training and development

27.5
(2023/24: 21.1)

average number of full-time equivalent employee training hours

* Data covers employees who reached six months' service within 2024/25 and who completed SSE's new joiner survey.

Data in this section excludes employee data for Enerveo Limited, which remains under strategic review with the Infrastructure Solutions component of Enerveo being held for sale during 2024/25.

Better safety performance

Safety is SSE's number one value and everyone's responsibility. The Company's priority that everyone gets home safe is enshrined in SSE's Safety value: 'if it's not safe, we don't do it.'

During 2024/25, overall safety performance in SSE's direct workforce improved – with a lower workforce incident rate, fewer potentially life-changing injuries, and a reduction in the rate of more serious incidents. The Total Recordable Injury Rate (TRIR) for employees and contractors combined was the lowest in three years at 0.16 (2023/24: 0.20).

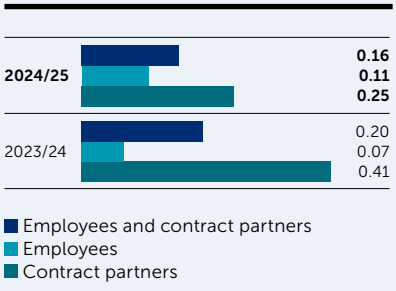
To stay focused on safety in 2024/25, SSE set a performance expectation for the TRIR of 0.09 for employees, and 0.40 for contract partners.

SSE did not meet this expectation for employees, with the 2024/25 TRIR increasing to 0.11 (2023/24: 0.07). It did however see a significant improvement in its contract partner performance, exceeding the expectation at 0.25 (2023/24: 0.41).

Contractor safety has been a particular focus for SSE in recent years, given that the increased investment and construction work needed to achieve SSE's business goals has naturally led to an increase in the number of hours worked by contract partners. During 2024/25, SSE's dedicated Contractor Safety Team continued implementing a targeted improvement programme, while the Company launched new Safety Health and Environment (SHE) specifications at its annual contract partner conference.

Meanwhile over 7,000 employees and around 900 contract partners took part in SSE's unique immersive safety training in 2024/25.

Figure 5: SSE's total recordable injury rates
(per 100,000 hours worked)



Encouraging people to 'Speak Up'

SSE is committed to doing business in the right way and creating a culture where people feel comfortable raising concerns, knowing that they will be dealt with quickly and fairly.

SSE sets out its expectations for anyone working for or with the Company in its publication, *Doing the Right Thing: SSE's guide to good business ethics*. The guide covers a range of topics, from safety to preventing financial crime and corruption, and outlines SSE's relevant training and resources. SSE promotes the guide to all employees and makes suppliers aware of it through SSE's Sustainable Procurement Code. *Doing the Right Thing* is available at sse.com/about-us/our-culture.

SSE also encourages everyone who works for or with the Company to report concerns via its 'Speak Up' programme, which includes an independent anonymous whistleblowing service called Safecall. In 2024/25, SSE received 62 reports of suspected wrongdoing via the Company's Speak Up channels, including Safecall (2023/24: 73).

While this marks a slight reduction, the overall volume remains consistent with historical patterns, reflecting the natural ebb and flow of reporting. A breakdown of the categories of reported incidents and outcomes of investigations, alongside how SSE supports employees who speak up, can be found in the Sustainability Report 2025 at sse.com/sustainability.

Engaging with our employees

In September 2024, SSE ran its annual all-employee engagement survey. In all, 84% of employees responded with a strong sustainable engagement score of 86% (2023: 85%). Safety, doing the right thing and inclusion all continued to exceed external benchmarks. However, while the number of people who feel engaged with SSE's strategy improved, it lagged behind very high industry benchmarks. Strategy will therefore be a focus of employee engagement in future.

SSE's Board also directly engages with employees throughout the year. See more on pages 99 to 100.

Guaranteeing fair work

One of the best ways that SSE can support a just transition is by ensuring that the people who work for and with it are paid fairly, properly supported with appropriate training, policies and processes, and treated with respect. This includes actively promoting the principles of fair pay through a longstanding commitment to paying the voluntary Living Wage in the UK and Ireland.

In early 2025, SSE updated its UK 'service and works' Living Wage supplier clause to clarify real Living Wage requirements for workers on vessels and set out a defined process for audit, escalation and remediation.

Everyone in SSE has the right to freedom of association and to join a trade union. SSE has four recognised trade union partners, which it works with through the Joint Negotiating and Consultative Committee and regular ongoing dialogue. In 2024/25, 46.4% of SSE's total direct workforce was covered by collective bargaining agreements (2023/24: 47.6%).

Highlights from our 2024 employee engagement survey

Sustainable engagement score

86%
(2023: 85%)

90%
(2023: 91%)
feel SSE has an inclusive culture

91%
(2023: 92%)
feel SSE promotes a safe workplace culture

86%
(2023: 81%)
feel engaged with SSE's strategy

Protecting human rights across our value chain

Human rights abuses and modern slavery in all its forms are unacceptable, and SSE has a responsibility to understand and reduce the human rights risks within its businesses and supply chain.

In 2024/25, as part of its Human Rights Strategy and Action Plan, SSE formalised its approach to responding to potential human rights incidents. This includes a new procedure, aligned to the UN Guiding Principles, that details SSE's approach to escalating, investigating, and – where appropriate – remediating human rights-related issues.

SSE also became the first UK-headquartered energy company to join the Initiative for Responsible Mining Assurance (IRMA). While SSE doesn't source directly from mining companies, joining IRMA enables SSE to advocate for responsible mining in key minerals and metals that the energy transition relies on.

SSE has a Group Human Rights Policy that includes its commitment to upholding key international frameworks. More information can be found in SSE's Human Rights Report and Modern Slavery Statement. Both are available at sse.com.

SSE's Inclusion and Diversity Report 2025

SSE's Inclusion and Diversity Report provides further information on SSE's strategy, action plans, key performance indicators (KPIs) and initiatives throughout 2024/25. The report can be found alongside more information at sse.com.

Building an inclusive team

As SSE navigates ongoing change in the external environment, its commitment to inclusion and diversity remains resolute. Underpinned by a robust Inclusion and Diversity Strategy, SSE's approach is focused on integrating inclusion into everyday activities such as decision making, process improvements, workplace design and innovation.

Performance in diversity

SSE measures progress against stretching diversity ambitions that are aligned with best practice and ensure that the Company is monitoring a wide range of diversity metrics. Progress against these ambitions for all employees and for senior leadership is outlined in Tables 1 and 2 respectively.

SSE's workforce diversity

Representation in SSE's workforce as a whole increased in the key diversity metrics measured in 2024/25. SSE continues to embed its inclusion and diversity initiatives to drive progress in representation, as outlined in SSE's Inclusion and Diversity Report 2025.

Diversity in senior leadership

In 2024/25, all cohorts of SSE's senior leadership, except the GEC, saw increases in the proportion of women represented. While the number of women in the GEC remained the same, the number of men increased when Finlay McCutcheon joined the cohort as Managing Director of SSE Thermal in September 2024. This change resulted in a reduction in the percentage of women in the GEC to 9.1% (2023/24: 10%).

In 2023, SSE established a new ambition in line with the Parker Review recommendations, to achieve 6% ethnic minority representation within its GEC and direct reports by 2027. At 31 March 2025, ethnic minority representation was 2.4%, up from 1.2% in December 2023, when the ambition was set, but a slight decrease from 2.5% in March 2024. This change is the result of a small increase in the overall number of employees in the GEC and direct reports cohort, while the number of ethnic minority employees remained the same.

Full details of membership changes of the Board and GEC, how SSE determines its senior leadership ambitions and the Nomination Committee's focus this year are on pages 107 to 111.

Increasing data disclosure

The process of setting ambitions, tracking progress and shaping priorities relies on insights provided by employee diversity data. Through targeted communication campaigns and offering more accessible ways for employees to share their information, SSE's overall employee diversity data disclosure rates increased to 77% in 2024/25 (2023/24: 65%).

SSE's pay gaps*

Between 2024 and 2025, SSE saw both its UK median and mean gender pay gaps continue to narrow. The median UK gender pay gap was 11.5% (2024: 12.0%) and the mean UK gender pay gap reduced to 8.7% (2024: 10.5%). This was largely driven by increases in the proportion of women in the upper pay quartile and in SSE's Leadership Group.

Table 1: Performance against SSE's all-workforce diversity ambitions[1]

Employee representation	Ambition year	Ambition	31 March 2025	31 March 2024
Women[2]	2030	33%	31.6% 10,185 men/ 4,695 women	31.0% 9,586 men/ 4,305 women
Disability[3]	2030	8%	14.5%	11.6%
Ethnic minority[3]	2030	15%	11.2%	10.1%
LGBTQIA+[3]	2030	8%	4.3%	4.1%

1 Data is collected on SSE's HR data reporting system.
2 Gender information is captured from legal documentation at employee onboarding and recorded in SSE's HR data system, which maintains a 100% completion rate. In instances where employees transitioned after joining, the gender field on the HR data system is changed, upon receipt of a formal employee request.
3 Disability, ethnic minority, and LGBTQIA+ (lesbian, gay, bisexual, transgender, queer or questioning, intersex, asexual and any others that don't identify under any of the terms listed) data listed is based on the following disclosure rates as at 31 March 2025, recognising that employees share this data voluntarily: disability (including neurodiversity) 77%, ethnicity 77%, LGBTQIA+ 76%. The overall employee diversity disclosure rate is 77%.

Table 2: Progress against SSE's senior leadership diversity ambitions

Diversity category	Ambition year	Ambition	31 March 2025	31 March 2024
Proportion of women represented on:				
Board Group	Ongoing	50% with no less than 40%	46.2% (7 men/ 6 women)	41.7% (7 men/ 5 women)
Group Executive Committee (GEC)[1]	–	–	9.1% (10 men/ 1 woman)	10.0% (9 men/ 1 woman)
GEC and direct reports (excl. administrative roles)[2]	2025	40%	38.6% (51 men/ 32 women)	37.5% (50 men/ 30 women)
Leadership Group[3]	2030	40%	27.7%[(a)] (1,002 men/ 383 women)	26.4% (948 men/ 340 women)
Proportion of ethnic minorities represented on:				
GEC and direct reports (excl. administrative roles)[4]	2027	6%	2.4%	2.5%

(a) This data is subject to external independent limited assurance by Ernst & Young Global Limited ('EY'). For the results of that assurance, see EY's assurance report and SSE's Sustainability Reporting Criteria 2025 on sse.com/sustainability.
1 The GEC comprises all Committee members and the Committee secretary.
2 In line with FTSE Women Leaders review recommendations, SSE's ambition for this cohort includes direct reports.
3 Employees in SSE's senior level pay grades.
4 Based on GEC and direct reports ethnicity disclosure rates of 93% in March 2025, 88% in March 2024.

SSE's UK gender pay gap performance 2025

UK median gender pay gap

11.5%
(2024: 12.0%)

UK mean gender pay gap

8.7%
(2024: 10.5%)

* Figures for both gender and ethnicity pay gaps represent SSE's UK operations as a whole, rather than individual legal entities. Data excludes Enerveo Limited, which remains under strategic review with the Infrastructure Solutions component of Enerveo being held for sale during 2024/25. A breakdown of gender pay gap data for all eligible legal entities under the UK Government's gender pay gap reporting requirements can be found at gender-pay-gap.service.gov.uk. Data for previous years was calculated using the methodology in place at that time.

Narrowing pay gaps requires sustained effort over time. SSE's approach is underpinned by a robust Inclusion and Diversity Strategy, with action plans that evolve to reflect what works best for the business.

Through this approach SSE's UK gender pay gap has fallen consistently and substantially over the last five years, from a median of 18.3% in 2021 to 11.5% in 2025. Over the same period, the mean gender pay gap has fallen from 16.5.% to 8.7%.

Factors that have contributed to the reduction in the median pay gap over this time include: greater representation of women in the overall workforce and in the higher pay quartiles; an increased proportion of women in the Leadership Group; and the impact of SSE's joint agreement pay progression model, which was introduced in 2021. A targeted inclusive recruitment strategy with a focus on senior roles and broader inclusion policies has helped to bring about these changes.

In line with its commitment to the Change The Race Ratio, SSE has voluntarily disclosed its second set of UK ethnicity pay gap data in its Inclusion and Diversity Report 2025. It provides detail and discussion on SSE's gender and ethnicity pay gap statistics, including additional data, analysis, and disclosure of the wide range of actions taken to address pay gaps.

SSE will publish its Ireland Gender Pay Gap Report 2025 later in the year, in line with the Irish Government's requirements.

Creating value for the economy and society

SSE's investment in low-carbon infrastructure and associated activities make a significant contribution to the economies of the UK and Ireland. Much of the work that drives SSE's commercial performance also delivers long-term positive benefits far beyond the Company.

SSE's economic impact in 2024/25

Every year, SSE tracks its economic impact by commissioning professional services firm PwC UK to estimate the annual overall contribution to GDP and number of jobs supported. In 2024/25 SSE is estimated to have contributed £8.68bn to UK and Irish GDP (2023/24: £6.75bn[1]). Meanwhile, the number of jobs SSE supported in these countries increased to 67,190 (2023/24: 54,830[1]).

The increase in contribution to GDP and jobs supported since last year can be primarily attributed to higher spending and investment in areas of SSE and as result of updated national accounts data published by the Office for National Statistics (ONS) which is used in the analysis. In 2025, PwC UK also made some revisions to their methodology to increase alignment with published government data sources where available[2].

SSE is one of the UK's largest taxpayers. Over 2024/25, SSE's total tax contribution was £1.3bn. This consisted of £658m in taxes paid and £651m in taxes collected. SSE was ranked the 17th highest taxpayer, out of 100 companies, in the 2024 PwC Total Tax Contribution survey, and won PwC's Building Public Trust Award for tax reporting for UK-focused companies for the third consecutive year. Paying fair tax is an essential part of SSE's commitment to sharing value, and the Company has been Fair Tax Mark certified for the past 11 years. More information on SSE's taxes is available on pages 194 to 195.

Supporting social infrastructure

As part of its 'place-based' approach to the just transition, SSE contributes to essential services and infrastructure that support local communities and the economy. For example, in an industry first, SSEN Transmission has pledged to support the delivery of more than 1,000 homes across the north of Scotland, see case study on page 57. This work builds on the post-war legacy of building housing in the areas where SSE operates. Meanwhile, SSEN is working with local authorities to support them in adopting a tool designed to enable better, more efficient decisions on new net zero developments.

Supporting local communities

As well as contributing to important social infrastructure, SSE is building long-term partnerships with the communities who live near its operations, ensuring they have the opportunity to shape, and benefit from, the energy transition.

During 2024/25, SSE's community investment funds across the UK and Ireland awarded £16.3m to support local projects. This is the highest value awarded in a single year since the funds were introduced.

A number of key milestones were reached during the year, including:

- **July 2024:** SSE Thermal launched a community investment fund worth up to £150,000.
- **September 2024:** SSEN Transmission introduced its first ever community investment fund, allowing organisations across the north of Scotland to apply for an initial share of £2m.
- **December 2024:** SSE Airtricity rolled out its first all-Ireland community fund worth €5m.
- **March 2025:** SSE Renewables' community grants award programme reached £100m.

SSE's approach focuses on delivering long-term, sustainable benefits through targeted funding, partnerships and engagement, and is guided by a set of principles, including sharing value, co-creation of funds and maximising impact. In 2024, the principles were updated to ensure they focused on lasting legacy, measurable social impact and helping communities to develop the skills and resources they need to deliver local projects.

SSE's economic contribution in the UK and Ireland 2024/25

	UK	Ireland
Contribution to GDP	**£7.88bn** (2023/24: £5.86bn)	**€0.95bn** (2023/24: €1.04bn)
Jobs supported	**62,000** (2023/24: 50,380)	**5,190** (2023/24: 4,450)
Taxes paid	**£592.1m** (2023/24: £679.2m)	**€75.0m** (2023/24: €68.0m)
Investment in communities	**£15.1m** (2023/24: £11.5m)	**€1.5m** (2023/24: €0.9m)

1 Figures for 2023/24 have been restated to reflect post year-end adjustments to data.
2 The methodology updates to align to published government multipliers and savings rates where available also had a small impact on the results.

External recognition for SSE's community investment

In 2024, the World Bank Group's Offshore Wind Development Programme published a report, *The Strategic Value of Community Benefits in Offshore Wind Development*, to guide offshore wind developers and governments on delivering meaningful, lasting community benefits. SSE contributed expert insights to the report, drawn from its experience with major offshore projects such as Beatrice and Dogger Bank Wind Farms. SSE was recognised in the report as a best-practice example for its specialist community investment team, robust impact evaluation and strong stakeholder engagement. The report highlighted the social return generated by SSE's Sustainable Development Fund and its effective support for local education and skills.

A narrower definition of community investment has been externally assured for the purposes of sustainable finance. In 2024/25, SSE awarded £13.0m[(a)] through its voluntary community investment funds. This excludes community investment funds required by regulation or in SSE's regulated businesses.

A 'place-based' approach

As well as informing how SSE supports key social infrastructure, the Company's place-based approach to a just transition helps frame the way it engages with local communities and designs community funds.

For example, SSEN Transmission is adapting substation locations and designs as a direct result of community feedback on its £22bn programme of investment over the five years to 2031, to upgrade the network in the north of Scotland. Meanwhile it has launched its first regional community investment fund, which is based on three core principles – people, place and reducing fuel poverty – that were developed following extensive public consultation in 2023.

In 2024, SSE also established the Viking Community Fund – the largest renewable community fund in the UK, designed to benefit people across Shetland. Guided by local stakeholder engagement, the fund has six priorities, including supporting young people to stay in Shetland, improved transport and housing, and looking after the natural environment.

(a) This data is subject to external independent limited assurance by Ernst & Young Global Limited ('EY'). For the results of that assurance, see EY's assurance report and SSE's Sustainability Reporting Criteria 2025 on sse.com/sustainability.

▼ The SSEN Transmission homes scheme is an industry first

Supporting communities with new homes

Leaving a lasting positive legacy for the communities where it builds major infrastructure is a key part of SSE's stakeholder engagement. In an industry first, SSEN Transmission is supporting the building of more than 1,000 new homes across the north of Scotland to help alleviate the region's housing challenges. This includes around 400 homes in the Highlands and a similar number in Aberdeenshire, with other potential housing activity elsewhere across SSEN Transmission's network area.

The Company is working with councils, registered social landlords and other housing organisations to support the new homes as part of the delivery of upgrades to the transmission network in the north of Scotland in support of energy security and national net zero ambitions.

1,000

new homes to be built across the north of Scotland with SSEN Transmission's support

Protecting and restoring the natural environment

SSE has a long history of working in remote, sensitive landscapes and is committed to minimising its impact. That means lowering carbon emissions, limiting water use, minimising other air emissions and reducing waste. SSE has set nature-related targets to help restore the natural habitats around its operations.

Our nature-related targets

The planet's health and resilience relies on nature and the delicate ecosystems that support biodiversity. And yet, nature is in serious decline. The UK is considered one of the world's most nature-depleted countries with almost one in six species now under threat of extinction. So while SSE is committed to lowering its own environmental impact, it has also set three ambitious, Group-wide nature-related targets to protect biodiversity and native woodland when working on large capital projects onshore in the UK and Ireland. The pace and scale of transformation in the energy system and the size and value of these projects, means that setting these targets is the best way for SSE to make a meaningful difference to nature.

For all UK and Ireland onshore large capital projects, SSE has committed to delivering:

no 'net loss' in biodiversity
on those consented from April 2023 onwards

no 'net loss' of native woodland
on those consented from April 2024 onwards

'net gain' in biodiversity
on those consented from April 2025 onwards

Managing environmental impacts

While greenhouse gas (GHG) emissions represent SSE's most material impact on the environment, its activities also require water – a precious natural resource – and produce waste and other air emissions. There is also a risk that its work can negatively affect the environment through incidents such as oil-related leaks.

SSE follows the principles of the widely recognised 'mitigation hierarchy' to manage its environmental impact, along with a Group-wide Environment Strategy. Aligned to the UN Sustainable Development Goals, the strategy provides a consistent structure for each Business Unit to manage their own environmental impacts and support SSE's Group targets.

Continuing to develop our nature-related disclosures

SSE is committed, over time, to enhancing its nature-related reporting, using the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations as a guide. In 2024, SSE piloted the first two phases of 'LEAP' – 'Locate' and 'Evaluate' – at several assets, and this year expanded that to include 'Assess' and 'Prepare' to draw out SSE's nature-related risks and opportunities at pilot assets. This phase included onshore and offshore wind, hydro, thermal and networks, as well as a more holistic Group-wide view.

Reporting on our impacts

SSE reports performance by impact area: nature-related targets, water use, other air emissions, waste generation, energy consumption along with data on the year's environmental incidents. More information can be found in SSE's Sustainability Report 2025 available at sse.com/sustainability

Progress against our nature-related targets

This year, SSE made good progress against its nature-related targets.

While all 53 of its in-scope large capital projects in the UK and Ireland consented since April 2023 met the target of incorporating 'no net loss' in biodiversity, 47 of them actually exceeded the target by incorporating biodiversity 'net gain' into project design.

SSE met its 'no net loss' of native woodland policy commitment on all in-scope onshore large capital projects consented from April 2024.

SSE's Environment Strategy

Environmental management and governance

Providing a framework for the careful risk management of environmental impacts

Responsible consumption and production

Working towards more sustainable patterns of resource consumption; reducing reliance on non-renewable and single-use products

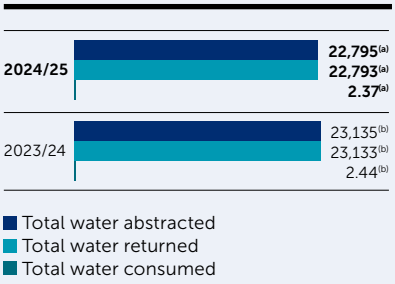
Natural environment

Supporting the conservation, restoration and sustainable use of land and water resources

Managing our water use

SSE relies on a dependable supply of water for generating power in its hydro and thermal power stations, none of which are in water-stressed areas.[1] Water is a shared resource, so must be used carefully and in a way that is sustainable for SSE's business, local communities and ecosystems. This use is guided by specific policies and processes, as well as close collaboration with environmental regulators.

Figure 6: Water performance
(in million cubic metres)

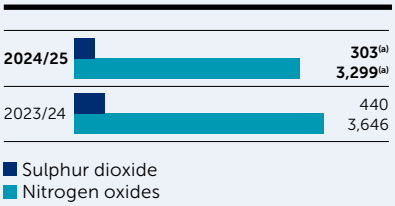


In 2024/25, total water abstracted by SSE slightly decreased to 22,795[(a)] million m^3 (2023/24: 23,135[(b)] million m^3). The vast majority (98%) of water abstracted this year was used in SSE's hydro generation operations, and a similar volume of water passed through the hydro plant compared to the previous year. This water is technically recorded as abstracted, but it passes through turbines to generate electricity and is returned to the environment almost immediately, and therefore has minimal environmental impact. SSE's total water abstracted excluding hydro operations decreased by 9% and its water consumed decreased by 3%.

Managing our other air emissions

Nitrogen oxides (NOx) and sulphur dioxide (SO_2) are both significant byproducts of SSE's thermal generation activities. Environmental teams carefully manage these emissions to air, working closely with relevant environmental regulators to meet their strict licence conditions.

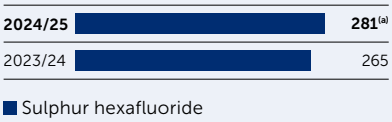
Figure 7: Air emissions performance
(in tonnes)



In 2024/25, emissions of NOx and SO_2 both reduced compared to the previous year. This was predominantly due to a change in operating patterns across generation assets.

Sulphur hexafluoride (SF_6) is vital in the electrical industry for insulation and safety, but it's a powerful greenhouse gas—23,500 times more harmful than CO_2—remaining in the atmosphere for 3,000 years.

Figure 8: SF_6 emissions performance
(in kgs)



In 2024/25, SSE's reported SF_6 emissions rose to 281kg[(a)] (2023/24: 265kg). Efforts continue to reduce leaks through monitoring, maintenance, asset replacement, and supplier engagement to trial SF_6-free alternatives.

In previous years, SSE would disclose data for particulate matter (PM10) and mercury emissions from thermal generation plant, above a de-minimis threshold of 10 tonnes and 1kg respectively. In 2024/25, no plant produced emissions above those thresholds, and therefore were considered immaterial in terms of impact.

Managing our waste

SSE's operations produce several types of waste, such as metal, cable, wood and general office waste. The Company reports on the solid operational waste it directly manages, but not on waste generated through construction projects and contractor activities.

Guided by the waste hierarchy framework – prevent, reuse, recycle, recover, disposal – to minimise waste, the Company also aims to improve operational efficiency and promote better recycling practices, and works with supply chain partners to do the same. SSE has set two annual waste targets – to divert 95% of waste by volume from landfill and recycle or reuse 55% of waste by volume. SSE exceeded both targets this year, reaching 99% and 71% respectively.

Our energy consumption

Between 2023/24 and 2024/25, the energy SSE purchased for use in its assets (offices, depots, thermal power stations, gas storage facilities, and data centres) increased by 7%. Electricity consumption in SSE's gas storage assets increased by 13% and made up 75% of the total electricity used from renewable sources. Energy consumed in SSE's offices, depots and data centres reduced by 6% this year, reflecting efficiency measures being put in place.

In 2024/25, around 48% of the electricity that SSE purchased for its assets (offices, depots, thermal power stations, gas storage facilities, and data centres) was from renewable sources, consistent from the previous year. Within this SSE purchased 100% of its electricity for use in its directly managed offices from renewable sources, backed by renewable guarantees.

SSE is a member of the Climate Group's EP100 initiative to encourage businesses to double energy productivity associated with office and depot buildings by 2030 from a 2011 base year.

Environmental incident performance

To ensure effective environmental management, SSE operates an environmental management system which sets controls, processes and procedures. All of SSE's businesses are certified to ISO 14001:2015.

While SSE's processes are designed to reduce the risk of environmental incidents happening, sometimes they do occur. For example oil loss from transformers, effluent or silt releases. This year, environmental incidents have decreased to 115 (2023/24: 143). There were no major incidents, and most incidents were minor. There was a 32% drop in serious incidents to 27 (2023/24: 40). The number of environmental permit / licence breaches significantly decreased to nine (2023/24: 19).

Table 3: Energy use* (in GWh)**:**

		2024/25	2023/24
Purchased heat from non-renewable sources	UK/Ire	4.8/0.06	4.8/0.06
Purchased electricity from renewable sources	UK/Ire	103.5/0.9	96.1/0.9
Purchased electricity from non-renewable sources	UK/Ire	112.1/0	105.3/0

* This table, in combination with the carbon performance information in Table 2 on page 79, represents SSE's disclosures in line with the UK Government Streamlined Energy and Carbon Reporting requirements.

1 As defined by the relevant environmental regulators in the jurisdictions where SSE's assets are located.
(a) This data is subject to external independent limited assurance by Ernst & Young Global Limited ('EY'). For the results of that assurance, see EY's assurance report and SSE's Sustainability Reporting Criteria 2025 on sse.com/sustainability.
(b) This data was previously reported in the SSE plc Annual Report 2024 where it was subject to external independent limited assurance by PricewaterhouseCoopers LLP ('PwC'). For the results of that assurance, see PwC's assurance report and SSE's GHG and Environmental Reporting Criteria 2024 on sse.com/sustainability.

Risk

Introduction to Risk

Managing risk in a changing environment

SSE is well placed to manage the impacts of the complexity the energy market has seen this year. Our balanced portfolio of renewables, electricity networks and system flexibility allows us to adapt to changing markets while maintaining long-term stakeholder value.

Robust risk management enables an efficient approach to decision making that can adapt to suit the changing nature of the sector and the operating environment. At the core of SSE's risk management is a strong culture. Everyone in the Company is empowered to make considered decisions when realising opportunities or minimising risk exposures. For more about SSE's risk management framework, see pages 62 to 63.

Assessing principal risks

The current operating environment has seen SSE face more challenges this year with many factors outside its direct control. For more about this, see the Energy Market Review on pages 4 and 5. As SSE's principal risks are highly interconnected, multiple external factors have the potential to affect several risks at once.

The direction of UK policy has been high on the agenda of SSE's risk oversight committees in determining the pace of transition to meet clean energy ambitions. This has a potential impact on energy markets, timescales for large capital projects or investments, which in turn is linked to supply chain availability. The committees also considered SSE's preparedness to manage these factors.

To reflect this, the Group Executive Committee and related sub-committees have increased the materiality of four of SSE's 12 principal risks (see page 64).

Responding to a fast-changing market

SSE is in a strong position with its balanced mix of businesses and capital investment plans to proactively manage market changes and meet its ambitious growth targets. To continue to capitalise on its opportunities SSE responds quickly to the market and deploys resources effectively. To ensure clarity, the Speed of Change risk has been redefined to more clearly articulate that SSE must be able to respond with agility to increasingly technology-dominated energy markets. SSE has undertaken an operating model and efficiency review of its operations and taken measures to ensure it continues to operate in the most cost-effective way possible. This will set the Company up well for the next phase of growth.

Responding to political and regulatory change and supply chain disruption

The UK Government's Review of Electricity Market Arrangements (REMA), more specifically decisions on zonal pricing, is due to complete mid 2025. Throughout the year, SSE maintained that zonal pricing would deter investment and be unfair to customers, and that the constraints on the energy system it sought to address would be remedied by extensive efforts already under way to rewire the grid.

The UK Government Clean Power Plan is welcome and SSE is well aligned with the direction of UK policies. The UK Government has announced plans to streamline planning and consenting timelines, while clarity is still needed on policy related to low-carbon technologies to enable the future energy system. This year, policy implementation and subsequent planning delays have been the subject of discussion for oversight committees across multiple risks. This has been a driving factor behind increasing the materiality of the Large Capital Projects (LCP) Management risk as SSE looks for clarity for its project pipelines.

Securing suitable supply chains also remains paramount to enable SSE to transition to clean power. Inflation, cost pressures and a shift in supplier commercial risk appetite due to higher industry demand are reasons why Supply Chain also remains one of SSE's top risks.

> "At SSE, we manage our risks to make sure we continue to protect our stakeholder value. Doing so also allows us to explore the promising opportunities available to us as we transition to a clean, affordable and secure energy system."
>
> **Barry O'Regan**
> Chief Financial Officer
> and Chair of Group Risk Committee

Responding to the geopolitical environment and climate change

Although SSE's level of Portfolio Exposure risk didn't materially change during the year, ongoing global conflicts continue to affect commodity prices, though they were less volatile than in 2023/24. An increase in exposure to weather events also impacts this risk. SSE's control environment has adapted to manage these fluctuations and explore alternative value opportunities.

Sustaining the right culture

SSE's people and culture are central to enabling its growth. Maintaining the core values and culture that underpin SSE is critical when expanding the workforce in any of the businesses. The appointment of Martin Pibworth as incoming Chief Executive will mean a short-term adjustment for the Group following an 12-year tenure for the current Chief Executive, Alistair Phillips-Davies. Embedding the measures from the operating model and efficiency review means SSE will be well placed to realise future opportunities. Reflecting this, the People and Culture risk has increased slightly.

Weighing the risks and opportunities of digitisation

Cyber Security and Resilience remains one of SSE's top risks due to the continued malicious cyber threat. While modernising IT was a priority in previous years, continued digitisation of the business brings a shift in risk exposures. The global move to cloud-based services requires a different approach to manage the risk. Digitising the business also brings opportunities. Embracing technology (including AI) will create opportunities for workforce efficiencies in the short term. Medium- to long-term opportunities will depend on what technology advances and legislation allow.

Understanding emerging risks

One of the most important items on the horizon for SSE will be understanding the application of the REMA outcome and its implications. The pace of the energy transition was also a factor considered as part of the longer-term future risk discussions. SSE continues to monitor long-term changing energy demand profiles so it can adapt to future market opportunities. No new emerging Principal Risks have been identified this year.

How we manage risk

At the heart of SSE's risk management framework is a strong risk culture. Everyone at SSE is responsible for managing risk.

The overarching risk management framework gives Business Units the ability to manage risk exposures against their individual strategic objectives and operations. It also enables SSE to maintain a holistic view of the Group risk profile and manage it appropriately.

The risk management framework is part of SSE's system of internal control (for more details, see page 119) and sets the standard for how risks are managed across the Group. The framework provides a consistent approach embedded in each of the Business Units and Corporate functions.

Risk management at SSE follows a four-stage process:

- Identify potential risks that could threaten the Group and/or Business Unit in achieving their objectives.
- Assess risks by analysing and evaluating each one. The likelihood and impact of the risk occurring is considered against financial and non-financial criteria, both before and after applying mitigations.
- Respond by deciding on the most appropriate risk treatment plans, making sure the relevant processes and controls are in place to manage the risks.
- Monitor the risks through ongoing evaluations and frequent reporting through the Group Governance Framework.

The table overleaf shows in more detail how this applies for the principal risks.

Assessing Principal Risks

It's vital for SSE to continue to evolve the risk management framework. This year, a change to the method for assessing the Principal Risks enabled more risk-based discussions across the oversight committees and senior management. This involved dedicated risk workshops and one-to-one stakeholder interviews. While our Principal Risks themselves have not changed, this collaborative way of working led to more valuable input and diversity of thought, and to an improved, holistic output. The Board-approved outcome of the principal risk assessment is on pages 64 to 69.

Identifying emerging risks

To maintain a dynamic risk profile, emerging risks are considered continuously in response to changes in the operating environment or events that could affect SSE. Teams consider emerging risks which have the potential to become principal risks in the medium to long term. Common themes that emerge are presented as part of the assessment of the Group principal risks. Complementing this, in 2024 a horizon scanning exercise enabled a more forward-looking view of risk trends and an assessment of their potential impact, both positive and negative, on SSE's strategy. While the horizon scanning exercise provided insight, no new emerging principal risks were identified this year.

Climate-related risks and opportunities

A climate assessment, in line with the Task Force on Climate-related Financial Disclosures (TCFD) framework, identifies and assesses climate-related opportunities and risks relevant to SSE. For details of the process, see the table overleaf. This year, the assessment resulted in a minor update to the material climate-related opportunities and risks (see pages 75 to 78) relevant to SSE.

Maturing risk management

A newly adopted enterprise risk management framework is expected to provide rich information and expand SSE's holistic oversight as the year progresses. Embedding this further is a priority for 2025/26.

Work to articulate the Group's risk appetite more clearly continues. This will help to further embed and mature the management of both risks and opportunities. Engagement with the Board, Group Executive Committees and Group Risk Committee will continue over the coming year.

The updated Corporate Governance Code comes into effect after 1 January 2025, apart from Provision 29, which comes into effect in 2026. Provision 29 requires a formal declaration by the Directors that the Group has appropriate systems to monitor and review the effectiveness of internal controls and risk management frameworks, alongside confirming the effectiveness of material controls.

This change will only apply to SSE's financial year 2026/27. To begin preparing for this, the principal risk assessment process was updated, implementing improvements to the internal controls governance framework. This will begin to align SSE with the latest Code amendments, reinforcing its commitment to transparent corporate reporting. Details of each principal risk and key mitigations for this year are on pages 65 to 69.

Risk Appetite Statement

The Group's risk appetite is aligned with achieving SSE's strategic objectives. SSE will only accept risk where it can be managed effectively, and where it's well understood and consistent with SSE's purpose, strategy and values. Risk should also be in line with stakeholders' expectations, as well as offering commensurate reward.

The basis for setting the risk appetite is that SSE has:

- a clear strategy to create value for shareholders and society in a sustainable way. This consists of developing, building, operating and investing in the electricity infrastructure and businesses needed in the transition to net zero.
- a good understanding of the risks and opportunities in the Great Britain and Ireland energy markets and, through its acquisitions, extensive knowledge of European and other international markets. SSE scrutinises any opportunity to expand into new international markets to make sure it's consistent with the Group's values and strategic goals.
- no appetite for risks that could undermine safety or security, including cyber security. In areas where SSE is exposed to risks for which it has little or no appetite, the nature of these risks means even the most effective controls and mitigations won't eliminate them completely.

Three principles guide the Board in deciding its appetite for specific risks:

1. Risks should be consistent with SSE's core purpose, financial objectives, strategy and values.
2. Risks are only acceptable if SSE can achieve the right reward, based on objective evidence, and in a way that's consistent with SSE's purpose, strategy and values.
3. Risks should be controlled and monitored by allocating the right level of management and other resources, and maintaining a healthy business culture.

The Board sets the tone for determining the nature and extent of the risk it's willing to take to achieve strategic objectives, and for making sure risks are managed effectively across the Group.

▼ Planning delays on transmission and other projects have been a key factor in increasing the materiality of Large Capital Projects Management risk

Risk management process

Stage	Principal Risk assessment	Climate-related risk and opportunities
Identify	SSE considers risks over three time horizons: 1, 3 and 10 years. Bottom-up risk data from Business Units is combined with top-down analysis from oversight forums which considers both risks and opportunities. This analysis is then complemented by relevant external information.	A specialist TCFD climate assessment identifies risks and opportunities over the short (to 2035), medium (to 2050) and long term (to 2080). This involves senior business leader interviews, Business Unit risk assessments and a materiality test to capture climate-related opportunities and risks.
Assess	For each principal risk, risk workshops and interviews provide a forum to discuss the risk environment, ultimately informing updated risk assessments for approval. The committee members and subject matter experts provide commentary on: – the adequacy of the risk description; – contextual changes to the risks; – whether the risks have increased or decreased in materiality during the year; and, – the adequacy of the control environment. The outputs of these risk discussions are then collated into assessment reports and presented back to each oversight forum.	SSE assesses the climate impact on its operations over the: – short and medium term from the perspective of market, policy or regulatory transition opportunities and risks; and, – over the medium and long term from the perspective of the physical risks of climate change. Materiality is tested for each climate-related opportunity or risk, based on its: – ability to have a substantive potential financial impact on SSE's strategy; or, – its significant impact on SSE's stakeholders.
Respond	Following completion of the assessment activities the oversight forums confirm: – the risk trend (more, less or equally material); – overall effectiveness of the risk control and monitoring environment; and, – whether further actions are required to improve the control environment. The Group Executive Committee approves the assessments, with final endorsement from the Board.	Critical controls are in place to manage risk including climate-related risk, these include: – business continuity plans; – crisis management and incident response, large capital project governance; and, – internal and external assurance. The climate-related opportunities and risks (pages 75 to 78), combined with SSE's Sustainability Report 2025 and CDP Climate Change response, provides further information on these actions and controls.
Monitor	Risks are reviewed quarterly within the Business Units and Corporate functions, with clear pathways in place for escalation. The Group Risk Committee receive regular bottom-up risk reporting information and frequently reviews and monitors the Group Principal Risks ensuring appropriate actions are taken to manage changes in risk exposures.	Climate Change is a Group Principal Risk to SSE and has the ability to affect the achievement of its strategic objectives and long-term success (see page 65). Scenarios related to the physical risks associated with climate change form part of SSE's viability assessment (page 82). Climate-related key developments are also considered against all relevant Group Principal Risks.

Group Principal Risks

A robust review process involving collaboration across risk workshops and interviews has led to an improved holistic assessment of this year's Principal Risks.

This year, four Principal Risks have increased in materiality. The **Speed of Change** risk has been redefined and has increased in materiality. The business acknowledges that the Group will need to respond with agility as the pace of the net zero transition becomes clearer. The business's unique market position, with its balanced portfolio, remains a strength here.

A higher **Large Capital Projects Management** risk exposure reflects the increased external variables that could affect the risk this year. These include accessibility of the supply chain when an opportunity appears, and the long lead times for planning and consenting. The **People and Culture** risk has also increased slightly this year. A key reason is SSE's change of Chief Executive, though the business expects that after a short-term adjustment this will quickly become an opportunity.

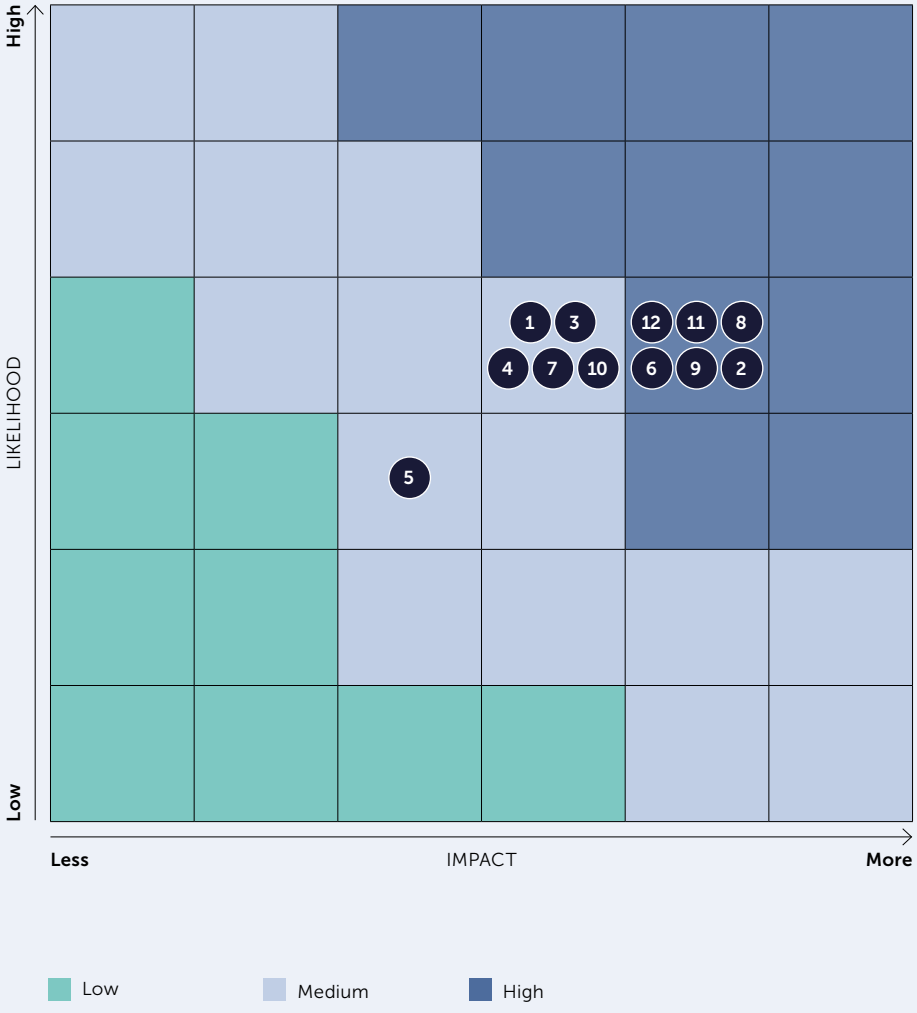
After the large number of elections globally in 2024, the context of the **Political and Regulatory Change** risk has changed. While policy change is one driving factor, decisions are due this year on REMA, and more specifically zonal pricing, which may have implications for SSE's Business Units. SSE looks forward to a more stable investment environment once REMA's market reforms provide clarity on the future energy pricing model.

As highlighted in the Energy Market Review on pages 4 to 5, SSE is at the heart of the energy transition in addressing climate change. This year, the **Climate Change** risk description has been redefined to better reflect the Group's exposure and the evolving policy to support the transition to clean energy. SSE is well aligned with the direction of UK policies and therefore the risk has not materially changed. Closely linked is the **Energy Affordability** Principal Risk. While consumers need protection from fluctuating energy prices in the short term, in the long term, accelerating affordable, clean and reliable energy will likely remain a key concern for governments and households.

The Principal Risks are mapped below providing insight to the relative impacts and likelihoods of each. For detail of SSE's Principal Risks including the developments throughout this year that have driven risk materiality and their key mitigations see pages 65 to 69.

Principal Risks

1. Climate Change
2. Cyber Security and Resilience
3. Energy Affordability
4. Energy Infrastructure Failure
5. Financial Liabilities
6. Large Capital Projects Management
7. People and Culture
8. Political and Regulatory Change
9. Portfolio Exposure
10. Safety and the Environment
11. Speed of Change
12. Supply Chain



Risk trend key

- Increased in materiality
- Not changed significantly
- Reduced in materiality

Climate Change

Oversight: Group Executive Committee

The risk that SSE's strategy is misaligned to national and international decarbonisation pathways and is insufficiently resilient to a climate-changed world.

Developments this year

The risk description has been updated to better reflect the Group's exposure and the evolving policy to support the transition to clean energy. SSE is well aligned with the direction of UK policies, therefore the risk has not changed materially. Other developments include:

- UK Labour Government is committed to decarbonising the power system with the Clean Power Plan 2030.
- Policy implementation timelines require further clarity.
- Frequent extreme weather events including named storms and dunkelflaute days (with minimal wind or sunshine).
- Continued advocacy for a policy environment encouraging investment in low-carbon generation.
- NZAP Plus five-year investment plan to 2027 investing around £17.5bn in renewables, electricity networks and system flexibility.

For more about our climate opportunity and risk management, see pages 75 to 78

Key mitigations

- Leadership, governance and oversight through multiple forums including Safety, Sustainability, Health and Environment Advisory Committee (SSHEAC) and the Group Executive Committee (GEC).
- Group Climate Change policy and Group Sustainability policy. For details of all SSE policies, see sse.com.
- Monitoring of NZAP Plus targets and UN Sustainable Development Goals (UNSDG) impacts.
- Lobbying and stakeholder engagement.
- External reporting around compliance with submissions such as sustainability reporting and TCFD.
- Large Capital Projects Framework.

Cyber Security and Resilience

Oversight: Group Risk Committee

The risk that key infrastructure, networks or core systems are compromised or are otherwise rendered unavailable.

Developments this year

This risk remains one of the most material, due to the continued threat of malicious cyber-attack, stemming primarily from ongoing geopolitical conflicts. The level of risk exposure remains unchanged however, as the control environment is keeping pace with the external threat. Other developments include:

- Geopolitical unrest resulting in continued heightened threat level.
- Ongoing significant longer-term Security Programme investment to strengthen the resilience of SSE systems.
- Continued modernisation of the IT estate.
- Increased third party reliance and enhancing controls to manage this.
- Increasing the awareness of the risk among teams to strengthen our cyber-secure culture.

Key mitigations

- Group Cyber Security Policy and Group Data and Information Management Policy.
- Incorporating key technology and infrastructure risks into system design.
- Regular internal and third party testing of information security and operational technology networks and systems.
- Continued strengthening and embedding of the cyber risks and controls framework to identify threats and reduce exposures.
- Service level agreements for business-critical IT services.
- Reviewing and testing business continuity plans in response to changes in the threat to the Group.

Energy Affordability

Oversight: Group Executive Committee

The risk that energy customers' ability to meet the costs of providing energy, or their ability to access energy services, is limited, giving rise to negative political or regulatory intervention that has an impact on SSE's regulated networks and energy businesses.

Developments this year

The risk remains unchanged although a shift in risk context considers consumer energy costs associated with the transition to the future energy system and increased cost of living. Other developments include:

- Continued pressure on consumers from high interest rates and inflation.
- Consumer energy costs and value for money modelled in SSEN Transmission's business plan for the RIIO-T3 period.
- The UK Labour Government's Clean Power plan includes a pledge to bring bills down by £300.
- Removal of the Winter Fuel Payment.

Key mitigations

- Affordability schemes to support financially vulnerable customers.
- Engaging with governments, regulators, customers and relevant counterparties.
- Regular review of aged debt and bad debt management.
- Long-term price forecasting.
- Operational processes for pricing, billing and collections.
- Adopting and implementing government support mechanisms across multiple jurisdictions.

Risk trend key: ▲ Increased in materiality ■ Not changed significantly ▼ Reduced in materiality

Energy Infrastructure Failure

Oversight: Group Executive Committee

The risk of national energy infrastructure failure, whether in respect of assets owned by SSE or those owned by others which SSE relies on, that prevents the Group from meeting its obligations.

Developments this year

While this risk has not materially changed this year there has been an increase in the threat of malicious physical damage linked to ongoing geopolitical conflicts. The control environment is keeping pace with the increase in risk exposure. Other developments include:

- Continuing geopolitical unrest potentially leading to global security threats, cyber threats and supply chain challenges.
- Continued strategic investment to ensure capacity and resilience in the energy system.
- Strong, regular engagement with the public during weather-related events.
- Increasingly volatile weather affecting asset maintenance regimes.
- Advancing technology such as artificial intelligence and machine learning.
- Improving cyber controls in line with regulatory compliance.
- Responding to a number of named storms including Storm Éowyn.

Key mitigations

- Asset management policies and frameworks.
- Engineering Centres of Excellence review and develop plans to ensure the ongoing integrity of generation assets including crisis management and business continuity plans.
- Capital investment plans to ensure the ongoing health and integrity of network assets.
- Stakeholder engagement strategies.
- Dedicated cyber security programmes.
- Maintaining physical security of critical national infrastructure and key assets.

Financial Liabilities

Oversight: Group Risk Committee

The risk that funding is not available to meet SSE's financial liabilities, including those relating to its defined benefit pension schemes, as these fall due under both normal and stressed conditions without incurring unacceptable costs or risking damage to its reputation.

Developments this year

The risk remains unchanged, as the nature of SSE's portfolio and an adapted control environment has mitigated the impacts from an increase in macroeconomic volatility. Other developments include:

- Short-and longer-term funding supported by existing facilities and forecasts.
- Refinancing of the committed facility, extended to 2029 to support financing of growth.
- Reduction in UK interest rate.
- Continuation of strong ESG credentials.
- Geopolitical developments and commodity price volatility attributed to foreign policy and continued global conflicts.
- Increase in gilt rates following autumn Budget increasing UK borrowing costs.

Key mitigations

- Financial management policies and frameworks.
- Regular oversight and governance through Board and committees.
- Committed borrowings and facilities always available, equal to at least 105% of forecast borrowings over a rolling six-month period.
- Approval of all material counterparty credit limits is a matter reserved for the Board.
- Detailed and continuous financial modelling and forecasting on a Group and Business Unit basis.
- A Board of Trustees for each of SSE's defined benefit pension schemes, acting independently of the Group.

Large Capital Projects Management

Oversight: Large Capital Projects Committee

The risk that SSE develops and builds major assets that do not realise intended benefits or meet the quality standards required to support long-term sustainable economic lives within forecast timescales and budgets.

Developments this year

The risk's materiality has increased, driven by the overall size and growing complexity of the Large Capital Projects portfolio, the inclusion of new technologies and international expansion. This is compounded by the impacts of continued supply chain constraints and slower-than-anticipated planning and consenting decisions. Other developments include:

- SSE opened its 443MW Viking wind farm on the Shetland Islands, which is capable of powering nearly 500,000 homes annually.
- SSE's first onshore wind farm in mainland Europe is now fully operational at Chaintrix-Bierges and Vélye in north-east France.
- The opening of SSE's Dogger Bank A offshore wind project has been subject to delays at the installation stage but will open later in 2025 without material impact on returns.
- Unpredictable planning and consenting decisions causing delays and cost implications for both grid connection and non-regulated projects.
- Increases in project costs due to inflationary pressures.

Key mitigations

- Large Capital Projects Governance Framework to govern, develop, approve and execute major capital investment projects consistently and effectively.
- In-depth quality reviews by Large Capital Project quality and assurance teams.
- Ongoing interaction with key suppliers through SSE's supplier relationship management programme.
- SSE generally manages insurance placement by organising owner-controlled insurance for major projects, allowing greater control over, and flexibility of, the provisions in place.
- Appropriate governance arrangements, including those for joint venture (JV) and partner management.

Risk trend key: ▲ Increased in materiality ■ Not changed significantly ▼ Reduced in materiality

People and Culture

Oversight: Group Executive Committee

The risk that SSE is unable to attract, develop and retain an appropriately skilled, diverse and responsible workforce to deliver strategic objectives, and maintain a healthy business culture which encourages and supports SSE values and doing the right thing.

Developments this year

The risk description has been updated to reflect the ongoing significance of SSE's values and commitment to doing the right thing. The risk's materiality has increased slightly, reflecting potential short-term disruption from a change of Chief Executive. Other developments include:

- The Group has undertaken an operating model and efficiency review to ensure that SSE has the right structures, resourcing and accountabilities to maximise the enormous growth opportunities that decarbonisation offers.
- Ongoing reviews to understand whether onboarding new recruits is consistent and not negatively affecting culture.
- Ongoing technological changes, such as the introduction of AI, and the impact on ways of working.
- Positive employee engagement results (see page 54).
- Continuing international expansion and integration with SSE workforce and culture.

Key mitigations

- Employment Policy and Whistleblowing Policy.
- Inclusion and Diversity plan, see page 55.
- SSE governance arrangements, including those relating to JV and partner management.
- 'Doing the right thing, SSE's guide to good business ethics', outlines steps for employees to make sure their day-to-day actions and decisions are consistent with SSE's values and ethical business principles.
- Internal and external mechanisms, including the independent Speak Up service, for employees to report wrongdoing.
- Regular succession planning reviews by SSE's business leaders.
- Continued development of the Group's approach to managing talent.
- Performance Edge, an evolved approach to leading and managing performance.
- £41.0m total investment in training and development.

Political and Regulatory Change

Oversight: Group Executive Committee

The risk associated with operating in a fast-paced, highly regulated environment which is subject to constantly changing political, regulatory and legislative expectations and interventions.

Developments this year

Materiality increased slightly as the risk context changed significantly following the a large number of elections globally in 2024. Slower-than-anticipated UK policy implementation and a high degree of uncertainty relating to REMA (specifically, zonal pricing) also contributed to this risk increase. Other developments include:

- The introduction of the National Energy System Operator (NESO) and the UK Government review of Ofgem.
- Clean Power 2030 brought forward the target for a clean power system.
- New coalition Government in Ireland with extensive plans for the energy sector including reforming the Commission for Regulation of Utilities (CRU).
- New Transmission Constraint Licence Condition guidance from Ofgem.
- SSE's international exposure, such as Netherlands and Spanish assets, increasing the breadth of risk.
- Ongoing conflicts in Europe and the Middle East.

Key mitigations

- Political and Regulatory Engagement Policy.
- Advice, guidance and assurance for business areas from Corporate Affairs, Regulation, Legal and Compliance teams on interpreting political, regulatory and legislative change.
- Engagement with regulators, politicians, officials and other stakeholders, led by the Corporate Affairs and Regulation teams. For details of SSE's Stakeholder Engagement, see pages 8 and 9.
- SSE Governance arrangements including regular engagement with the Board and Group Executive Committee on political and regulatory developments which may affect SSE's operations or strategy.
- Change management processes to manage all aspects of significant regulatory and legislative change.

Risk trend key: ▲ Increased in materiality ■ Not changed significantly ▼ Reduced in materiality

Portfolio Exposure

Oversight: Group Risk Committee

The risk to the Group's portfolio value associated with fluctuations in both the price and physical liquidity of key energy market indices or drivers – primarily gas, carbon and electricity.

Developments this year

This has not changed significantly during the year. Amendments to the control environment have enabled SSE to keep pace with the inherent exposures, including continued volatility caused by geopolitical events. Other developments include:

- Increased exposure to weather events (for example, higher numbers of dunkelflaute days impacting consistency of Renewables output).
- Exploration of new market value opportunities.
- Continued uncertainty around REMA, specifically zonal pricing.
- Continued geopolitical unrest causing fluctuations in commodity prices.

Key mitigations

- Operational oversight of commodity positions by the Group Energy Markets Exposure Risk Committee (GEMRC), and monitoring Group hedging arrangements by the Board Energy Markets Risk Committee (EMRC). For more details see page 120.
- Trading controls including VaR and PaR measures to monitor and control exposures. Trading limits are reviewed regularly by the Energy Markets Risk Committee and approved by the Board.
- Asset-by-asset approach to hedging strategy so that trading positions don't have a material impact on Group earnings.
- Energy Markets can maximise and mitigate risks across the Group through leveraging the portfolio of Business Units.
- Using hedging instruments to minimise exposure to fluctuations in foreign exchange markets. For details see Financial Statements page 161.
- Commodity price forecasting from SSE's Energy Economics team to inform decisions on trading strategy and asset investment.

Safety and the Environment

Oversight: Safety, Health & Environment Committee

The risk of harm to people, property or the environment from SSE's operations.

Developments this year

Safety is SSE's number one core value. While this risk has not materially changed, SSE continues to adapt its control environment to keep pace with inherent exposures. An increase in competition for preferred contractors and the high pace of change underline the importance of SSE's strong safety culture. Other developments include:

- Total Recordable Injury Rate (TRIR) among direct employees of 0.11.
- The immersive safety training experience has been has been very successful since its launch with over 8,750 colleagues and around 1,170 contract partners having taken part so far.
- More volatile and extreme weather, such as the risk of wildfires and an increase in named storms, affected sites and working conditions.
- Increased awareness of health and wellbeing issues.
- Increase in marine-based activity.

Key mitigations

- Group Safety and Health Policy and Group Environment Policy.
- Safety, Health and Environment (SHE) management standards and frameworks.
- Safety is the Group's number one value, with Board oversight provided by the SSHEAC.
- Regular SHE assurance reviews by each business of risks, controls and monitoring.
- Regular testing of Group crisis management and business continuity plans to manage and recover from significant safety and environmental events.

Risk trend key: ▲ Increased in materiality ■ Not changed significantly ▼ Reduced in materiality

Speed of Change

Oversight: Group Executive Committee

The risk that SSE is not able to respond with agility to the evolving systems and energy markets within which it operates, in a fast-paced, ever-growing technological world.

Developments this year

The risk description has been revised to better reflect SSE's exposures in its current operating environment. The materiality of this risk has increased because of factors including the rate of policy implementation and changes to the macroeconomic environment. The Group responds to manage the impacts of changes in the operating environment at pace, as required. Other developments include:

- The Group has undertaken an operating model and efficiency review to ensure that SSE has the right structures, resourcing and accountabilities to ensure it is well placed for the next phase of growth.
- SSEN Transmission set out a blueprint to deliver at least £22bn of critical grid infrastructure in the five years to 2031 For more details see pages 35 to 36.
- Implementing a new customer billing system in the Energy Customer Solutions Business Unit.
- Evolving digitisation of the SSE IT estate including more use of AI and emerging technologies.
- SSE and Siemens partnership to accelerate hydrogen power.

Key mitigations

- Group Operating Model Policy setting out how SSE's business strategy is executed through the accountabilities of the Board, Executive, corporate centre, Business Units and supporting governance model.
- The Board ensures alignment of risk appetite and strategic objectives by regularly reviewing the Group's commercial strategy, business development initiatives and long-term options.
- The Group Executive Committee is responsible for making sure that Business Unit strategies are consistent and compatible with the overarching Group strategy and its vision to be a leading energy company in a net zero world.
- Continued investment in technology advancements to build SSE's ability to make proactive decisions in response to rapid change.
- Regular analysis of the energy sector, current market and opportunities to anticipate potential change affecting SSE.

Supply Chain

Oversight: Group Risk Committee

The risk that SSE is unable to secure a viable, competent and sustainable supply chain to meet the growth required to deliver the strategy and NZAP Plus programme.

Developments this year

While the context of this risk has evolved during the year, there has been no increase in materiality. Securing supply chains remains a priority where demand is high for resource and materials across the sector. Other developments include:

- The UK Government's Clean Power Plan 2030 looks to maximise opportunities for clean energy supply chains.
- SSE is managing the effects of delays in planning and consenting to minimise potential disruption to supply chain placement.
- Increasing international activities including Southern Europe, Japan and the Netherlands.
- Ongoing conflicts in Europe and the Middle East continue to constrain supply chains.

Key mitigations

- Group Procurement Policy sets out to maximise value throughout project lifecycles, and competitively and ethically procure goods, works and services as appropriate.
- Strategic supplier relationship management tailored for each Business Unit.
- Robust commercial terms in place and ongoing contract management.
- Procurement and Commercial teams ensure effective demand management via dedicated business partners.
- Third party due diligence.
- Category management surveillance of markets and environments to anticipate and develop proactive response to constraints.
- Large Capital Projects Framework.

Risk trend key: Increased in materiality | Not changed significantly | Reduced in materiality

Disclosure statements

Climate-related financial disclosures

An integrated approach to disclosures

This statement summarises how SSE fulfils its requirements under relevant mandatory climate-related financial disclosures. SSE is at the heart of the energy transition and its business strategy is tackling climate change head-on, by focusing on building a clean energy system. The consideration of climate-related opportunities and risks is, therefore, naturally embedded into its policies and practices. Considering this, SSE has integrated its climate-related disclosures throughout this Annual Report providing a holistic understanding of how climate-related impacts are managed.

Mandated climate-related financial disclosures in the UK

SSE is compliant with the Financial Conduct Authority (FCA) listing rule LR 6.6.6 R(8)(a). This requires organisations to report against the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, recommended disclosures and the Annex and guidance (published 2021) in annual reports. These disclosures also satisfy UK Mandatory Climate-related Financial Disclosure requirements under the Companies Act 2006 sections 414CA and 414CB.

Climate change has been considered in preparing the Group's consolidated financial statements for the year ended 31 March 2025 on pages 169 to 262. Further information has been included in note 4.1(v) 'Impact of climate change and the transition to net zero – financial judgement and estimation uncertainty' on pages 177 to 178.

Navigating SSE's climate-related disclosures

TCFD recommendations	SSE's summary position	Additional information
Governance		
a) Describe the Board's oversight of climate-related risks and opportunities	Responding to the challenge of climate change is central to SSE's strategy and, as a result, the SSE Board considers climate change as it establishes SSE's purpose, vision and strategy.	**Governance** – Governance of climate-related matters page 93 – More on climate-related work in the year page 93
b) Describe management's role in assessing and managing climate-related risks and opportunities.	There are clearly defined climate-related responsibilities assigned to SSE committees and key individuals, including the Chief Executive and Chief Sustainability Officer.	**Governance** – Governance of climate-related matters page 93 – More on climate-related work in the year page 93 **Strategic Report** – How we govern sustainability page 44
Strategy		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Opportunities relate to the role that SSEN Transmission, SSEN Distribution, SSE Renewables and SSE Thermal play in supporting the transition to net zero. Material risks are associated with the physical impacts of extreme or changing weather conditions on renewable and network operations, alongside transition risk related to renewable wholesale prices. SSE assesses the risks and opportunities over time horizons to 2035, 2050 and 2080.	**Disclosure statement** – Assessing SSE's climate-related opportunities and risks pages 73 to 74 – Detailed climate-related opportunities and risks tables pages 75 to 78
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	SSE's net zero ambitions place climate action front and centre of its strategy. SSE's climate-related risks and opportunities are directly linked to its business goals and capital plans.	**Strategic Report** – Our strategy, investment plan, 2030 Goals and business model pages 6 to 7 – Performance against 2030 Goals page 45 **Disclosure statement** – Assessing SSE's climate-related opportunities and risks pages 73 to 74 – Detailed climate-related opportunities and risks tables pages 75 to 78 – EU Taxonomy assessment page 80 **Financial review** – Note 4.1(v) Impact of climate change and the transition to net zero – financial judgement and estimation uncertainty pages 177 to 178
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	SSE has undertaken scenario analysis to assess the resilience of its strategy and financial plans under a range of climate-related scenarios, including a 1.5°C, 2.5°C and 4°C temperature pathway.	**Disclosure statement** – SSE's approach to climate scenario analysis page 73 – Detailed climate-related opportunities and risks tables pages 75 to 78 – Viability statement page 82

Climate-related financial disclosures continued

TCFD recommendations	SSE's summary position	Additional information
Risk management		
a) Describe the organisation's processes for identifying and assessing climate-related risks.	To identify and assess climate-related opportunities and risks, SSE conducts a specialist TCFD assessment that complements its Group Risk Management Framework.	**Strategic Report** – Summary of SSE's key climate-related opportunities and risks page 48 – Climate-related risks and opportunities page 62 – Risk management process page 63 **Governance** – Governance of climate-related matters page 93 **Disclosure statement** – Assessing SSE's climate-related opportunities and risks pages 73 to 74
b) Describe the organisation's processes for managing climate-related risks.	SSE's system of internal control defines the policy, standards and governance for the management of all risks, including those relating to climate.	**Strategic Report** – How we manage risk page 62 – System of internal control page 125 **Disclosure statement** – Assessing SSE's climate-related opportunities and risks pages 75 to 78 **Governance** – Governance of climate-related matters page 93
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Climate change is a Group Principal Risk. Scenarios on physical climate risks form part of SSE's Viability statement and climate-related influencing factors are considered across all relevant Group Principal Risks.	**Strategic Report** – How we manage risk page 62 **Disclosure statement** – Viability statement page 82 **Governance** – Governance of climate-related matters page 93
Metrics and targets		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	SSE uses its 2030 Goals, Net Zero Transition Plan, science-based carbon targets and other metrics to measure and manage climate-related opportunities and risks.	**Strategic Report** – Progressing towards 2030 Goals page 45 – SSE's Net Zero Transition Plan pathway page 46 – Performance against SSE's Net Zero Transition Plan pages 47 to 48 – Reporting on our impacts pages 58 to 59 – Carbon pricing page 73 **Governance** – Annual report on remuneration pages 142 to 147
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	SSE measures and discloses year-on-year carbon performance and progress against targets.	**Strategic Report** – Performance against SSE's Net Zero Transition Plan pages 47 to 48 **Disclosure statement** – Carbon performance disclosures page 79
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	SSE has long-term net zero ambitions that are supported by near-term science-based targets on a 1.5°C pathway.	**Strategic report** – Progressing towards 2030 Goals page 45 – Figure 2: Science-based targets: performance 2017/18 – 2024/25 page 47

Useful information

- Further information is presented in SSE's Net Zero Transition Plan, SSE's Net Zero Transition Report and SSE's Sustainability Report
- Information on SSE's GHG emissions data and how it is produced is available in SSE's Sustainability Reporting Criteria 2025
- Detailed information can be found in SSE's CDP submission

All of this information can be found at sse.com/sustainability.

Assessing SSE's climate-related opportunities and risks

SSE has a well-established approach to identifying material climate-related opportunities and risks, which is informed by climate-scenario analysis. The results of this exercise are provided in the detailed opportunities and risks tables on pages 75 to 78.

SSE's approach to climate scenario analysis

SSE conducts an exercise to identify material opportunities and risks biennially, or sooner if a material business change occurs. SSE carries out scenario analysis on the outcome of that assessment every year.

During 2024/25, SSE completed the process to confirm its material climate-related opportunities and risks. SSE pioritised those opportunities and risks based on both internal and external developments since the previous assessment.

As a result of the review, the 'short term' TCFD scenario time horizon has been extended from 2030 to 2035. This change reflects realignment with internal business time horizons where business plans are reviewed over a ten-year period, and the longer-term strategic nature of this climate scenario analysis.

The biennial review of risks and opportunities confirmed that each of the climate-related opportunities remained material to SSE.

However, management assessed that the 'Accelerated Gas Closure' transition risk that SSE reported on last year has become less material to SSE and has been removed from this year's analysis. SSE reached this decision having considered the UK Government's 'Clean Power 2030 Action Plan', published in December 2024, and the UK Climate Change Committee's (UK CCC) Seventh Carbon Budget, published in February 2025. These publications set out the strategic importance of unabated gas-fired electricity generation providing a back-up role in the UK's transition to net zero. On 31 March 2025, SSE reassessed the useful economic life of three of its CCGT assets, extending the closure date from 2030 to 2035 (see Group Consolidated Financial Statements note 4.1 on pages 177 to 178).

As a result, the perceived risk of mandated early closure of these CCGT assets has materially decreased in the year.

The remaining three transition and physical risks reported last year remain relevant and continue to be assessed.

Each year, SSE reviews its scenario process, updating it with information from external scenario providers and considering relevant economic and political factors to operations. SSE currently assesses different scenarios with temperature outcomes of 1.5°C, 2.5°C and 4°C over time horizons to 2035, 2050 and 2080.

By updating the scenario analysis annually, this can provide an indication of the potential financial impact to SSE.

This allows SSE to assess and manage potential emerging risks as part of the integrated Group Risk Management Framework and to provide strategic insights into potential changes in climate-related opportunities.

Time horizons for scenario analysis

SSE has defined time horizons for assessing climate-related opportunities and risks as follows:

- Short term – aligned to SSE's financial, operational, capital investment plans and to SSE's Net Zero Transition Plan;
- Medium and long term – aligned to when climate-related impacts are more likely to emerge.

Figure 1 sets out the relationship between Climate-related financial disclosures time horizons and SSE's Going Concern and Viability statements' time horizons.

Assessing financial impacts of climate-related opportunities and risks

SSE assesses climate-related opportunities and risks relative to an operating profit measure. The scenario analysis used the financial quantification pathways (see panel) along with internal and external data sources to quantify each of the material opportunities and risks under the different scenarios. Additional sensitivity analysis is also used to provide further insights into the impact of climate-related opportunities and risks on the Group's business operations.

Carbon pricing

As a generator of electricity, SSE is subject to policies that affect the price of carbon, and takes that price into consideration in many of its investment decisions.

SSE's generation activities in Great Britain are subject to the UK Emissions Trading Scheme (UK ETS), which is a cap-and-trade programme. In addition, SSE's generation assets in GB are subject to the Carbon Price Support mechanism, which sets a price per tonne of carbon emitted.

This, combined with the UK ETS allowance price, makes up the Total Carbon Price paid by electricity generators. In Ireland, SSE's generation assets are subject to the EU Emissions Trading Scheme (EU ETS). As part of SSE's capital investment plans a range of carbon prices are considered, £52 to £140/tCO_2 in GB and €66 to €155/tCO_2 in the EU. SSE's future plans include assumptions on low, central and high carbon range forecasts.

How SSE conducts its scenario analysis

Material opportunities and risks
Identified and prioritised through an assessment process

↓

Impact pathways
Developed for each opportunity and risk, considering the business and financial impacts of possible climate-related events

↓

Financial quantification pathways
Developed for each opportunity and risk, including identifying data points and external scenarios

↓

Scenario selection
Relevant scenarios selected for each opportunity and risk, considering a range of factors like temperature outcomes and time horizons

↓

Quantification
Using internal data and publicly available data from TCFD recommended providers

↓

Assessment
Quantification output assessed, considering resilience of business model and strategy to the opportunities and risks across the time horizons and warming scenarios

Scenario selection and assumptions

Climate scenarios help assess how the impact of the opportunities and risks identified may change in different warming scenarios; however they are only scenarios and not forecasts. The scenario analysis SSE performs extends beyond normal business forecasting cycles and in some cases beyond the operating life of the majority of the Group's assets.

SSE selects external scenario datasets according to relevant characteristics of each material opportunity or risk.

SSE uses the following external scenarios in its analysis:

- International Energy Agency (IEA) World Energy Outlook 2024,
- National Grid Future Energy Scenario (FES) Pathways framework 2024,
- International Panel on Climate Change (IPCC) models and Met Office UK Climate projections

The specific scenarios within these models and the warming scenarios they relate to are outlined in Table 1.

These scenarios were consistent with those used last year and data was updated by the relevant external provider.

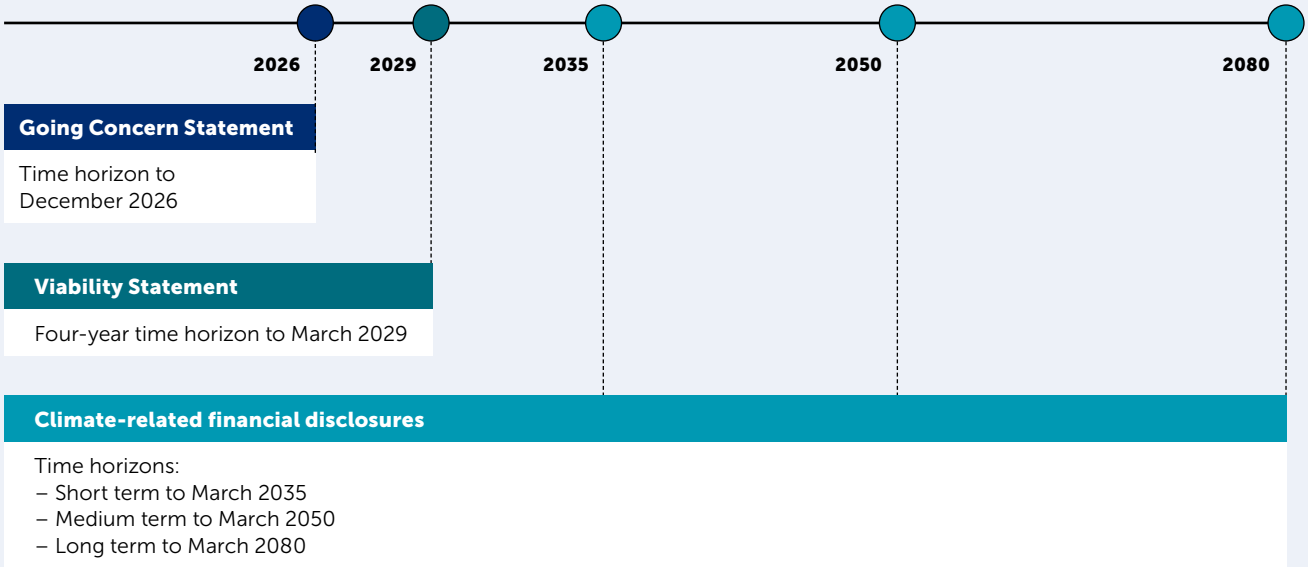
Table 1: External models and scenarios used in SSE's climate scenario analysis 2024/25

Warming scenario	Transition scenarios	Physical scenarios
1.5°C	– IEA World Energy Outlook 2024 – Net Zero Emissions (NZE) by 2050 – National Grid FES Pathways framework 2024 – Holistic Transformation and Electric Engagement	– IPCC Representative Concentration Pathway – RCP 2.6 – UK Met Office Climate projections (UKCP18) tool
2.5°C	– IEA World Energy Outlook 2024 – Stated Policies (STEPS) – National Grid FES Pathways framework 2024 – Counterfactual	
4°C		– IPCC Representative Concentration Pathway – RCP 8.5 – UK Met Office Climate projections (UKCP18) tool

Assessment of impacts

This year's analysis indicates continued growth across all material climate-related opportunities, while climate-related risks remain stable. Extending the short-term time horizon to 2035 has resulted in increased annualised growth and the inclusion of additional pipeline assets within the 2035 scenario scope. These were not considered in the prior year's assessment. SSE's material climate-related opportunities and risks are considered in SSE's Net Zero Transition Plan, which sets the key actions to drive progress towards its near-term science-based targets, and net zero ambitions. The detailed assessment of impacts relating to climate-related opportunities and risks are provided in the following tables on pages 75 to 78.

Figure 1: SSE's Going Concern Statement, Viability Statement and Climate-related financial disclosures time horizons



Detailed climate-related opportunities and risks tables

The following tables describe: the key scenario and assumptions applied; the potential financial impact; the geographical and asset impact within SSE's own operations; the impact on the business strategy and mitigation; and the related 2030 Goal for each of the material climate-related opportunities and risks.

Transition opportunities

The potential financial impact of all scenarios for transition opportunities is stated in GBP billion (£bn), based on one-year annualised earnings before interest and tax (EBIT), and presented as a range to reflect the sensitivities applied to each scenario.

Financial impact change from prior period: ▲ Growth ■ Stable ▼ Decline

Accelerated transmission growth ▲

Electrification of the UK economy presents an opportunity to accelerate returns from required investment in SSEN's electricity transmission network.

Geographical and asset impact

SSEN Transmission network assets in the north of Scotland.

Scenario inputs

- 2024 FES Holistic Transition and Counterfactual pathways.
- The projected share of renewable capacity connected to SSEN's network.

Financial impact

Based on scenarios, the opportunity to invest in an accelerated expansion of SSEN's transmission network presents a potentially significant increase to EBIT.

The outcomes continue to indicate a growth opportunity in connected renewable capacity, which is more considerable in the 1.5°C scenarios.

Scenario	2035 (£bn)	2050 (£bn)
1.5°C	0.9 to 1.2	1.4 to 1.9
2.5°C	0.4 to 0.6	0.7 to 1.0

Strategy

SSEN Transmission owns, operates and develops the transmission network in the north of Scotland. In December 2024, the business submitted its Business Plan to Ofgem for the RIIO-T3 price control period, from 2026 to 2031. This plan sets out £22bn of known certain expenditure to 2031 and the potential for an additional £9bn of potential future expenditure.

Related 2030 Goal

Enable low-carbon generation and demand.

Accelerated wind investment ▲

The transition to clean power presents an opportunity to accelerate investment in installed onshore and offshore wind generation capacity.

Geographical and asset impact

UK, Irish, European and Japanese wind farm portfolios.

Scenario inputs

- 2024 IEA NZE and STEPS scenarios for wind capacity.
- SSE's electricity capacity projections for existing and pipeline wind portfolio.
- Internal projections of price adjustments arising in a renewables-dominated electricity system.

Financial impact

Based on the scenarios, investment in wind assets at scale could result in significant increases to EBIT under both warming scenarios and timeframes.

The outcomes continue to indicate the growth opportunity from SSE's strong pipeline of options focused on offshore and onshore wind.

Scenario	2035 (£bn)	2050 (£bn)
1.5°C	0.9 to 1.2	1.5 to 2.0
2.5°C	0.5 to 0.7	0.9 to 1.2

Strategy

SSE Renewables has a strong pipeline of development options focused on offshore and onshore wind. The business is targeting an increase in installed capacity to 7GW by 2027, with ~1GW under construction at that point in time.

Related 2030 Goal

Increase renewable energy output fivefold.

Valuable flexible hydro

An increasing reliance on intermittent electricity generation sources presents an opportunity to invest in new low-carbon hydro assets that earn returns from flexible balancing of the electricity system.

Geographical and asset impact

Hydro assets in the north of Scotland.

Scenario inputs

- 2024 IEA NZE and STEPS scenarios for hydro generation.
- SSE's projected output from existing and pipeline hydro portfolio.
- Internal projections of price adjustments arising in a renewables-dominated electricity system.

Financial impact

Based on scenarios, the opportunity to provide flexible low-carbon hydro generation that balances intermittent electricity generation from wind assets has the potential to increase EBIT in the longer term.

The outcomes indicate a similar level of growth in both temperature scenarios as modelling shows new assets being operational in both the 2035 and 2050 time horizons.

Scenario	2035 (£bn)	2050 (£bn)
1.5°C	up to 0.1	0.2 to 0.3
2.5°C	up to 0.1	up to 0.2

Strategy

SSE Renewables operates and develops conventional hydro and pumped storage that provides flexible and dispatchable electricity. SSE continues to develop opportunities to expand its flexible low-carbon hydro generation, which could include new assets such as Coire Glas.

Related 2030 Goal

Increase renewable energy output fivefold.

Valuable flexible thermal

Intermittent weather patterns present an opportunity to invest in low-carbon thermal assets that will generate returns from providing flexible capacity, security of supply, and price stability to the electricity system.

Geographical and asset impact

GB carbon capture and storage (CCS) power stations (including investments in joint ventures), and sustainable biofuel power stations in Ireland.

Scenario inputs

- 2024 IEA NZE and STEPS scenarios for CCUS and Bioenergy generation.
- SSE's projected output from pipeline low-carbon thermal generation assets.

Financial impact

The opportunity to invest in new low-carbon thermal generation assets has the potential to increase EBIT in the longer term.

The outcomes continue to indicate more growth in low-carbon thermal generation in the 1.5°C scenarios.

Scenario	2035 (£bn)	2050 (£bn)
1.5°C	0.3 to 0.4	0.6 to 0.8
2.5°C	up to 0.1	up to 0.2

Strategy

SSE Thermal is continuing to develop a pipeline of options for new low-carbon thermal assets across a range of technologies from CCS to biofuels and hydrogen.

Related 2030 Goal

Cut carbon intensity by 80%.

Driving distribution transformation

UK climate policy presents an opportunity to transform SSEN Distribution's networks to meet the potential five- to ten-fold increase in consumer demand.

Geographical and asset impact

SSEN Distribution network assets in the north of Scotland and central southern England.

Scenario inputs

- 2024 FES Electric Engagement and Counterfactual pathways for electricity consumer demand.
- SSE's projected electricity distributed on the existing and pipeline network.

Financial impact

Increased expansion of SSEN Distribution's network has the potential to increase EBIT in the longer term.

The outcomes continue to indicate considerable growth in consumer demand in the UK as consumers adopt low-carbon technologies and energy efficiency measures. More significant growth is projected in the 1.5°C scenarios.

Scenario	2035 (£bn)	2050 (£bn)
1.5°C	up to 0.2	0.4 to 0.6
2.5°C	up to 0.1	0.3 to 0.4

Strategy

SSEN Distribution is the distribution network operator for central southern England and the north of Scotland. Its RIIO-ED2 Business Plan 2023 to 2028 sets out the flexibility and network investment required to accelerate net zero. SSEN Distribution is now preparing its next Business Plan for the price control period from 2028 to 2033.

Related 2030 Goal

Enable low-carbon generation and demand.

Transition risk

The potential financial impact of the wind generation price transition risk is stated in GBP billion (£bn), based on one-year annualised earnings before interest and tax (EBIT), and presented as a range to reflect the sensitivities applied to the scenario.

Financial impact change from prior period: ▲ Growth ■ Stable ▼ Decline

Wind generation price ■

As wind generation capacity increases, the average market electricity price for wind power is expected to be lower than the average price for electricity.

Geographical and asset impact

UK, Irish, European and Japanese wind farm assets with no revenue support contracts (e.g. Contracts for Difference).

Scenario inputs

- 2024 IEA NZE and STEPS scenarios for wind generation.
- SSE's projected merchant wind output from existing and pipeline wind portfolio.
- Internal projections of price adjustments arising in a renewables-dominated electricity system.

Financial impact

Increased wind generation capacity and changing consumer demand may result in power prices being lower for non-contracted wind assets.

The outcomes of both scenarios continue to indicate considerable growth in total wind generation and a subsequent impact on the achievable price for wind assets. This is most evident in the 1.5°C 2050 scenario, where total wind generation growth is forecast to be greatest.

Scenario	2035 (£bn)	2050 (£bn)
1.5°C	up to (0.2)	(0.7) to (0.9)
2.5°C	up to (0.1)	(0.2) to (0.3)

Mitigations

SSE's balanced portfolio of generation capacity (across wind, hydro, solar, battery and thermal), power hedging strategies, revenue stabilisation agreements and long-term offtake agreements are key to mitigating future low wind prices.

Related 2030 Goal

Increase renewable energy output fivefold.

Physical risks

The potential financial impact of all scenarios for physical risks stated in GBP billion (£bn), based on one-year annualised earnings before interest and tax (EBIT), and presented as a range to reflect the sensitivities applied to each scenario.

Financial impact change from prior period: ▲ Growth ■ Stable ▼ Decline

Variable renewable generation ■

Climate change models predict sustained higher temperatures that cause greater extremes in weather patterns, including variable wind and rainfall patterns. These scenarios could result in reduced renewable electricity generation and a fall in earnings.

Geographical and asset impact

Wind farm portfolios in the UK, Ireland, Europe and Japan, and hydro assets in the north of Scotland.

Scenario inputs

- 2024 IEA NZE scenario for wind generation.
- UK Met Office climate projections (UKCP18) tool aligned to IPCC RCPs 2.6 and 8.5 for average wind speeds.
- Projected output of SSE's existing and pipeline wind portfolio.

Financial impact

Predicted lower wind speeds and variable rainfall levels have the potential to reduce renewable electricity generation and related EBIT.

The outcomes of both scenarios continue to indicate a marginal decline in wind speeds, offset by significant growth in wind generation.

Scenario	2050 (£bn)	2080 (£bn)
1.5°C	up to (0.2)	(0.2) to (0.3)
4°C	(0.2) to (0.3)	(0.3) to (0.4)

Mitigations

SSE continues to review climate projections using the Met Office UK Climate Projection (UKCP18) to understand the potential impact on renewable generation assets and infrastructure. The technical and geographical nature of SSE's renewable capacity, alongside meteorological monitoring, crisis management and business continuity plans are some of the ways that SSE manages and mitigates this risk.

Related 2030 Goal

Increase renewable energy output fivefold.

Extreme weather network damage

More extreme weather events, including disruptive flooding events, heat waves and extreme winds, may cause greater damage to electricity distribution network assets, resulting in faults and outages.

Geographical and asset impact

SSEN Distribution network assets in the north of Scotland and central southern England.

Scenario inputs

- 2024 FES Electric Engagement and Counterfactual pathways for consumer demand.
- UK Met Office climate projections (UK CP18) tool aligned to IPCC RCPs 2.6 and 8.5 for average winter wind speeds and mean summer temperatures
- Storm and heat costs to SSE's existing and pipeline network assets.

Financial impact

This risk has the potential to cause physical damage to network assets, increasing repair and maintenance costs, and to disrupt supply to customers, increasing exposure to regulator penalties and reputational issues, negatively affecting EBIT.

The outcomes of both scenarios continue to indicate a marginal decline in wind speeds and an increase in average temperatures. However there could be more frequent and intense extreme weather events in the future.

Storms continue to pose a material risk to SSE, particularly in relation to customers. In the financial year to 31 March 2025, SSE experienced seven UK Met Office-named storms that had an impact on customers and network assets.

Scenario	2050 (£bn)	2080 (£bn)
1.5°C	up to (0.1)	up to (0.2)
4°C	up to (0.1)	up to (0.2)

Mitigations

SSE has mitigation methods in place, such as monitoring short- and long-term weather patterns, crisis management and business continuity plans and investment programmes to improve infrastructure resilience. SSEN Distribution has set out a resilience strategy with climate adaptation actions, including flood risk mitigation, in its current price control Business Plan.

Related 2030 Goal

Enable low-carbon generation and demand.

▲ SSEN Distribution climate resilience strategy mitigates the risk from extreme weather on distribution network assets

Carbon performance disclosures

The table on this page, in combination with the energy use information in Table 3 on page 59, represents SSE's disclosures in line with the UK Government Streamlined Energy and Carbon Reporting requirements. SSE takes an operational control consolidation approach to define its organisational boundary for GHG emissions.

SSE's inventory details its direct and indirect GHG emissions performance (scopes 1, 2 and 3). This is shown as total emissions, as well as split out by UK and Irish activity. It also provides a carbon intensity measure based on scope 1 GHG emissions released for each unit of electricity generated by SSE.

SSE's GHG inventory is prepared in accordance with the UK Government's environmental reporting guidelines (BEIS, March 2019); aligned to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition) developed by the World Resources Institute and the World Business Council for Sustainable Development (2004); and ISO 14064-1:2018 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals.

For more information on SSE's GHG emissions data and how it is produced, see SSE's Sustainability Reporting Criteria 2025 available at sse.com/sustainability.

Table 2: SSE's carbon performance

		Unit	2024/25	2023/24
Total reported GHG emissions		**$MtCO_2e$**	**10.24**[(a)]	**9.27**
Scope 1 GHG emissions	Total	$MtCO_2e$	5.22 [(a)]	4.34[(b)]
	UK/Ireland	$MtCO_2e$	(4.58/0.64)	(3.64/0.70)
Scope 2 GHG emissions[1]	Total	$MtCO_2e$	0.48 [(a)]	0.47 [(b)]
	UK/Ireland	$MtCO_2e$	(0.48/<0.01)	(0.47/<0.01)
Scope 3 GHG emissions[2] (Categories 3, 4, 9, 11 and 15 only)	Total	$MtCO_2e$	4.54 [(a)]	4.46 [(b)]
	UK/Ireland	$MtCO_2e$	(3.65/0.89)	(3.73/0.73)
Scope 1 GHG emissions intensity	Total	gCO_2e/kWh	218 [(a)]	205 [(b)]
Renewable generation output[3]	Total	GWh	10,237	10,004
	UK/Ireland	GWh	(8,897/1,324)	(8,652/1,352)
Non-renewable generation output[4]	Total	GWh	13,740	11,159
	UK/Ireland	GWh	(12,335/1,405)	(9,509/1,650)
Generation output	Total	GWh	23,977	21,164
	UK/Ireland	GWh	(21,231/2,729)	(18,162/3,002)

(a) This data is subject to external independent limited assurance by Ernst & Young Global Limited ('EY'). For the results of that assurance, see EY's assurance report and SSE's Sustainability Reporting Criteria 2025 on sse.com/sustainability.

(b) This data was previously reported in the SSE plc Annual Report 2024 where it was subject to external independent limited assurance by PricewaterhouseCoopers LLP ('PwC'). For the results of that assurance, see PwC's assurance report and SSE's GHG and Environmental Reporting Criteria 2024 on sse.com/sustainability.

1 SSE Scope 2 emissions are calculated using the location-based method described in the Greenhouse Gas Protocol.

2 SSE Scope 3 GHG emissions reported consist of Category 11 – Use of Sold Products (Gas Sold) of 1.95 $MtCO_2e$[(a)]; Category 15 – Investments (Joint Venture investments); Category 3 – Fuel- and Energy-Related Activities (excluding upstream emissions associated with gas sold); Category 9 – Downstream Transportation and Distribution; Category 4 – Upstream Transportation and Distribution; and Category 6 – Business Travel. Category 1 – Purchased Goods & Services and Category 2 – Capital Goods are excluded as SSE continues to develop and refine its accounting approach to calculate these figures to an acceptable level of accuracy. The upstream emissions associated with gas products sold is also excluded from Category 3.

3 Total includes pumped storage, battery energy storage systems and biomass output and excludes constrained-off wind.

4 Total excludes output from joint venture power stations where SSE does not have operational control (Seabank Power Limited, Triton Power Limited and Slough Multi-Fuel Limited), and includes 100% of output from joint venture power stations where SSE has full operational control under Power Purchase Agreements (Marchwood Power Limited).

EU Taxonomy assessment

SSE voluntarily aligns its reporting with the EU Taxonomy regulation to provide stakeholders with an understanding of its green economic activities.

SSE's key strategic activities (i.e. onshore wind, offshore wind, transmission, distribution) from its Reported Segments were voluntarily assessed against the EU Taxonomy criteria for climate change mitigation. While SSE conducted an internal assessment against the technical screening, do no significant harm, and minimum safeguards criteria, a second-party opinion has not yet been sought.

The financial metrics disclosed continue to be classified based on SSE's Reported Segments. Table 3 provides the output from this principle-based assessment of SSE's 'taxonomy-aligned' activities.

'Taxonomy-eligible and aligned' activities in 2024/25 are from SSE's transmission and distribution networks, as well as onshore and offshore wind generation and hydro (run-of-river and pumped storage) activities. The 'taxonomy-eligible not aligned' activities are associated with SSE's Thermal generation and Gas Storage businesses. As these businesses continue on their decarbonisation pathways, it is expected that emerging activities such as low-carbon flexible generation or hydrogen storage will qualify in the future as eligible and aligned activities.

Some activities are considered 'taxonomy-non-eligible' because they have not been identified in the taxonomy. This is because they either do not significantly contribute to climate change mitigation or could be integrated into the taxonomy at a later date. These activities comprise SSE's Business Energy, Airtricity, Energy Markets and Corporate businesses because they either operate as customer-focused businesses, a route to market for generation, or do not contain material activities at this time.

Assumptions

SSE's accounting policies for these calculations are based on the current EU Taxonomy Regulation 2020/852, and delegated acts.

Linkage principle

SSE has applied a 'linkage principle' while calculating 'taxonomy-eligible aligned' activities. This stipulates that any revenue, operating profit/loss or capital expenditure that can be justifiably linked to an identified taxonomy economic activity can be classified as 'taxonomy-eligible aligned'. Using this principle, revenue and operating profits from SSE's balancing activities, hedging and trading can be included in the calculation when they directly support 'taxonomy-eligible aligned' activities.

Proxies

Where financial results are not appropriately split into taxonomy-eligible activities (namely Energy Markets trading and power sale activities), revenue has been allocated based on purchased power volumes from renewable versus non-renewable assets. Operating profit/loss has been apportioned based on internal contractual trading agreements.

Materiality

In preparing its analysis, SSE has applied a top-down review to understand how existing segmental reporting aligns with taxonomy-aligned activities. There are some activities that fall below specified thresholds that are not taxonomy eligible. As SSE's reporting processes and controls will be refined ahead of any proposed implementation of the UK Green Taxonomy, it is expected that some reclassification of activities may occur, due to changes in materiality thresholds or clarification on eligible activity criteria.

Table 3: Assessment of SSE's activities against the EU Taxonomy

		Revenue (b)		Adjusted operating profit / (loss) (c)		Adjusted investment and capital expenditure (d)	
SSE's Reported Segments (a)	'Taxonomy-eligible' activity (a)	£m	%	£m	%	£m	%
SSEN Transmission	Transmission of electricity	807.0	8.0	322.5	13.3	953.5	32.8
SSEN Distribution	Distribution of electricity	1,513.6	14.9	736.0	30.4	635.8	21.8
SSE Renewables	Electricity generation	354.9	3.5	1,038.8	42.9	1,001.8	34.4
SSE Energy Markets	As route-to-market for SSE Renewables	803.9	7.9	59.4	2.5	2.2	0.1
Total 'taxonomy-eligible aligned' activities		**3,479.4**	**34.3**	**2,156.7**	**89.1**	**2,593.3**	**89.1**
SSE Thermal	Electricity generation from fossil gaseous fuels	633.0	6.2	248.5	10.3	183.1	6.3
Gas Storage	Storage of hydrogen	17.6	0.2	(37.1)	(1.5)	0.7	–
SSE Energy Markets	As route-to-market for SSE Thermal	1,191.5	11.8	(11.4)	(0.5)	2.2	0.1
Total 'taxonomy-eligible not aligned' activities		**1,842.1**	**18.2**	**200.0**	**8.3**	**186.0**	**6.4**
SSE Business Energy		2,692.4	26.6	32.7	1.4	73.1	2.6
SSE Airtricity		1,909.1	18.8	159.4	6.6	6.9	0.2
SSE Energy Markets		–	–	(18.0)	(0.7)	4.3	0.1
Corporate unallocated		208.9	2.1	(111.6)	(4.7)	46.8	1.6
Total 'taxonomy-non-eligible' activities		**4,810.4**	**47.5**	**62.5**	**2.6**	**131.1**	**4.5**
Total continuing operations		**10,131.9**	**100.0**	**2,419.2**	**100.0**	**2,910.4**	**100.0**

Notes:
(a) Alignment is based on segmental reporting in SSE's financial year end statements. (see note 1.2 Basis of preparation for segmental changes in the year to 31 March 2025).
(b) Revenue: derived from the disaggregation of revenue from contracts by customers, in line with the requirements of IFRS 15 'Revenue from Contracts with Customers' (see **note 5.1.(i)**).
(c) Adjusted operating profit/(loss): calculated as adjusted operating profit/loss related to the businesses aligned with the taxonomy categories (see **note 5.1.(ii)**).
(d) Adjusted investment and capital expenditure: calculated as adjusted capital expenditure related to assets or processes associated with taxonomy-eligible economic activities that is accounted for based on IAS 16, IAS 38 and IFRS 16 and thereby included within adjusted capital expenditure (see **note 5.1.(iii)**).

Non-financial and sustainability information statement

SSE reports extensively on its non-financial impacts within its Annual Report and welcomes continued and increasing focus from regulators, shareholders and other stakeholders.

This table outlines how SSE meets the Non-financial Information and Sustainability reporting requirements contained within the Companies Act 2006. For more information on SSE's business model in Section 414CB (2)(a) see page 7. Further disclosure can also be found in SSE's Sustainability Report 2025.

Reporting requirement and SSE's material areas of impact	Relevant Group Principal Risks, pages 64 to 69	Relevant Group Policies on sse.com	Policy embedding, due diligence, outcomes and key performance indicators
Climate matters – Delivering net zero – Managing climate-related issues – Carbon performance, metrics and targets – Climate-related financial disclosures	Climate Change	Group Climate Change Policy	Performance against 2030 Goals, page 15 Our strategy, page 6 Driving climate action, pages 46 to 48 Climate-related financial disclosures, pages 71 to 78
Environmental matters – Responsible resource use – water and energy use, air emissions – Managing impacts on the natural environment and biodiversity	Safety and the Environment	Group Environment Policy	Protecting and restoring the natural environment, pages 58 to 59 Safety, Sustainability, Health and Environment Advisory Committee Report, pages 122 to 125
Employees – Protecting health, safety and wellbeing – Investing in training and learning – Culture and ethics – Reward and benefits – Employee voice – Promoting inclusion and diversity	People and Culture Safety and the Environment	Group Employment Policy Group Safety and Health Policy	Performance against 2030 Goals, page 15 Committed to decent work and economic growth, pages 53 to 57 Safety, Sustainability, Health and Environment Advisory Committee Report, pages 122 to 125
Social matters – Ensuring a just transition – Contributing to jobs and GDP – Sustainable procurement and supporting local supply chains – Paying a fair share of tax – Supporting customers through the cost-of-living crisis – Sharing value with local communities	People and Culture Speed of Change Energy Affordability	Group Sustainability Policy Group Taxation Policy Group Procurement Policy	Performance against 2030 Goals, page 15 Committed to decent work and economic growth, pages 53 to 57
Human rights, anti-corruption and anti-bribery – Reinforcing an ethical business culture – Speaking up against wrongdoing – Prevention of bribery and corruption – Approach to human rights	People and Culture Large Capital Projects Management	Group Human Rights Policy Group Corruption and Financial Crime Prevention Policy Group Whistleblowing Policy	Committed to decent work and economic growth, pages 53 to 57

Viability statement

SSE provides energy needed today while building a better world of energy for tomorrow through creating value for shareholders and society in a sustainable way by developing, building, operating and investing in the electricity infrastructure and businesses needed in the transition to net zero. The delivery of SSE's purpose and execution of its strategy depends on the skills and talent of a diverse workforce, the quality of its assets and the effective identification, understanding and mitigation of risk.

As required within provision 31 of the UK Corporate Governance Code, the Board has formally assessed the prospects of the Company over the next four financial years to the period ending March 2029. The Directors have determined that as this time horizon aligns with the financial planning period, a greater degree of confidence over the forecasting assumptions modelled can be established.

In making this statement the Directors have considered the resilience of the Group taking into account its current position, the Principal Risks facing the Group and the control measures in place to mitigate each of them. The Directors recognise the significance of the strong balance sheet with committed lending facilities as shown below:

	£bn	Matures	Comment
SSE plc	1.50	October 2029	2 1-year extension options available (in favour of the Group)
SSEN Transmission[1]	1.50	October 2029	2 1-year extension options available (in favour of the Group)
	3.00		

1 The Transmission facility is available to that Business Unit only.

The Group is an owner and operator of critical national infrastructure and has a proven ability to maintain access to capital markets during stressed economic conditions. The Group continued to demonstrate this through the recent issuance of a €600m 7-year green bond in March 2025, taking the total the Group has issued in the Debt Capital markets to £6.8bn over the past 5 financial years. Further detail relating to planned funding is available in A6.3. Accompanying Information to the Financial Statements in the Annual Report and Accounts and the adjoining Going Concern statement.

The Group has a number of highly attractive and relatively liquid assets – including a regulated asset base which benefits from a strong regulated revenue stream as well as the operational wind portfolio – which provide flexibility of options. This has been demonstrated through the success of recent disposals including the sale of a 25% stake in the Transmission business in FY2022/23.

To help support this Statement, over the course of the year a suite of severe but plausible scenarios has been developed for each of SSE's Principal Risks. These scenarios are based on relevant real life events that have been observed either in the markets within which the Group operates or related markets globally. Examples include critical asset failure impacting generation assets (for Energy Infrastructure Failure); significant project delays (for Large Capital Projects Management) and the physical impacts of climate change on distribution assets through more frequent and increasingly severe storm events (for Climate Change).

Scenarios are stress tested against forecast available financial headroom and in addition to considering these in isolation, the Directors also consider the cumulative impact of different combinations of scenarios, including those that individually have the highest impact.

Upon the basis of the analysis undertaken, and on the assumption that the fundamental regulatory and statutory framework of the markets in which the Group operates does not substantively change, and the Group continues to be able to refund its debt at maturity, the Directors have a reasonable expectation that the Group will be able to continue to meet its liabilities as they fall due in the period to March 2029.

Going Concern

The Directors consider that the Group has adequate resources to continue in operational existence for the period to 31 December 2026. The Financial Statements are therefore prepared on a Going Concern basis.

The Group uses cash flow forecasts to monitor its ongoing borrowing requirements. Typically, the Group will fund any short-term borrowing positions by issuing commercial paper or borrowing from committed and uncommitted bank lines and will invest in money market funds when it has a cash surplus.

Details of the Group's borrowings are disclosed at note 21 of the Financial Statements. In addition to the borrowing facilities listed, the Group has a £21m overdraft facility.

The refinancing requirement in the 2025/26 financial year is £1.9bn, being the £0.9m of short-term commercial paper that matures between April and June, and £1.0bn of medium- to long-term debt maturing being the €600m (£503m) Eurobond maturing 16 April 2025 and €600m (£499m) Eurobond maturing 8 September 2025.

The Directors are confident in the ability of the Group to maintain a funding level above 105% for the Going Concern assessment period based on the strong credit standing and borrowing history of the Group for both fixed debt and commercial paper, as discussed more fully below.

Given the committed bank facilities of £3.0bn (£1.5bn excluding Scottish Hydro Electric Transmission plc facilities) maintained by the Group and the current commercial paper market conditions, the Directors have concluded that both the Group and SSE plc as parent company have sufficient headroom to continue as a Going Concern.

In coming to this conclusion, the Directors have taken into account the Group's credit rating and the successful issuance of £16.9bn of medium- to long-term debt and hybrid equity since February 2012, including £1.4bn of long-term funding in the current financial year.

The Group's period of Going Concern assessment is performed to 31 December 2026, 21 months from the balance sheet date, which is at least 12 months from the filing deadline of its subsidiary companies.

While the formal assessment period was to the period ending 31 December 2026, a period of three months beyond this date was reviewed for significant events that may result in a change to the conclusion of the assessment. No events or circumstances were identified in that period beyond the formal assessment.

As well as taking account of the factors noted, the Going Concern conclusion is arrived at after applying stress testing sensitivities to the Group's cash flow and funding projections including removal of proceeds from unconfirmed future divestments, negative and positive sensitivities on operating cash flows and uncommitted capex and other adjustments.

The Group has also considered its obligations under its debt covenants. There have been no breaches of covenants in the year and the Group's projections support the expectation that there will be no breach of covenants over the period to 31 December 2026.