



**SSE**

**2024 CDP Corporate Questionnaire 2024**

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## C1. Introduction

### (1.3) Provide an overview and introduction to your organization.

#### (1.3.2) Organization type

Select from:

Publicly traded organization

#### (1.3.3) Description of organization

*SSE is a leading generator of renewable electricity in the UK and Ireland and one of the largest electricity network companies in the UK. It is driven by a purpose to provide energy needed today while building a better world of energy for tomorrow. It develops, builds, operates, and invests in low-carbon electricity infrastructure in support of the transition to net zero, including onshore and offshore wind, hydro power, flexible thermal generation, electricity transmission and distribution networks, alongside providing energy products and services to customers. SSE's ambitions for the development of renewable energy now extend beyond the British Isles to carefully selected international markets, including Asia-Pacific and Europe. SSE's purpose is to provide energy needed today while building a better world of energy for tomorrow; and its vision is to be a leading energy company in a net-zero world. Its strategy is to create 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. SSE's strategy is aligned to the ambitions set out in the Paris Agreement and an accelerated power sector pathway to net zero consistent with global warming of no more than 1.5oC. SSE also aims to increase the resilience of its business by adapting to the impact of a changed climate. Aligned to the UN Sustainable Development Goals (SDGs) most material to SSE's business activities, SSE's 2030 Goals are four core business goals focused on addressing the challenge of climate change in a just and fair way – cutting carbon intensity by 80%; increasing renewable energy output fivefold; enabling low carbon generation and demand; and championing a fair and just energy transition. They provide a framework for the Company as it works towards its net zero ambitions, ensuring that as it does, it creates and shares value with its stakeholders along the way. SSE aims to achieve net zero across scope 1 and 2 emissions by 2040 at the latest (subject to security of supply requirements) and for remaining scope 3 emissions by 2050 at the latest. SSE will, first and foremost, take action to reduce emissions as low as possible and its Net Zero Transition Plan sets out the key actions it is taking to achieve its targets to drive progress towards its net zero ambitions. Only when abatement is maximised will SSE deploy technologies or nature-based solutions that will neutralise any residual emissions. SSE's Net Zero Transition Plan was first published in March 2022 and updated in October 2022 in response to shareholder and wider stakeholder feedback. The updated Net Zero Transition Plan outlines SSE's net zero aligned targets and describes 17 actions to reduce material GHG emissions across scopes 1, 2 and 3.*

[Fixed row]

### (1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	03/31/2024	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

### (1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

### (1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

#### ISIN code - bond

#### (1.6.1) Does your organization use this unique identifier?

Select from:

Yes

#### (1.6.2) Provide your unique identifier

GB0007908733

## ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

No

## CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

## Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

No

## SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

No

## LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

## D-U-N-S number

### (1.6.1) Does your organization use this unique identifier?

Select from:

No

## Other unique identifier

### (1.6.1) Does your organization use this unique identifier?

Select from:

No

[Add row]

## (1.8) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
	Select from: <input checked="" type="checkbox"/> No, this is confidential data	SSE will not disclose geolocation data for its facilities.

[Fixed row]

## (1.16.1) For your electricity generation activities, provide details of your nameplate capacity and electricity generation specifics for each technology employed.

### Coal - Hard

#### (1.16.1.1) Own or control operations which use this power generation source

Select from:

No

### (1.16.1.5) Comment

*SSE does not own or operate coal power stations.*

## Lignite

### (1.16.1.1) Own or control operations which use this power generation source

Select from:

No

### (1.16.1.5) Comment

*SSE does not own or operate coal power stations.*

## Oil

### (1.16.1.1) Own or control operations which use this power generation source

Select from:

Yes

### (1.16.1.2) Nameplate capacity (MW)

346

### (1.16.1.3) Gross electricity generation (GWh)

125

### (1.16.1.4) Net electricity generation (GWh)

**(1.16.1.5) Comment**

*SSE owns and operates oil-fired power stations in the United Kingdom and Ireland.*

**Gas****(1.16.1.1) Own or control operations which use this power generation source**

Select from:

Yes

**(1.16.1.2) Nameplate capacity (MW)**

4577

**(1.16.1.3) Gross electricity generation (GWh)**

11034

**(1.16.1.4) Net electricity generation (GWh)**

11034

**(1.16.1.5) Comment**

*SSE owns and operates gas-fired power stations in the United Kingdom and Ireland.*

**Sustainable biomass****(1.16.1.1) Own or control operations which use this power generation source**

Select from:

No

### (1.16.1.5) Comment

*SSE does not own or operate power stations that use sustainable biomass as a fuel.*

### Other biomass

#### (1.16.1.1) Own or control operations which use this power generation source

Select from:

Yes

#### (1.16.1.2) Nameplate capacity (MW)

15

#### (1.16.1.3) Gross electricity generation (GWh)

78

#### (1.16.1.4) Net electricity generation (GWh)

78

### (1.16.1.5) Comment

*SSE owns and operates a waste wood power station in the United Kingdom.*

### Waste (non-biomass)

#### (1.16.1.1) Own or control operations which use this power generation source

Select from:

No

### (1.16.1.5) Comment

*SSE does not own or operate power stations that use waste as a fuel.*

## **Nuclear**

### **(1.16.1.1) Own or control operations which use this power generation source**

*Select from:*

No

### **(1.16.1.5) Comment**

*SSE does not own or operate nuclear power stations.*

## **Fossil-fuel plants fitted with carbon capture and storage**

### **(1.16.1.1) Own or control operations which use this power generation source**

*Select from:*

No

### **(1.16.1.5) Comment**

*SSE does not own or operate fossil-fuel plants fitted with carbon capture and storage.*

## **Geothermal**

### **(1.16.1.1) Own or control operations which use this power generation source**

*Select from:*

No

### **(1.16.1.5) Comment**

*SSE does not own or operate geothermal power stations.*



## Hydropower

### (1.16.1.1) Own or control operations which use this power generation source

Select from:

Yes

### (1.16.1.2) Nameplate capacity (MW)

1459

### (1.16.1.3) Gross electricity generation (GWh)

3386

### (1.16.1.4) Net electricity generation (GWh)

3386

### (1.16.1.5) Comment

*SSE owns and operates hydro power stations in the United Kingdom.*

## Wind

### (1.16.1.1) Own or control operations which use this power generation source

Select from:

Yes

### (1.16.1.2) Nameplate capacity (MW)

2954

### (1.16.1.3) Gross electricity generation (GWh)

6541

#### (1.16.1.4) Net electricity generation (GWh)

6541

#### (1.16.1.5) Comment

*SSE owns and operates onshore and offshore wind sites in the United Kingdom and Ireland.*

### Solar

#### (1.16.1.1) Own or control operations which use this power generation source

Select from:

No

#### (1.16.1.5) Comment

*SSE does not currently own or operate solar sites, but has a secured pipeline for a number of future solar projects.*

### Marine

#### (1.16.1.1) Own or control operations which use this power generation source

Select from:

No

#### (1.16.1.5) Comment

*SSE does not own or operate marine power generation capacity.*

### Other renewable

#### (1.16.1.1) Own or control operations which use this power generation source

Select from:

No

### (1.16.1.5) Comment

*SSE does not own or operate other renewable capacity.*

### Other non-renewable

### (1.16.1.1) Own or control operations which use this power generation source

Select from:

No

### (1.16.1.5) Comment

*SSE does not own or operate other non-renewable capacity.*

### Total

### (1.16.1.1) Own or control operations which use this power generation source

Select from:

Yes

### (1.16.1.2) Nameplate capacity (MW)

9350

### (1.16.1.3) Gross electricity generation (GWh)

21164

### (1.16.1.4) Net electricity generation (GWh)

### (1.16.1.5) Comment

*Figure reflects all of SSE's owned and operated power generation capacity.  
[Fixed row]*

## (1.22) Provide details on the commodities that you produce and/or source.

### Timber products

#### (1.22.1) Produced and/or sourced

*Select from:*

Sourced

#### (1.22.2) Commodity value chain stage

*Select all that apply*

Manufacturing

#### (1.22.4) Indicate if you are providing the total commodity volume that is produced and/or sourced

*Select from:*

No, the total volume is unknown

#### (1.22.11) Form of commodity

*Select all that apply*

Hardwood logs

#### (1.22.12) % of procurement spend

*Select from:*

Less than 1%

### (1.22.13) % of revenue dependent on commodity

Select from:

Less than 1%

### (1.22.14) In the questionnaire setup did you indicate that you are disclosing on this commodity?

Select from:

Yes, disclosing

### (1.22.15) Is this commodity considered significant to your business in terms of revenue?

Select from:

No

### (1.22.19) Please explain

*While representing low value spend, overhead wood poles provide a significant function in supporting SSEN Distribution's network. Reported revenue for SSEN Distribution in 2023/24 was 1.1bn out of a total reported revenue for the SSE Group of 10.5bn, accounting for around 9.6%. A vast majority of the existing overhead line infrastructure is already in place and will not require extensive replacement, whilst many distribution lines have already been undergrounded in the SEPD (Southern Electric Power Distribution) network licence area in central southern England. Purchasing new poles for its networks represents under 1% of SSE Group's revenue.*

*[Fixed row]*

### (1.24) Has your organization mapped its value chain?

#### (1.24.1) Value chain mapped

Select from:

Yes, we have mapped or are currently in the process of mapping our value chain

#### (1.24.2) Value chain stages covered in mapping

Select all that apply

- Upstream value chain
- Downstream value chain

### (1.24.3) Highest supplier tier mapped

Select from:

- Tier 4+ suppliers

### (1.24.4) Highest supplier tier known but not mapped

Select from:

- All supplier tiers known have been mapped

### (1.24.6) Smallholder inclusion in mapping

Select from:

- Smallholders relevant but not included

### (1.24.7) Description of mapping process and coverage

*Initially, SSE worked directly with suppliers in high-risk sustainability areas to understand their value chains, including details on their locations and the raw materials they use. However, recognising that not all suppliers have this level of data, SSE decided to adopt a more systematic approach using supply chain risk management software. This software tracks shipping data between suppliers, enabling SSE to map out supply chains down to tier 4 and beyond, identifying locations, activities, and associated risks. SSE is currently exploring future options for improving its supply chain mapping approach.*

*[Fixed row]*

### **(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?**

#### **(1.24.1.1) Plastics mapping**

Select from:

- No, and we do not plan to within the next two years

### (1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:

- Not an immediate strategic priority

### (1.24.1.6) Explain why your organization has not mapped plastics in your value chain

*SSE uses a lot of products that have a greater materiality on sustainability issues than plastics, such as carbon-intensive goods including steel, cement, aluminium, copper, polysilicon and many other metals. Therefore, SSE is prioritising these materials above plastics as they are more significant across its scope of activities.*  
[Fixed row]

### (1.24.2) Which commodities has your organization mapped in your upstream value chain (i.e., supply chain)?

#### Timber products

#### (1.24.2.1) Value chain mapped for this sourced commodity

Select from:

- Yes

#### (1.24.2.2) Highest supplier tier mapped for this sourced commodity

Select from:

- Tier 1 suppliers

#### (1.24.2.3) % of tier 1 suppliers mapped

Select from:

- 100%

#### (1.24.2.7) Highest supplier tier known but not mapped for this sourced commodity

Select from:

- All supplier tiers known have been mapped for this sourced commodity

*[Fixed row]*



## C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

### Short-term

#### (2.1.1) From (years)

0

#### (2.1.3) To (years)

3

#### (2.1.4) How this time horizon is linked to strategic and/or financial planning

*SSE's time horizons for assessing climate-related risks and opportunities are aligned with other business practice time horizons. The three climate-related time horizons are chosen to align with the investment, capital and regulatory time horizons that govern SSE's financial, operational and capital plans. SSE's short-term horizon for assessing climate-related risks and opportunities is 0 to 3 years. This is influenced by the viability assessment of the company. Each year, in line with the requirements within provision C.2.2 of the UK Corporate Governance Code and as part of the risk assessment process, the Board assesses the prospects of the Company over the next 4 financial years. It is through this process that SSE determines its Group Principal Risks. Material influencing factors are considered when reviewing Group Principal Risks including those relating to climate change.*

### Medium-term

#### (2.1.1) From (years)

3

#### (2.1.3) To (years)

10

## (2.1.4) How this time horizon is linked to strategic and/or financial planning

*SSE's medium-term horizon for considering climate-related risks and opportunities is 3 to 10 years. This is influenced by work done by the Committee on Climate Change (CCC), which is an independent, statutory body set up to monitor the UK's progress towards meeting targets set out in the Climate Change Act 2008 and to ensure emissions targets are set based on expert independent assessment of the evidence. The Act requires the Government to set legally-binding, five-yearly carbon budgets, twelve years in advance, from 2008 to 2050, to act as stepping stones towards these targets. In relation to the power sector, the CCC has recommended that electricity generation is entirely low carbon by 2035. The carbon budgets and the CCC's recommendations both impact policy makers' time horizons, which in turn provides a framework for SSE's business planning. An example of SSE using this horizon in its planning is through the setting of its Science Based Targets: to reduce scope 1 GHG emissions intensity by 80% per gCO<sub>2</sub>e/kWh between 2017/18 and 2030, and to reduce absolute scope 1 and 2 GHG emissions by 72.5% between 2017/18 and 2030. In addition to this, within this medium-term time horizon, the end of Ofgem price control periods for both electricity transmission and electricity distribution regulatory settlements fall. The current price control periods are in 5-year blocks, meaning that the planning for future price control periods will take place within this medium-term horizon.*

### Long-term

#### (2.1.1) From (years)

10

#### (2.1.2) Is your long-term time horizon open ended?

Select from:

No

#### (2.1.3) To (years)

56

#### (2.1.4) How this time horizon is linked to strategic and/or financial planning

*SSE's long term time horizon for considering climate-related risks and opportunities is beyond 10 years. This reflects the impacts of transitional and physical climate impacts on the future energy system, including climate-related policy, markets, technology and weather/climate impacts. It also reflects the fact that SSE's core low carbon electricity assets have lifetimes that exceed 20 years; therefore, SSE naturally has a long-term business outlook. For transitional opportunities or risks SSE long term time horizon considers climate-related opportunities and risks up to 26 years (a time horizon to 2050); and for the physical risks of climate change these are considered up to 56 years (a time horizon to 2080), to reflect the longer-term changes in climate.*

[Fixed row]

## **(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?**

### **(2.2.1) Process in place**

Select from:

Yes

### **(2.2.2) Dependencies and/or impacts evaluated in this process**

Select from:

Impacts only

### **(2.2.4) Primary reason for not evaluating dependencies and/or impacts**

Select from:

Other, please specify :Initial stages of aligning SSE's reporting to the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations has focused on impacts only.

### **(2.2.5) Explain why you do not evaluate dependencies and/or impacts and describe any plans to do so in the future**

*In early 2024, SSE took initial steps towards aligning its nature-related disclosures to the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations. SSE worked with third party specialists by applying the 'Locate' and 'Evaluate' phases of TNFD's Locate, Evaluate, Assess and Prepare (LEAP) approach, to a defined scope. The Locate phase has identified where and how SSE's direct operations interact with surrounding nature, for example, biodiversity importance, ecosystem delivery and water risk, utilising national datasets. The Evaluate phase analysed nine technology types, as well as 21 pilot assets to identify SSE's nature-related impacts and dependencies; the most material of which are currently being consolidated at the Group level. SSE recognises that the TNFD framework is a useful tool to formalise and efficiently address its impacts and dependencies on nature. Future phases of this work will work towards applying the "Assess" and "Prepare" phases of the LEAP framework as well as exploring potential synergies between SSE's mandatory TCFD disclosure and its voluntary TNFD aligned work.*

*[Fixed row]*

## **(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?**

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes	<i>Select from:</i> <input checked="" type="checkbox"/> Both risks and opportunities	<i>Select from:</i> <input checked="" type="checkbox"/> Yes

[Fixed row]

**(2.2.2) Provide details of your organization’s process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.**

**Row 1**

**(2.2.2.1) Environmental issue**

*Select all that apply*

- Climate change

**(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue**

*Select all that apply*

- Risks
- Opportunities

**(2.2.2.3) Value chain stages covered**

*Select all that apply*

- Direct operations
- Upstream value chain
- Downstream value chain

#### (2.2.2.4) Coverage

Select from:

- Full

#### (2.2.2.5) Supplier tiers covered

Select all that apply

- Tier 1 suppliers

#### (2.2.2.7) Type of assessment

Select from:

- Qualitative and quantitative

#### (2.2.2.8) Frequency of assessment

Select from:

- More than once a year

#### (2.2.2.9) Time horizons covered

Select all that apply

- Short-term
- Medium-term
- Long-term

#### (2.2.2.10) Integration of risk management process

Select from:

- Integrated into multi-disciplinary organization-wide risk management process

#### (2.2.2.11) Location-specificity used

Select all that apply

- Site-specific
- Local
- Sub-national
- National

### (2.2.2.12) Tools and methods used

#### Commercially/publicly available tools

- Other commercially/publicly available tools, please specify :TCFD

#### Enterprise Risk Management

- Enterprise Risk Management

#### Other

- External consultants
- Materiality assessment
- Partner and stakeholder consultation/analysis
- Scenario analysis
- Other, please specify :SSE Group Risk Management Framework.

### (2.2.2.13) Risk types and criteria considered

#### Acute physical

- Flood (coastal, fluvial, pluvial, ground water)
- Heat waves
- Heavy precipitation (rain, hail, snow/ice)
- Storm (including blizzards, dust, and sandstorms)

#### Chronic physical

- Changing precipitation patterns and types (rain, hail, snow/ice)
- Increased severity of extreme weather events

## Policy

- Changes to national legislation

## Market

- Changing customer behavior

## Reputation

- Increased partner and stakeholder concern and partner and stakeholder negative feedback

## Technology

- Unsuccessful investment in new technologies

## Liability

- Non-compliance with regulations

### (2.2.2.14) Partners and stakeholders considered

Select all that apply

- Customers
- Employees
- Investors
- Suppliers
- Regulators
- Local communities

### (2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- No

### (2.2.2.16) Further details of process

SSE's Group Risk Management Framework (RMF) integrates a process for identifying and assessing climate-related risks and opportunities. SSE also undertakes a specialist TCFD climate assessment that identifies and assesses climate opportunity and risk in the short, medium and long term. This specialist TCFD assessment

goes into more detail to identify and assess the climate-related risks and opportunities over longer periods of time than the RMF. The climate risk assessment involves senior business leader interviews supported by ongoing business unit risk assessments to capture and understand a long list of climate opportunities and risks. A materiality test is completed, and a final list of significant climate opportunities and risks defined. Materiality is tested for each climate opportunity or risk based on its ability (likelihood and impact) to have a substantive potential financial impact on SSE's strategy or significant impact on SSE's stakeholders across the time horizons identified by SSE for climate opportunity and risk assessment. This assessment is completed across the value chain (direct operations, upstream and downstream activities) for each of the key business areas. Each opportunity or risk is then assessed on its impact to SSE's strategy and stakeholders involving an assessment of the likelihood and financial impact of the risk or opportunity, which helps to identify the importance of each material risk or opportunity to the business. The climate-related risk and opportunity assessment process is conducted on an ongoing basis by the TCFD Steering Group and working group, with a six monthly review of the outputs by the Group Risk Committee. The TCFD working group consists of finance and sustainability professionals from the core business as well as business unit finance technical experts. The outputs of this process are reviewed by the TCFD Steering Group including SSE's Company Secretary, Finance Director, Investor Relations and the Chief Sustainability Officer and approved by the Group Risk Committee. In 2023/24, SSE conducted scenario analysis on its material climate-related opportunities and risks. SSE have introduced 'impact pathways' which map each potential climate event and its effect on SSE's business activities. To calculate the potential financial impact, a combination of data sources were used involving historical internal business data, the most recently available external independent climate-related scenario data, alongside current and approved forecast financial data. The purpose of this analysis was to demonstrate the resilience of SSE to climate change. To help stakeholders understand SSE's resilience, SSE subjected its material climate-related opportunities and risks to different climate outcomes under varying scenarios and timeframes. The analysis did not represent a prediction of the future, simply a tool to understand a plausible spectrum of outcomes. The decision to mitigate, transfer, accept or control identified risks or opportunities is completed by the Group Risk Committee as part of the risk assessment process. The risk assessment process reviews costs, mitigating actions, the timeframe of the impact against relevant scenarios to provide an indication of the potential financial impact and the relative significance of the risk. This approach is completed for each material climate-related risk or opportunity.  
[Add row]

## **(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?**

### **(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed**

Select from:

No

### **(2.2.7.3) Primary reason for not assessing interconnections between environmental dependencies, impacts, risks and/or opportunities**

Select from:

Other, please specify :Assessment currently underway but not yet completed.

### **(2.2.7.4) Explain why you do not assess the interconnections between environmental dependencies, impacts, risks and/or opportunities**



*In early 2024, SSE took initial steps towards aligning its nature-related disclosures to the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations. SSE worked with third party specialists by applying the ‘Locate’ and ‘Evaluate’ phases of TNFD’s Locate, Evaluate, Assess and Prepare (LEAP) approach, to a defined scope. The Locate phase has identified where and how SSE’s direct operations interact with surrounding nature, for example, biodiversity importance, ecosystem delivery and water risk, utilising national datasets. The Evaluate phase analysed nine technology types, as well as 21 pilot assets to identify SSE’s nature-related impacts and dependencies; the most material of which are currently being consolidated at the Group level. Future phases of this work will work towards applying the “Assess” and “Prepare” phases of the LEAP framework as well as exploring potential synergies between SSE’s mandatory TCFD disclosure and its voluntary TNFD aligned work. While this is a long-term approach, on a case-by case basis, the synergies, contributions and possible trade-offs between climate and nature are often considered, for example the case study on p95 of SSE’s Sustainability Report 2024 that outlines while reducing its carbon emissions is the most material impact SSE can make, there are times when the pathway to net zero has other unintended consequences. As SSE Thermal seeks to decarbonise its generation fleet, some of these low-carbon technologies have an increased impact on resources, such as water use and consumption, compared to some traditional plant. Future low carbon power station technologies such as post combustion carbon capture or hydrogen production using carbon capture are expected to give rise to higher water usage. Carbon capture technologies in both these scenarios typically increase water use for cooling and other processes. Electrolytic production of hydrogen uses water as a feedstock, therefore having an impact on water consumption. More work is needed to understand the water requirements of these technologies and future decision makers must consider them in a whole system context. SSE Thermal is a member of the Joint Environmental Programme (JEP), that supports a programme of research into the environmental impacts of electricity generation, with an increasing focus on the environmental impacts of decarbonisation technology. SSE Thermal chairs the JEP water working group where water resource planning is a key focus.*

[Fixed row]

## **(2.3) Have you identified priority locations across your value chain?**

### **(2.3.1) Identification of priority locations**

Select from:

- Yes, we are currently in the process of identifying priority locations

### **(2.3.2) Value chain stages where priority locations have been identified**

Select all that apply

- Direct operations

### **(2.3.3) Types of priority locations identified**

#### **Sensitive locations**

- Areas important for biodiversity
- Areas of limited water availability, flooding, and/or poor quality of water

- Areas of importance for ecosystem service provision

#### **Locations with substantive dependencies, impacts, risks, and/or opportunities**

- Locations with substantive dependencies, impacts, risks, and/or opportunities relating to biodiversity

### **(2.3.4) Description of process to identify priority locations**

*In early 2024, SSE worked with third party specialists to prepare for SSE's nature-related disclosures by applying the 'Locate' and 'Evaluate' phases of TNFD's Locate, Evaluate, Assess and Prepare (LEAP) approach, to a defined scope. SSE identified 125 direct operational assets across the UK and Ireland, considering the most material business operations, leveraging the 'Exploring Natural Capital Opportunities, Risks and Exposure' (ENCORE) nature materiality screening tool. The Locate phase, through GIS analysis of asset locations, site boundaries and appropriate Zones of Influence has identified where and how SSE's direct operational in scope assets interact with sensitive locations in proximity, utilising national datasets across UK and Ireland. Examples of the GIS data sets utilised for analysis are; for biodiversity importance: SSI, SAC, SPA, Ramsar, SAC, MPA etc; Ecosystem service delivery importance: National Parks, Areas of Outstanding National Beauty, National Heritage Areas etc; Water Risk; and Ecosystem integrity: Biodiversity Intactness Index.*

### **(2.3.5) Will you be disclosing a list/spatial map of priority locations?**

Select from:

- No, we have a list/geospatial map of priority locations, but we will not be disclosing it

[Fixed row]

## **(2.4) How does your organization define substantive effects on your organization?**

### **Risks**

#### **(2.4.1) Type of definition**

Select all that apply

- Qualitative
- Quantitative

#### **(2.4.2) Indicator used to define substantive effect**

Select from:

Other, please specify :EBIT

### (2.4.3) Change to indicator

Select from:

Absolute decrease

### (2.4.6) Metrics considered in definition

Select all that apply

Time horizon over which the effect occurs

Likelihood of effect occurring

### (2.4.7) Application of definition

*SSE defines risk as any event or circumstance that has potential to threaten achievement of its strategic objectives or compromise its business values. In determining its appetite for specific risks, the Board is guided by three key principles: 1. Risks should be consistent with SSE's core purpose, financial objectives, strategy and values; 2. Risks should only be accepted where relevant approvals have been attained through the Governance Framework to confirm appropriate reward is achievable on the basis of objective evidence and in a manner that is consistent with SSE's purpose, strategy and values; and 3. Risks should be actively controlled and monitored through the appropriate allocation of management and other resources, underpinned by the maintenance of a healthy business culture. The Board aims to consider all material influencing factors and key external trends in the energy market, including those relating to climate change, and aims to do so in a way that reflects the expectations of SSE's key stakeholder groups. These material influencing factors also have an impact on the nature and extent of risks the Board is willing to take to meet these objectives, and related mitigation strategies adopted by the Group. Material changes in the nature and potential impacts of SSE's Group Principal Risks are regularly assessed by the oversight committees with appropriate mitigations implemented where necessary. SSE's Group Executive Committee (GEC) and its Subcommittees have responsibility for overseeing SSE's twelve Principal Risks, of which Climate Change is one. All Principal Risks are reviewed by the Board. SSE's Group Risk Management Framework is complemented by a specialist TCFD climate assessment that identifies and assesses climate opportunity and risk in the short, medium and long term. The climate risk assessment involves senior business leader interviews supported by ongoing business unit risk assessments to capture and understand a long list of climate opportunities and risks. A materiality test is completed, and a final list of significant climate opportunities and risks defined. Materiality is tested for each climate opportunity or risk based on its ability (likelihood and impact) to have a substantive potential financial impact on SSE's strategy or significant impact on SSE's stakeholders across the time horizons identified by SSE for climate opportunity and risk assessment.*

## Opportunities

### (2.4.1) Type of definition

Select all that apply

- Qualitative
- Quantitative

## (2.4.2) Indicator used to define substantive effect

Select from:

- Other, please specify :EBIT

## (2.4.3) Change to indicator

Select from:

- Absolute increase

## (2.4.6) Metrics considered in definition

Select all that apply

- Time horizon over which the effect occurs
- Likelihood of effect occurring

## (2.4.7) Application of definition

*SSE defines risk as any event or circumstance that has potential to threaten achievement of its strategic objectives or compromise its business values. In determining its appetite for specific risks, the Board is guided by three key principles: 1. Risks should be consistent with SSE's core purpose, financial objectives, strategy and values; 2. Risks should only be accepted where relevant approvals have been attained through the Governance Framework to confirm appropriate reward is achievable on the basis of objective evidence and in a manner that is consistent with SSE's purpose, strategy and values; and 3. Risks should be actively controlled and monitored through the appropriate allocation of management and other resources, underpinned by the maintenance of a healthy business culture. The Board aims to consider all material influencing factors and key external trends in the energy market, including those relating to climate change, and aims to do so in a way that reflects the expectations of SSE's key stakeholder groups. These material influencing factors also have an impact on the nature and extent of risks the Board is willing to take to meet these objectives, and related mitigation strategies adopted by the Group. Material changes in the nature and potential impacts of SSE's Group Principal Risks are regularly assessed by the oversight committees with appropriate mitigations implemented where necessary. SSE's Group Executive Committee (GEC) and its Subcommittees have responsibility for overseeing SSE's twelve Principal Risks, of which Climate Change is one. All Principal Risks are reviewed by the Board. SSE's Group Risk Management Framework is complemented by a specialist TCFD climate assessment that identifies and assesses climate opportunity and risk in the short, medium and long term. The climate risk assessment involves senior business leader interviews supported by ongoing business unit risk assessments to capture and understand a long list of climate opportunities and risks. A materiality test is completed, and a final list of significant climate opportunities and risks defined. Materiality is tested for each climate opportunity or risk based on its ability (likelihood and impact) to have a substantive potential financial impact on SSE's strategy or significant impact on SSE's stakeholders across the time horizons identified by SSE for climate opportunity and risk assessment.*

[Add row]

## **(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?**

### **(2.5.1) Identification and classification of potential water pollutants**

Select from:

Yes, we identify and classify our potential water pollutants

### **(2.5.2) How potential water pollutants are identified and classified**

*SSE's hydro generation licences have a condition to avoid any release of oils when water is returned to the environment. As part of SSE's value chain, the company engages with upstream and downstream stakeholders to ensure activities are compliant with their requirements. One potential risk is pollutants from small quantities of oil from bearings within moving equipment for lubrication, this is measured and mitigated by contractors who filter oil from water and sell the oil back to be reused in the same equipment. SSE's thermal power stations primarily use water for cooling with some water used as process water. All SSE's thermal sites have environmental permits or licenses that include water pollution prevention conditions and ISO14001 certified Environmental Management Systems. Each site monitors, measures and reports on water quality to the regulators in accordance with environmental permits/licenses. SSE monitors water intake to understand and monitor quality of the water entering its power stations. Across SSE's value chain there is minimal variation. SSE asks suppliers to detail any noncompliant environmental issues such as those which would incur fines/penalties. SSE has a sustainability supply chain commitment in place outlining its industry leading approach to sustainable practice. This document requires that all suppliers detail their own policy documents at point of tender, disclosing any non-compliance by way of contract management.*

[Fixed row]

## **(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.**

Row 1

### **(2.5.1.1) Water pollutant category**

Select from:

- Other, please specify :Thermal discharge

### (2.5.1.2) Description of water pollutant and potential impacts

*Thermal cooling-water discharges have been shown to have minimal detrimental impact to the water ecosystems. Process water discharges are treated as required by environmental permits / licences to ensure that there are no detrimental impacts to the water environment. SSE also monitors water intake to understand and monitor quality of water entering its power stations.*

### (2.5.1.3) Value chain stage

*Select all that apply*

- Direct operations

### (2.5.1.4) Actions and procedures to minimize adverse impacts

*Select all that apply*

- Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
- Industrial and chemical accidents prevention, preparedness, and response
- Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
- Other, please specify :Monitoring and measurement process

### (2.5.1.5) Please explain

*SSE monitors, measures and reports water aspects in accordance with specific requirements of the environmental permit. SSE has an environmental management system certified to ISO14001:2015 in place to manage these activities. This ISO14001:2015 certificate covers all of the business units which are detailed by this water survey. This system is audited annually by an external auditor. It also has emergency response procedures, secondary containment, and water treatment facilities where required in relation to permit conditions. In addition, SSE monitors water intake in its thermal generation assets to understand and monitor quality of water entering its power stations.*

*[Add row]*

### C3. Disclosure of risks and opportunities

**(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?**

#### Climate change

##### (3.1.1) Environmental risks identified

Select from:

Yes, only within our direct operations

##### (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

Environmental risks exist, but none with the potential to have a substantive effect on our organization

##### (3.1.3) Please explain

*Through its Group Risk Management Framework (RMF) and specialist TCFD climate assessment, SSE has identified substantive environmental risks related to climate change in its value chain in the medium and long term. Further details are provided in 3.1.1.*

#### Forests

##### (3.1.1) Environmental risks identified

Select from:

No

##### (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

- Environmental risks exist, but none with the potential to have a substantive effect on our organization

### (3.1.3) Please explain

*SSE has identified environmental risks related to forest commodities in its value chain; however, these risks were not considered to have a potential substantive financial or reputational effect on the company.*

## Water

### (3.1.1) Environmental risks identified

Select from:

- No

### (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

- Environmental risks exist, but none with the potential to have a substantive effect on our organization

### (3.1.3) Please explain

*SSE has identified environmental risks related to water security in its direct operations; however, these risks were not considered to have a potential substantive financial or reputational effect on the company.*

## Plastics

### (3.1.1) Environmental risks identified

Select from:

- No



### (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

- Not an immediate strategic priority

### (3.1.3) Please explain

*SSE has not identified environmental risks related to plastics that would have a potential substantive financial or reputational effect on the company.  
[Fixed row]*

**(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.**

#### Climate change

##### (3.1.1.1) Risk identifier

Select from:

- Risk1

##### (3.1.1.3) Risk types and primary environmental risk driver

###### Chronic physical

- Changing wind patterns

##### (3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

##### (3.1.1.6) Country/area where the risk occurs

Select all that apply

- Italy
- Japan
- Spain
- France
- Greece
- Ireland
- United Kingdom of Great Britain and Northern Ireland

### (3.1.1.9) Organization-specific description of risk

*SSE's businesses activities are significantly influenced by the weather. Weather affects production of renewable energy, the operation of the electricity transmission and distribution networks, and the amount of gas and electricity SSE's energy customers use. This risk is focused on the impact of weather to SSE's renewable energy generation business. In particular, where longer term changes in climate patterns cause sustained higher temperatures that may result in lower rainfall and lower average wind speeds. These changes may impact SSE's renewable output and associated earnings. In total, SSE has approximately 4.5GW of renewable electricity capacity: 1,459MW of hydro capacity and 2,998MW of wind capacity. Fluctuations in weather patterns can adversely impact the output of SSE's renewables assets. For instance, wind speeds in Scotland were 4% lower in 2023/24 than in the previous year. Combined with the impact of 10 named storms during the winter, overall, onshore wind volumes were c.6% down year-on-year. The increase in operational capacity as Seagreen offshore wind farm become operational in October 2023 offset this impact and resulted in an increase in renewables profitability. Changes in generation output that is associated with changes in the weather is already factored into SSE's Risk Management Framework. There is the possibility that climate change could exacerbate these weather-related fluctuations by impacting weather patterns over the longer term.*

### (3.1.1.11) Primary financial effect of the risk

Select from:

- Other, please specify :Decreased future adjusted operating profits and potential impact to recoverable value of assets

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term

### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Likely

### (3.1.1.14) Magnitude

Select from:

Medium

### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*Based on SSE's long-term monitoring of weather changes and current forecasts, a plausible scenario has been established of significantly below-average rainfall and lower average wind speeds. The potential financial impact figure of between 0.1bn - 0.2bn was quantified in a 1.5oC scenario at 2050, by applying a combination of the IEA NZE 2050 wind generation CAGR (Compound Average Annual Growth Rate) to 2050 and the IPCC RCP 2.6 projected reduction in average wind speed times to SSE's most recent 3 year average earnings before tax and interest (EBIT) from wind generation for financial year to 31 March 24. The basis for this potential financial impact figure is quantified on a one-year annualised EBIT at 2050.*

### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

### (3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

100000000

### (3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

200000000

### (3.1.1.25) Explanation of financial effect figure

*Based on SSE's long-term monitoring of weather changes and current forecasts, a plausible scenario has been established of significantly below-average rainfall and lower average wind speeds. The potential financial impact figure of between 0.1bn - 0.2bn was quantified in a 1.5oC scenario at 2050 by applying a combination of the IEA NZE 2050 wind generation CAGR (Compound Average Annual Growth Rate) to 2050 and the IPCC RCP 2.6 projected reduction in average wind speed times to SSE's existing earnings before tax and interest (EBIT) from wind generation for financial year to 31 March 24. The basis for this potential financial impact figure is quantified on a one-year annualised EBIT at 2050.*

### (3.1.1.26) Primary response to risk

## Infrastructure, technology and spending

- Increase geographic diversity of facilities

### (3.1.1.27) Cost of response to risk

343000

### (3.1.1.28) Explanation of cost calculation

*One element of management costs directly attributed to this climate-related risk is the monitoring/forecasting of weather by SSE's meteorological team. The costs directly attributed to SSE's meteorological team and the management of weather is in the region of 343,000 annually.*

### (3.1.1.29) Description of response

*While the opportunity to mitigate against year-to-year weather variability is limited, there is an element of geographical and technological diversity amongst SSE's renewable portfolio providing a natural hedge to changing weather patterns within and between years. For example, 2,954MW of on-and off-shore wind capacity in UK and Ireland and 1,459MW of hydro generation capacity (inc. pumped storage) in Scotland. This diversity enabled SSE to generate a renewable output of 10,004 GWh in 2023/24. SSE monitors short- and long-term weather conditions so that it can manage and respond to conditions across its assets. To respond to weather pattern changes over the past few years, SSE has operated and adapted its conventional hydro generation plant in a way that allows it to more flexible and responsive for the needs of the electricity system, with increased storage and adaptive operating regimes. 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 its business against this risk. In addition, SSE has crisis management and business continuity plans in place to deal with severe weather events that can damage energy assets.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

- Risk2

### (3.1.1.3) Risk types and primary environmental risk driver

## Acute physical

- Storm (including blizzards, dust and sandstorm)

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

- United Kingdom of Great Britain and Northern Ireland

### (3.1.1.9) Organization-specific description of risk

*Increased severity of extreme weather events, such as storms, floods and heat waves bring prolonged extreme temperatures, wind or rainfall. This may damage or stress network assets resulting in additional costs to repair and maintain the network and the loss of incentive revenue for distribution operators. The impact of weather is a perennial feature of operating an electricity distribution network in the north of Scotland and south of England. In 2023/24 the network was affected by ten UK Met Office named storms. Future climate models predict that climate change will continue to bring extreme events such as storms, floods and heatwaves which will impact network assets. For example, severe adverse weather events can result in flooding of substations and/or damage to overhead lines.*

### (3.1.1.11) Primary financial effect of the risk

Select from:

- Other, please specify :Decreased future adjusted operating profits and potential impact to recoverable value of assets

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term

### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Likely

### (3.1.1.14) Magnitude

Select from:

Medium

### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*This risk has the potential to cause physical damage to network assets, increasing repair and maintenance costs and cause disruption of supply to customers, increasing exposure to regulator penalties and reputational issues, negatively impacting EBIT. The outcomes of both scenarios indicate a marginal decline in wind speeds and an increase in average temperatures along with significant growth in the electrification of the system. Although uncertainty in climate models prevails, particularly for wind storms, SSE considers adverse weather to be a material risk, particularly in relation to customers. In the financial year to 31 March 2024, SSE experienced 10 UK Met Office named storms which had an impact on customers and network assets.*

### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

### (3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

0

### (3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

100000000

### (3.1.1.25) Explanation of financial effect figure

*Extreme weather network damage risk: The potential financial impact figure of up to 0.1bn was quantified in a 1.5oC scenario at 2050 by the aggregation of two elements of this risk: • The first by applying a combination of the National Grid Future Energy Scenarios CAGRs (Compound Average Annual Growth Rate) and the IPCC RCP 2.6 projected reduction in average winter wind speed times to SSE's average exceptional storm costs from last three financial years; and • The second by applying the National Grid Future Energy Scenarios CAGRs to the financial quantification of the effect of heat on the network assets, based on the number of faults under different temperatures on the network assets. Extreme weather network damage risk is stated in GBP billion (bn) based on one year annualised storm costs. External climate models have inherent limitations, with a lack of data on extreme climate events, and lower confidence levels on certain climate variables such as wind. SSE's assessments account for uncertainties by extracting average wind speed data to assess the impact.*

### (3.1.1.26) Primary response to risk

#### Infrastructure, technology and spending

- Improve maintenance of infrastructure

### (3.1.1.27) Cost of response to risk

65300000

### (3.1.1.28) Explanation of cost calculation

*The impact of these severe weather events includes significant costs that arise through the provision of compensation, customer welfare and additional operational and maintenance requirements. In 2023/24, the total cash expenditure incurred on storm responses was 65.3m, including overhead line replacement and refurbishment (32.7m), tree cutting (23.0m) and flood protection (1.1m). Weather-related resilience spend is managed over price control periods and SSEN's RIIO-ED2 business plan for the upcoming price control period from 2023 to 2028 outlines significant new investment in network resilience.*

### (3.1.1.29) Description of response

*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 resilience strategies with climate adaptation actions in its current price control business plan. Using the Met Office's Climate Projections, asset resilience is reviewed using climate projections in the short, mid and long term. This includes assessing the impact to the assets from higher temperatures, changing rainfall patterns, rising sea levels, and more extreme weather events such as storms, floods, droughts and heatwaves. This process is part of the UK Government's critical infrastructure assessment which takes place every five years. This is a perennial risk that impacts SSE. For example, during 2023/24, SSEN Distribution increased its operational resources to effectively respond to ten named storms. Between mid-October 2023 and the end of January 2024, SSEN Distribution responded to six named storms – Babet, Ciaran, Gerrit, Henk, Isha, and Jocelyn. By the end of January, SSEN Distribution's response teams had restored supply to around 257,000 affected customers and received recognition in the UK and Scottish Parliaments for their efforts and resilience. SSE continues to implement mitigation methods it has in place to prepare for extreme weather events such as these, including monitoring short- and long-term weather patterns, crisis management and business continuity plans and investment programmes to improve infrastructure resilience. As SSE invests in its networks infrastructure, the impacts of climate change continue to be built into its capital and operational investment plans, including a Climate Resilience Strategy published as part of the RIIO-ED2 Distribution business plan.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

Risk3

### (3.1.1.3) Risk types and primary environmental risk driver

#### Policy

Changes to national legislation

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

Ireland

United Kingdom of Great Britain and Northern Ireland

### (3.1.1.9) Organization-specific description of risk

*More aggressive climate change policy may bring forward the closure of unabated gas generation from 2030. Early closure of unabated gas generation may expose SSE to potential lost EBIT post 2030 for in scope CCGTs. SSE Thermal assets are providing critical flexibility to offset renewables variability as the energy system transitions to net zero. SSE recognises the critical need for sufficient generation capacity in GB in the early 2030s to meet demand. To deliver low-carbon flexibility in the power system, SSE needs access to the necessary carbon capture and storage and hydrogen infrastructure. SSE is actively developing options to align with the deployment of, and plug into, this infrastructure. It is also developing projects which are being designed to run on 100% hydrogen and natural gas, if there is a system and security of supply need. SSE has set criteria to assess which projects should be progressed through planning and design stages on this basis to mitigate the risk of carbon lock-in and/or phase of out of unabated gas.*

### (3.1.1.11) Primary financial effect of the risk

Select from:

Closure of operations

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization



Select all that apply

Short-term

### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Likely

### (3.1.1.14) Magnitude

Select from:

Medium

### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*Early closure of unabated gas generation may expose SSE to potential lost EBIT post 2030 for in scope CCGTs. The potential financial impact figure of between 0.4bn - 0.6bn was quantified in a 1.5oC scenario at 2030 by including the in scope CCGTs with an expected life beyond 2030 and then projecting the potential Net Present Value for each CCGT post 2030.*

### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

### (3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

400000000

### (3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

600000000

### (3.1.1.25) Explanation of financial effect figure

*More aggressive climate change policy may bring forward the closure of unabated gas generation from 2030. Early closure of unabated gas generation may expose SSE to potential lost EBIT post 2030 for in scope CCGTs. The potential financial impact figure of between 0.4bn - 0.6bn was quantified in a 1.5oC scenario at 2030 by including the in scope CCGTs with an expected life beyond 2030 and then projecting the potential Net Present Value for each CCGT post 2030.*

### **(3.1.1.26) Primary response to risk**

#### **Diversification**

- Develop new products, services and/or markets

### **(3.1.1.27) Cost of response to risk**

6100000

### **(3.1.1.28) Explanation of cost calculation**

*SSE supports a Carbon Price Floor, the EU & UK ETS, Levy Control Framework and other legislation that supports a move towards transition to a low-carbon economy. The costs to mitigate the risk relate to the R&D costs for CCS in 2023/24 as well as the amounts capitalised on Keadby 3 CCS and Peterhead 2 CCS. These are in the region of 6.1m in 2023/24.*

### **(3.1.1.29) Description of response**

*SSE recognises the critical need for sufficient generation capacity in GB in the early 2030s to meet demand. To deliver low-carbon flexibility in the power system, SSE needs access to the necessary carbon capture and storage and hydrogen infrastructure. SSE is actively developing options to align with the deployment of, and plug into, this infrastructure. It is also developing projects which are being designed to run on 100% hydrogen and natural gas, if there is a system and security of supply need. SSE has set criteria to assess which projects should be progressed through planning and design stages on this basis to mitigate the risk of carbon lock-in and/or phase of out of unabated gas. SSE Thermal is developing CCS projects with Equinor at Keadby and Peterhead, as well as two further projects in the Humber, Keadby Hydrogen power station and a hydrogen storage facility at Aldbrough. These projects will play a pivotal role in helping to achieve national net zero targets. In December 2023, Keadby 3 Carbon Capture Power Station became the first power-CCS project to secure planning consent in the UK. Over 2023/24, SSE Thermal continued to advocate for clear, long-term commitments to deployment of low carbon flexible generation and the supporting hydrogen and carbon dioxide infrastructure required. Advocacy has focused on the clarity of ambition, funding, the likely strategic locations for hydrogen and CCS, allocation processes, and business model contracts is needed to give developers such as SSE Thermal the confidence to invest in project development. On CCS, SSE are active members of the CCSA and participants in DESNZ's Power CCUS Expert Group, and it engages regularly with officials and policymakers on issues regarding CCS. For Hydrogen, SSE is an active member of Hydrogen UK and participants in the DESNZ design groups for the hydrogen transport and storage business models.*

## **Climate change**

### (3.1.1.1) Risk identifier

Select from:

- Risk4

### (3.1.1.3) Risk types and primary environmental risk driver

Market

- Other market risk, please specify :Oversupply of renewable electricity on the market

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

- Italy
- Japan
- Spain
- France
- Greece
- Ireland
- United Kingdom of Great Britain and Northern Ireland

### (3.1.1.9) Organization-specific description of risk

*In net zero consistent scenarios, the price wind energy can capture is forecast to reduce as more marginal cost wind generation is connected. All credible pathways to net zero in the UK and beyond assume the dramatic scaling up of wind generated electricity. This significant growth in wind power output without a corresponding increase in demand represents a potential climate related transition risk. As wind generation capacity increases, the market (and SSE) expects the average electricity price which wind power receives ('wind capture price') to be less than the average price for electricity ('baseload price'). As wind becomes the dominant source of electricity output it will define the market price, so the volatility of electricity prices correlates to wind output, both high and low. While this is expected in the medium term, and is factored into investment decisions, there is a risk that this lower average price for wind output is more extreme than what the market (or SSE) expects. In the long term, and with careful market design reform, the effect of the wind capture price will stabilise as more low carbon technologies adapt their patterns of demand*

according to the price signal sent by the market. In its British Energy Security Strategy, the UK Government committed to a Review of Electricity Market Arrangements which will seek, among other things, to ensure future low-carbon generation is fairly remunerated.

### (3.1.1.11) Primary financial effect of the risk

Select from:

- Other, please specify :Decreased future adjusted operating profits and potential impact to recoverable value of assets

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term

### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Virtually certain

### (3.1.1.14) Magnitude

Select from:

- High

### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*As an increasing number of renewables projects are commissioned to meet net zero targets, it is expected that the average price for wind-generated electricity, known as the wind capture price, will decline. Increased wind generation capacity will likely result in the wind capture price being lower than the baseload price in the future for non-contracted assets. The outcomes of both scenarios indicate considerable growth in total wind generation and a subsequent impact to the achievable price for wind assets. This is most evident in the 1.5C 2050 scenario where total wind generation growth is forecast to be highest.*

### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- Yes

### (3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

400000000

### (3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

600000000

### (3.1.1.25) Explanation of financial effect figure

*The potential financial impact figure of between 0.4bn - 0.6bn was quantified in a 1.5C scenario at 2050 by applying a combination of the following assumptions to SSE's average earnings before tax and interest (EBIT) from wind generation from the last three financial years to 31 March 2024: IEA NZE 2050 wind generation CAGR (Compound Average Annual Growth Rate) to 2050; SSE's internal assumptions in relation to merchant generation output; and SSE's internal assumptions in relation to wind capture price factors. The basis for this potential financial impact figure is quantified on a one-year annualised EBIT at 2050. The wind generation price risk has the potential to be greater in a 1.5C scenario due to the expectation that new renewable capacity will be built at a greater pace to meet the net zero by 2050 goal.*

### (3.1.1.26) Primary response to risk

#### **Diversification**

- Market expansion

### (3.1.1.27) Cost of response to risk

7000000

### (3.1.1.28) Explanation of cost calculation

*The effect of a wind capture price only materially impacts wind generation that is fully exposed to market prices (or 'merchant' wind output), as it is not supported by government-backed fixed price mechanisms such as the Contracts for Difference. To mitigate these risks, SSE will seek, where appropriate, to submit certain development projects into CfD auctions, thereby removing merchant risk. Further, with its integrated customer facing business, SSE will work with large customers wishing to purchase renewable energy, to provide long term power contracts, called power purchase agreements (PPAs), which again removes merchant risk. Services by Energy Markets (EM) support the most economic market outcomes for SSE's electricity generation, the overall cost of this service provided by EM is in the region of 7.0m annually. This activity supports all market activities in renewables, not simply any risks associated with wind price capture.*

### (3.1.1.29) Description of response

Further, SSE will continue to invest in a geographically and technologically diverse generation portfolio of renewable and low carbon thermal assets in order to balance the effect of price volatility. For example, SSE Renewables' core markets of the UK and Ireland continue to offer considerable growth opportunities and it is progressing developments in Southern Europe with construction commenced on SSE's first two onshore wind projects in continental Europe, Chaintrix (28MW) in France and Jubera (64MW) in Spain, as well as developments in Northern Europe and Japan. SSE will also continue to engage with the UK and Irish Governments, European Commission, Members of European Parliament and others on policies that support the reduction of risk in low carbon electricity and therefore supports lower-cost renewable energy production.

[Add row]

### **(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

#### **(3.3.1) Water-related regulatory violations**

Select from:

No

#### **(3.3.3) Comment**

SSE was not subject to any fines, enforcement orders, or other penalties for water-related regulatory violations in 2023/24. SSE did receive a warning letter from SEPA in relation to the construction of cable crossings conducted by contractors on behalf of SSEN Distribution during the winter of 2022/23. Condition 1(c) of CAR-R-SEPA2021-614 prohibits work being undertaken during the period when fish are likely to be spawning and juvenile fish emerging. This period nominally runs from 1 October to 31 May in any given year. SEPA did not take any further action with respect to these non-compliances.

[Fixed row]

### **(3.5.2) Provide details of each Emissions Trading Scheme (ETS) your organization is regulated by.**

EU ETS

#### **(3.5.2.1) % of Scope 1 emissions covered by the ETS**

100

### (3.5.2.2) % of Scope 2 emissions covered by the ETS

0

### (3.5.2.3) Period start date

01/01/2023

### (3.5.2.4) Period end date

12/31/2023

### (3.5.2.5) Allowances allocated

0

### (3.5.2.6) Allowances purchased

737261

### (3.5.2.7) Verified Scope 1 emissions in metric tons CO2e

737261

### (3.5.2.8) Verified Scope 2 emissions in metric tons CO2e

0

### (3.5.2.9) Details of ownership

Select from:

Facilities we own and operate

### (3.5.2.10) Comment

*SSE Thermal's power stations in the Republic of Ireland are covered by the EU ETS.*

## UK ETS

### (3.5.2.1) % of Scope 1 emissions covered by the ETS

100

### (3.5.2.2) % of Scope 2 emissions covered by the ETS

0

### (3.5.2.3) Period start date

01/01/2023

### (3.5.2.4) Period end date

12/31/2023

### (3.5.2.5) Allowances allocated

604

### (3.5.2.6) Allowances purchased

3606150

### (3.5.2.7) Verified Scope 1 emissions in metric tons CO<sub>2</sub>e

3606754

### (3.5.2.8) Verified Scope 2 emissions in metric tons CO<sub>2</sub>e

0

### (3.5.2.9) Details of ownership



Select from:

Facilities we own and operate

### (3.5.2.10) Comment

*SSE Thermal's power stations in the United Kingdom are covered by the UK ETS. Examples of facilities that SSE owns and operates include some joint ventures such as Marchwood power station. The figure also includes the purchase of credits for a third-party site at Sullom Voe, which is not owned or operated by SSE. Contractual agreements in place between SSE and the site for the offtake of electricity requires SSE to complete the power station's UK ETS obligations.*  
[Fixed row]

### (3.5.3) Complete the following table for each of the tax systems you are regulated by.

#### UK Carbon Price Support

##### (3.5.3.1) Period start date

03/31/2023

##### (3.5.3.2) Period end date

03/31/2024

##### (3.5.3.3) % of total Scope 1 emissions covered by tax

99

##### (3.5.3.4) Total cost of tax paid

64.5

##### (3.5.3.5) Comment

*64.5m of CPS Tax was paid by SSE plc for Gas and Oil consumed to produce electricity. Gas paid and expensed when consumed and Oil offsets fuel duty reclaims and expensed when consumed.*  
[Fixed row]

**(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?**

## **Climate change**

### **(3.6.1) Environmental opportunities identified**

Select from:

Yes, we have identified opportunities, and some/all are being realized

## **Forests**

### **(3.6.1) Environmental opportunities identified**

Select from:

No

### **(3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities**

Select from:

Opportunities exist, but none anticipated to have a substantive effect on organization

### **(3.6.3) Please explain**

*Forest-related opportunities do exist, but these do not meet SSE's definition of having a substantive financial or strategic impact on the business, as disclosed in question 2.4.*

## **Water**

### **(3.6.1) Environmental opportunities identified**

Select from:

No

### (3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities

Select from:

Opportunities exist, but none anticipated to have a substantive effect on organization

### (3.6.3) Please explain

*Water-related opportunities do exist, but these do not meet SSE's definition of having a substantive financial or strategic impact on the business, as disclosed in question 2.4.*

*[Fixed row]*

**(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.**

#### Climate change

##### (3.6.1.1) Opportunity identifier

Select from:

Opp1

##### (3.6.1.2) Commodity

Select all that apply

Not applicable

##### (3.6.1.3) Opportunity type and primary environmental opportunity driver

#### Products and services

Increased sales of existing products and services

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- Italy
- Japan
- Spain
- France
- Greece
- Ireland
- United Kingdom of Great Britain and Northern Ireland

### (3.6.1.8) Organization specific description

*International agreements to decarbonise electricity systems, alongside increased energy security and the need to reduce reliance on imported fossil fuels enhance the case for accelerated wind investment. The UK Government has ambitions for up to 50GW of installed offshore wind capacity by 2030 (including up to 5GW of floating offshore wind) and the Irish Government has targeted 4GW of incremental onshore wind and 5GW of offshore wind capacity by 2030. In the long term, the Climate Change Committee's balanced net zero pathway suggests 95GW of UK offshore wind by 2050. SSE aims to build a renewable energy portfolio that generates at least 50TWh of electricity a year by 2030. SSE's accelerated capital investment plan (the Net Zero Acceleration Programme Plus) aims to more than double installed renewable capacity to 9GW (net) by 2027. In the longer term, SSE is exploring opportunities in the UK, Ireland and internationally. SSE Renewables made good progress on key offshore projects in 2023/24, including at Dogger Bank A, B and C, and at Seagreen 1, with 114 turbines installed and exporting power to the grid. Onshore, construction of Viking in Shetland is nearing completion and is expected to be fully operational by Summer 2024. SSE has further offshore wind project interests in Berwick Bank, Greater Gabbard Extension and Arklow Bank. SSE believes this pipeline of new assets will play a critical role in helping the UK and Ireland achieve their net zero goals.*

### (3.6.1.9) Primary financial effect of the opportunity

Select from:

- Other, please specify :Increased adjusted operating profit

### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

Medium-term

### (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

Virtually certain (99–100%)

### (3.6.1.12) Magnitude

Select from:

Medium

### (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*UK and International climate policies present an opportunity to invest in installed onshore and offshore wind generation capacity. Based on the scenarios, investment in wind assets at scale could result in significant increases to EBIT under both 1.5C and 2.5C temperature scenarios and 2030 and 2050 timeframes. The NZE scenarios utilised in 2023/24 indicate lower growth in the 2030 timeline than the comparable scenario applied in 2022/23. However, this is reflective of short-term delays to projects rather than a decline in the overall opportunity, with growth being rephased beyond 2030. By 2050 the growth opportunity is higher in the current year scenario than it was in the prior year and supports SSE's NZAP Plus plan to deliver its wind pipeline in line with a 1.5C scenario.*

### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

### (3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

1300000000

### (3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

1700000000

### (3.6.1.23) Explanation of financial effect figures

The potential financial impact figure of between 1.3bn - 1.7bn was quantified in a 1.5oC scenario at 2050, by applying a combination of the following assumptions to SSE's most recent 3 year average earnings before tax and interest (EBIT), from wind capacity for financial year to 31 March 24: • IEA NZE 2050 wind capacity CAGR (Compound Average Annual Growth Rate) to 2050; and • SSE's internal assumptions in relation to wind capture price factors. The basis for this potential financial impact figure is quantified on a one-year annualised EBIT at 2050. The opportunities that exist include consented as well as pipeline development projects. Growth opportunities come from key offshore projects involving: Dogger Bank A, B and C (each 1,200MW, 40% share); Seagreen 1 (1,075W, 49% share); Ossian (3.6GW, 40% share) in Scotland; and Arklow Bank (800MW) in Ireland. SSE has future onshore growth through consented sites at Viking wind farm (443MW) in Scotland and Lenalea (30MW) in Ireland. At 31 March 2024, SSE's pipeline of renewable capacity in the UK and Ireland consisted of 2.8GW in construction, up to 2.9GW consented, up to 9.5GW requiring consent and a further 12GW of future prospects. Additionally, SSE is exporting its capabilities internationally. With 11.3GW of early-stage development opportunities across Japan through joint ownership company Pacifico Energy; a 50/50 joint venture with ACCIONA Energía to develop offshore wind opportunities in the Polish energy market; and onshore wind development projects across Spain, France, Italy and Greece alongside the scope for up to 2.9GW of solar development opportunities, through its acquisition of Siemens Gamesa Renewable Energy's (SGRE) Southern Europe wind, solar and batteries development platform.

### **(3.6.1.24) Cost to realize opportunity**

7000000000

### **(3.6.1.25) Explanation of cost calculation**

In May 2023, SSE updated its existing Net Zero Acceleration Programme to create the Net Zero Acceleration Programme Plus. The NZAP Plus is a fully-funded capital investment plan worth 20.5bn (updated from 18bn to 20.5bn in November 2023) up to 2027 which is aimed at accelerating clean growth, alongside ambitious 2030 targets, aligned with net zero and 1.5C. Based on SSE's net zero acceleration programme plus, the cost to realise the opportunity is based on the capital plan for renewable developments which is around 7bn until 2026/27.

### **(3.6.1.26) Strategy to realize opportunity**

SSE has a secured pipeline of over 16GW of potential new wind opportunities. SSE will develop these projects in partnership and will recycle some capital to support further development. In August 2023, SSE Renewables installed the final turbines at Viking Wind Farm in Shetland, achieving first power in June 2024 while Lenalea Wind Farm in Ireland moved into operations in December 2023. Installation of turbines at Yellow River, which will be SSE Renewables' second largest windfarm in Ireland when complete, began in January 2024. Construction began on SSE's first two Continental Europe wind projects, Chaintrix (28MW) in France, and Jubera (64MW) in the Rioja region of Spain. Seagreen offshore wind farm, the world's deepest fixed-bottom asset, became fully operational in October 2023, more than doubling SSE Renewables' offshore wind capacity. The initial installed turbines at Dogger Bank, which will be the world's largest offshore wind farm when complete, also generated first power in October 2023. In addition to the immediate opportunities at Dogger Bank, SSE has further offshore wind project interests in Berwick Bank in Scotland, Greater Gabbard Extension in England and Arklow Bank Wind Park in Ireland. SSE engages with UK, Scottish and Irish Governments, European Commission, Members of European Parliament and others on low-carbon policies.

## **Climate change**

### (3.6.1.1) Opportunity identifier

Select from:

- Opp2

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

- Increased sales of existing products and services

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- United Kingdom of Great Britain and Northern Ireland

### (3.6.1.8) Organization specific description

*This opportunity involves the investment in transmission infrastructure in the north of Scotland to support the delivery of an accelerated low-carbon electricity system. Significant growth in wind generation capacity in the north of Scotland requires significant expansion of the electricity transmission network, to transport the renewable electricity from the sources of generation to the sources of demand. SSEN's transmission network allows the renewable energy generated in the north of Scotland to be transmitted down south to areas of higher demand. This makes it fundamental in facilitating the transition to a low-carbon electricity system. SSEN Transmission's current RIIO-T2 business plan to 2026 envisages expanding and reinforcing the existing network for major new sources of generation. While SSEN Transmission has completed the third year of its five-year RIIO-T2 investment plan, making progress with key strategic investments under the Ofgem uncertainty mechanism, the scale of growth to 2030 has become clear. The Electricity System Operator (ESO) 'Pathway to 2030' identified 5bn of further investment required in the north of Scotland Transmission network to enable the forecast growth in renewable electricity and support the UK offshore wind and net zero commitments. This is in addition to the Accelerated Transmission Investment (ASTI) to 2030. SSEN Transmission's growth is forecast to closely align with the 'Leading the way' climate scenario.*

### (3.6.1.9) Primary financial effect of the opportunity

Select from:

Other, please specify :Increased adjusted operating profit

### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

Medium-term

### (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

Virtually certain (99–100%)

### (3.6.1.12) Magnitude

Select from:

Medium

### (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*Increased renewable investment presents an opportunity to generate returns from required investment in SSEN's electricity transmission network. Based on scenarios, the opportunity to invest in the expansion of SSEN Transmission's network presents a potentially significant increase to EBIT. The outcomes indicate considerable growth in both 1.5C and 2.5C temperature scenarios in connected renewable capacity which continues out to 2050.*

### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

### (3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

1300000000

### (3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)



### (3.6.1.23) Explanation of financial effect figures

*The potential financial impact figure of between 1.3bn -1.7bn was quantified in a 1.5oC scenario at 2050, by applying the National Grid Future Energy Leading the Way Scenario for projected renewables capacity for Scotland to SSE's most recent 3-year average earnings before tax and interest (EBIT) from the Transmission Business Unit for financial year to 31 March 24. The basis for this potential financial impact figure is quantified on a one-year annualised EBIT at 2050. SSE has developed the Net Zero Acceleration Programme Plus (NZAP Plus), a fully-funded capital investment plan worth 20.5bn up to 2027 which is aimed at accelerating clean growth, alongside ambitious 2031 targets, aligned with net zero and 1.5C. SSEN Transmission (c.30%) will comprise the majority of expected investment in electricity networks, as the RIIO-T2 baseline investment programme has increased through uncertainty mechanism projects such as the Skye and Orkney subsea links. Whilst the majority of Ofgem's Accelerated Strategic Transmission Investment (ASTI) framework will be delivered towards the end of the decade, the five-year plan also includes early construction costs as these projects are progressed. As such, SSEN Transmission investment is expected to increase to over 5bn from over 3bn in the previous plan, net of the 25% Minority Interest share, driving the gross Regulatory Asset Value ('RAV') to between 8-9bn by the end of 2026/27, and deliver expected adjusted operating profits of at least 400m on average across the five-year plan. SSEN Transmission earns a return on its RAV, therefore growth of the RAV should result in earnings growth in future periods, subject to future regulatory earnings agreements.*

### (3.6.1.24) Cost to realize opportunity

5000000000

### (3.6.1.25) Explanation of cost calculation

*Significant progress was made building out critical network infrastructure the north of Scotland including the Shetland HVDC transmission link which is expected to connect the islands to the GB energy system for the first time in 2024. The RIIO-T2 period is expected to deliver significant growth in the capacity of renewables connected to SSEN Transmission's network. In 2023/24, the total installed renewable capacity connected to the network increased to 9.3GW. Beyond the RIIO-T2 price control period, further network upgrades in both onshore and offshore transmission infrastructure will be needed to enable the forecasted growth in renewables. The costs associated with realising this opportunity is based on the capital investment actions associated with the investment in the transmission network, these are estimated to be approximately 5bn to 2026/27.*

### (3.6.1.26) Strategy to realize opportunity

*SSEN Transmission owns, operates, and develops the transmission network in the north of Scotland. This network enables renewable energy generated in the north of Scotland to be transmitted south to areas of high demand. The Electricity System Operator (ESO) 'Pathway to 2030' identified 5bn of further investment required in the north of Scotland Transmission network to enable the forecast growth in renewable electricity and support the UK offshore wind and net zero commitments. This is in addition to the Accelerated Transmission Investment (ASTI) to 2030. SSEN Transmission's growth is forecast to closely align with the 'Leading the way' climate scenario. To realise this opportunity and ensure that SSEN can continue to invest in this critical infrastructure, SSEN has an ongoing programme of investment, construction, maintenance and refurbishment. 2023/24 marked the third year of SSEN Transmission delivery against its business plan for the five-year RIIO-T2 price control period, running from 2021 to 2026.*

## Climate change

### (3.6.1.1) Opportunity identifier

Select from:

- Opp3

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

#### Products and services

- Increased sales of existing products and services

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- United Kingdom of Great Britain and Northern Ireland

### (3.6.1.8) Organization specific description

*Increasing volumes of intermittent wind energy will require support from flexible generators that provide system services, such as short-term reserve, frequency and long-duration energy storage services. The opportunity exists, from existing hydro expertise, to develop long-duration, low-carbon flexibility solutions that provide significant enduring value to the GB electricity system. Hydro is unique in SSE's portfolio, as it can be characterised as both renewable and flexible. In addition to 400MW of run-of-river hydro, SSE has 759MW of flexible hydro and SSE's 300MW of pumped storage as well as planning consent for an additional 1.3GW of pumped storage. Flexible hydro operates as 'Britain's biggest battery' and SSE has a significant role to play in providing this. For SSE's existing hydro portfolio, ongoing investment in maintenance, upgrades and repowering will optimise the provision of low carbon flexibility. SSE also has an important development option for large-scale, long-duration pumped hydro storage at Coire Glas in Scotland, with planning consent for a 1.3GW capacity project and c.30GWh of storage capacity potential. SSE is working with Government and the regulator to establish a market mechanism that would unlock investment into long-duration storage projects such as Coire Glas given the critical role they can play in securing low-carbon energy supplies in the UK. Plans are also progressing to convert the existing Sloy power station into pumped storage hydro.*

### (3.6.1.9) Primary financial effect of the opportunity

Select from:

- Other, please specify :Increased adjusted operating profit

### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term

### (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- Virtually certain (99–100%)

### (3.6.1.12) Magnitude

Select from:

- Medium

### (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*An increasing reliance on intermittent wind generation, presents an opportunity to invest in new low-carbon hydro assets that earn returns from flexible balancing of the electricity system. 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, where SSE has an opportunity to build a new pumped storage asset. The outcomes indicate negligible growth in both 1.5C and 2.5C temperature scenarios in the short term, where activities are focused on optimising existing asset output and upgrades to existing assets.*

### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

- Yes

### (3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

### (3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

200000000

### (3.6.1.23) Explanation of financial effect figures

*The potential financial impact figure of up to 0.2bn was quantified in a 1.5oC scenario at 2050, by applying a combination of the following assumptions to SSE's most recent 3-year average earnings before tax and interest (EBIT) from Hydro output for financial year to 31 March 24: • SSE's internal assumptions on the projected increase in optimisation of existing hydro assets; • SSE's investment projections in Coire Glas pumped storage station, and • IEA NZE 2050 hydro generation CAGR (Compound Average Annual Growth Rate) to 2050; and • SSE's internal assumptions in relation to power price factors to take account of market volatility. The basis for this potential financial impact figure is quantified on a one-year annualised EBIT at 2050. SSE has 1,459MW of existing hydro capacity (inc. pumped storage) and has planning consent for an additional 1.5GW of pumped storage at Coire Glas. SSE continues to invest in its hydro generation assets to increase flexibility to the UK grid. This represents 14% of SSE's generation capacity and 13% of the Group's electricity generation output in 2023/24.*

### (3.6.1.24) Cost to realize opportunity

1000000000

### (3.6.1.25) Explanation of cost calculation

*The costs associated with realising this opportunity are wrapped up in the costs of the refurbishment of SSE's assets (which involves upgrades and replacement of plant as a result of age as well as to respond to this opportunity to provide more flexibility) as well as the capital development expenditure of Coire Glas. Early-stage development expenditure has already been incurred on Coire Glas, with the total capital cost for development expected to be in excess of 1bn. The timing of that investment, and returns generated, will depend on the emergence of suitable market mechanisms to stimulate this investment in long-duration storage. Therefore, the costs to realise this opportunity have been estimated at around 1bn which represents the capital expenditure of Coire Glas alongside the maintenance and refurbishment programme for the existing hydro.*

### (3.6.1.26) Strategy to realize opportunity

*SSE Renewables operates and develops pumped hydro storage that provides flexible and dispatchable electricity. SSE seeks to invest in and upgrade its existing 1.5GW of hydro capacity as well as develop pumped storage capacity at Coire Glas as part of SSE's NZAP Plus programme. This investment strategy is aligned to the opportunities arising from a 1.5C scenario. SSE has been investing in its hydro fleet to make them more efficient and provide flexible and renewable energy to ensure that they can take advantage of a decarbonized energy system. SSE has an ongoing programme of maintenance, refurbishment and construction to ensure these assets continue to deliver during the low-carbon transition. Further, SSE Renewables hopes to make a final investment decision on Coire Glas (1,300MW) in late 2025 or early 2026, allowing for main construction to commence in the second half of 2026. Construction is expected to last up to seven years, which means the*

project could be operating in 2032 and fully completed during 2033. Plans are also progressing to convert the existing plant at Sloy power station into pumped storage hydro.

## Climate change

### (3.6.1.1) Opportunity identifier

Select from:

- Opp4

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

#### Products and services

- Ability to diversify business activities

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- Ireland
- United Kingdom of Great Britain and Northern Ireland

### (3.6.1.6) River basin where the opportunity occurs

Select all that apply

- Other, please specify :Not applicable.

### (3.6.1.8) Organization specific description

*As the electricity system decarbonises, increasing volumes of intermittent wind energy requires support from flexible generators that provide system services, such as short-term reserve, frequency, security of supply and price stability. There is the opportunity to repurpose SSE's existing gas-powered electricity generators, as well as invest in new low-carbon thermal generation assets. Carbon capture and storage and hydrogen technologies remain at the heart of the UK Government's decarbonisation plans. In March 2023 the UK Government announced the first carbon capture projects to be supported by government-backed contracts – these included projects located in Teesside and the northwest of England with the Humber as a region to be supported through subsequent phases of its cluster sequencing process by 2030 at the latest. SSE is actively developing options to decarbonise its fleet, most notably in carbon capture and storage and hydrogen technologies. Projects include carbon capture and storage projects as part of the UK cluster sequencing programme at Keadby in the Humber and Peterhead in the North of Scotland alongside hydrogen projects at Keadby and Saltend and the repurposing of SSE's Aldbrough Gas Storage site for the safe storage of hydrogen.*

### **(3.6.1.9) Primary financial effect of the opportunity**

Select from:

- Other, please specify :Increased adjusted operating profit

### **(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization**

Select all that apply

- Medium-term

### **(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon**

Select from:

- Virtually certain (99–100%)

### **(3.6.1.12) Magnitude**

Select from:

- Medium

### **(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*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. The opportunity to repurpose SSE's existing CCGTs and to invest in new low-carbon thermal generation assets have the potential to increase EBIT in the longer term. The outcomes indicate more growth in low-carbon thermal generation in the longer term in 2050.*

### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

### (3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

800000000

### (3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

1100000000

### (3.6.1.23) Explanation of financial effect figures

*The potential financial impact figure of between 0.8bn - 1.1bn was quantified in a 1.5oC scenario at 2050, by applying a combination of the following assumptions to SSE's projected earnings before tax and interest (EBIT) from CCS generation: • SSE's investment projections in Peterhead CSS and Keadby CSS, and • IEA NZE 2050 Natural gas with CCUS CAGR (Compound Average Annual Growth Rate) to 2050. The basis for this potential financial impact figure is quantified on a one-year annualised EBIT at 2050. SSE's Net Zero Acceleration Programme seeks to invest 2.5bn in low-carbon flexible thermal generation, mainly carbon-capture technology but with some development investment in hydrogen projects ahead of potential investment decisions in the second half of the decade. Returns from CCS and hydrogen will depend on the level and nature of government support mechanisms, and plant availability, future consumer demand, generation supply mix within the system and energy commodity price volatility.*

### (3.6.1.24) Cost to realize opportunity

2500000000

### (3.6.1.25) Explanation of cost calculation

*SSE's Net Zero Acceleration Programme Plus seeks to invest 2.5bn in low-carbon flexible thermal generation through to 2026/27, mainly carbon-capture technology but with some development investment in hydrogen projects ahead of potential investment decisions in the second half of the decade.*

### (3.6.1.26) Strategy to realize opportunity

*SSE Thermal owns and operates conventional flexible thermal generation and energy storage assets in GB and Ireland. These assets are providing critical flexibility to offset renewables variability as the energy system transitions to net zero. SSE is actively developing options to decarbonise its fleet, including carbon capture and*

storage projects as part of the UK cluster sequencing programme at Keadby in the Humber and Peterhead in the north of Scotland, alongside hydrogen projects at Keadby and Saltend and the repurposing of SSE's Aldbrough gas storage site for the safe storage of hydrogen.

## Climate change

### (3.6.1.1) Opportunity identifier

Select from:

- Opp5

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

#### Products and services

- Development of new products or services through R&D and innovation

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- United Kingdom of Great Britain and Northern Ireland

### (3.6.1.8) Organization specific description

*To deliver net zero targets across all sectors and countries requires a shift to zero emission vehicles and electric heating. SSEN Distribution's goal is to facilitate the connection of around two million EVs and one million heat pumps by 2030. The growth in the take-up of low carbon technologies is needed in order to get to net zero, and demand is increasing sharply; there has been a 13-fold increase in the number of electric vehicles connected in the past six years. In 2023/24, SSEN Distribution had around 284,000 pure electric vehicles or plug-in hybrid vehicles registered in its licence areas and had around 45,300 heat pumps connected to its networks. Increased uptake of EVs and electric heating has the potential to provide opportunities for SSEN as a network operator. There is also the opportunity to invest in and develop the network infrastructure required to electrification, including smart energy systems, demand side response and distributed flexible and renewable energy.*

### (3.6.1.9) Primary financial effect of the opportunity



Select from:

Other, please specify :Increased adjusted operating profit

### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

Medium-term

### (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

Virtually certain (99–100%)

### (3.6.1.12) Magnitude

Select from:

Medium

### (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*UK climate policy presents an opportunity for the transformation of SSEN Distribution's networks to meet the potential five- to ten-fold increase in consumer demand. Increased expansion of SSEN Distribution's network has the potential to increase EBIT in the longer term. The outcomes indicate considerable growth in consumer demand in the UK, with more significant growth in a 1.5C scenario.*

### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

### (3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

300000000

### (3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

400000000

### **(3.6.1.23) Explanation of financial effect figures**

*The potential financial impact figure of between 0.3bn - 0.4bn was quantified in a 1.5oC scenario at 2050, by applying the National Grid Future Energy Consumer Transformation Scenario for projected electricity consumer demand to SSE's most recent 3 year average earnings before tax and interest (EBIT) and existing electricity distributed from the Distribution Business Unit for financial year to 31 March 2024. The basis for this potential financial impact figure is quantified on a one-year annualised EBIT at 2050. The uptake of EVs and electric heating on SSE's networks is likely to provide a significant investment opportunity to support the low carbon transport transition. SSEN is taking a leadership role on electrification and has a 2030 target to build network flexibility that helps accommodate 10 million electric vehicles in the UK. Over the RII0-ED2 period to 2028, SSEN Distribution expects to invest around 3.5bn in distribution networks resilience and reinforcement. This is expected to increase RAV to between 6-7bn by 2026/27 and deliver expected adjusted operating profits of at least 450m on average across the five year plan. SSEN Distribution earns a return on its RAV, therefore growth of the RAV should result in earnings growth in future periods, subject to future regulatory earnings agreements.*

### **(3.6.1.24) Cost to realize opportunity**

3500000000

### **(3.6.1.25) Explanation of cost calculation**

*SSEN is taking a leadership role on electrification and has a 2030 target to 'build network flexibility that helps accommodate 2 million electric vehicles in the SSEN's distribution networks by 2030'. Over the RII0-ED2 period to 2028, SSEN Distribution expects to invest around 3.5bn in distribution networks resilience and reinforcement. This is expected to increase RAV to between 6-7bn by 2026/27 and deliver expected adjusted operating profits of at least 450m on average across the five-year plan. SSEN Distribution earns a return on its RAV, therefore growth of the RAV should result in earnings growth in future periods, subject to future regulatory earnings agreements.*

### **(3.6.1.26) Strategy to realize opportunity**

*SSEN Distribution is the distribution network operator for central southern England and the north of Scotland and a key enabler of the local and national transition to a net zero future. While its RII0-ED2 business plan 2023-2028 sets out the flexibility and network investment required to accelerate net zero, preparations are being made for the next set of investments expected to be required in the next price control period from 2028-2033. This investment strategy aligns to the opportunities arising from a 1.5C scenario.*

*[Add row]*

## C4. Governance

### (4.1) Does your organization have a board of directors or an equivalent governing body?

#### (4.1.1) Board of directors or equivalent governing body

Select from:

Yes

#### (4.1.2) Frequency with which the board or equivalent meets

Select from:

More frequently than quarterly

#### (4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

Executive directors or equivalent

Non-executive directors or equivalent

Independent non-executive directors or equivalent

#### (4.1.4) Board diversity and inclusion policy

Select from:

Yes, and it is publicly available

#### (4.1.5) Briefly describe what the policy covers

*The Policy sets a Board-led culture which is inclusive to all views, perspectives and experiences, and which fosters diversity as a norm. Across Board membership, the policy drives balance and alignment with SSE's purpose, strategy and values, through agreed principles and targets which reflect the measures the Board will take when considering its membership and that of its Committees. The Policy's principles are as follows: identify Board and Committee needs and the balance of diversity characteristics; adopt a formal and inclusive Board recruitment process; engage executive search firms who are signatories to the enhanced code of conduct and discuss ambitions for diverse candidate lists; recruit on an objective and shared understanding of merit; nurture an inclusive Board and Committee culture;*

oversee work to develop a diverse talent pipeline; and be aware of stakeholder expectations and challenge targets in wider strategy. The Board has adopted the following targets through application of the Policy: support an ultimate goal of ensuring gender parity, committing to female representation of not less than 40%, with the aim to maintain as close to 50% male and female representation as possible on a rolling basis; have at least one woman in the roles of Chair, Senior Independent Director, Chief Executive or Chief Financial Officer; have at least one Director from an ethnic minority background; and have at least one woman as a member of each of the Board Committees.

#### **(4.1.6) Attach the policy (optional)**

*sse-board-inclusion-and-diversity-policy.pdf*

[Fixed row]

### **(4.1.1) Is there board-level oversight of environmental issues within your organization?**

#### **Climate change**

##### **(4.1.1.1) Board-level oversight of this environmental issue**

Select from:

Yes

#### **Forests**

##### **(4.1.1.1) Board-level oversight of this environmental issue**

Select from:

No, and we do not plan to within the next two years

##### **(4.1.1.2) Primary reason for no board-level oversight of this environmental issue**

Select from:

Not an immediate strategic priority

##### **(4.1.1.3) Explain why your organization does not have board-level oversight of this environmental issue**

SSE actively manages its environmental footprint and takes careful consideration of Forest related commodities issues. However, SSE has undertaken a double materiality assessment, a concept which acknowledges that a company should report simultaneously on sustainability matters that are material in influencing business value and material to the environment and society, with support from an independent professional services firm. The objective was to confirm the ESG issues most material to SSE, both in terms of their impact on the business and the impact of the business on each issue. The assessment identified 21 ESG issues material and highlighted five highly material issues for SSE, alongside three areas of opportunity. These issues were: 1. Carbon emissions. 2. Sustainable energy generation. 3. Affordable and reliable energy. 4. Supply chain management. 5. Skilled workforce. Whilst environmental management and nature and biodiversity were amongst the material ESG issues, the five highly material issues were identified as having the likelihood of and magnitude of potential financial/reputational impacts higher than those posed by Forest related commodities issues. As such, establishing board-level oversight of Forest related commodities issues is not an immediate strategic priority for SSE.

## Water

### (4.1.1.1) Board-level oversight of this environmental issue

Select from:

Yes

## Biodiversity

### (4.1.1.1) Board-level oversight of this environmental issue

Select from:

Yes

[Fixed row]

**(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.**

## Climate change

### (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

Board chair

- Chief Executive Officer (CEO)
- Chief Financial Officer (CFO)
- Board-level committee

#### (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes

#### (4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- Board Terms of Reference
- Individual role descriptions
- Other policy applicable to the board, please specify :Terms of Reference for Safety, Sustainability, Health and Environment Advisory Committee (SSHEAC)

#### (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in some board meetings – at least annually

#### (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Reviewing and guiding annual budgets
- Overseeing and guiding scenario analysis
- Overseeing and guiding major capital expenditures
- Monitoring the implementation of the business strategy
- Overseeing and guiding the development of a business strategy
- Overseeing and guiding acquisitions, mergers, and divestitures
- Overseeing and guiding the development of a climate transition plan
- Other, please specify :**A member of the UK Government's Hydrogen Advisory Council and the Scottish Energy Advisor Board and member of the Net Zero Council.**

#### (4.1.2.7) Please explain

SSE's CEO has ultimate responsibility in their executive capacity for climate-related issues and is involved in setting the Group's strategic direction (as an Executive Director on the Board), as well as leading on its implementation (as head of executive management and SSE's Group Executive Committee (GEC)). The CEO ensures the decisions and actions of the company are sustainable long-term, through appropriate management and implementation of sustainability interventions which support SSE's strategy. External activities which support this position include membership of the UK Government's Hydrogen Delivery Council and the Scottish Energy Advisory Board. The SSE plc Board, led by the Chair, are responsible for setting SSE's strategy. When setting strategic objectives, all material influencing factors, including climate change, are considered. The Chair ensures that company decisions are sustainable long-term, and the Group's approach to sustainability is addressed through strategic and operational considerations and in the context of assessing risk. In 2023/24, the Board approved a further revision to the upgraded CapEx plan (Net Zero Acceleration Programme Plus), reviewed progress against SSE's Net Zero Transition Plan and oversaw the acquisition of a new onshore wind pipeline in Ireland and solar pipeline in Poland. SSE's CFO is responsible for setting SSE's financial strategy and overseeing financial performance. Climate-related work in the CFO's role includes engaging with the investment community on ESG and climate-related matters (which are fed-back to the Board and considered in decision making), climate-related financial and non-financial reporting, such as SSE's approach to the TCFD recommendations and sustainable debt financing to support SSE's strategic ambitions, such as the issuance of 'green bonds' and the use of ESG linked Revolving Credit Facilities. During 2023/24, the role of CFO oversaw the issuance of two Green Bonds. The Safety, Sustainability, Health and Environment Advisory Committee (SSHEAC) is a sub-committee of the SSE plc Board, consisting of four non-Executive Directors, the Chair, Chief Commercial Officer, Chief Sustainability Officer, and three senior executives. Its role is to support the Board on safety, health, environment, and sustainability matters. Specific roles include reviewing SSE's ESG ratings performance, approving SSE's Sustainability Report, reviewing the physical impacts of climate change on SSE's assets and activities, and overseeing SSE's policy, practice and performance on environmental impacts. SSE'S CEO and Board remain committed to reaching net zero carbon emissions across all operations by 2050 at the latest, a decision approved by both the GEC, and the SSE Board in 2021. SSE's Net Zero Acceleration Programme Plus aligns with SSE's science-based targets and is a fully funded 20.5bn 5-year capital expenditure plan to 2027, 90% of which is expected to be invested in renewables and networks.

## Water

### (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

Board-level committee

### (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

Yes

### (4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

Board Terms of Reference

#### (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in some board meetings – at least annually

#### (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Overseeing and guiding scenario analysis
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Monitoring progress towards corporate targets

#### (4.1.2.7) Please explain

*The Safety, Sustainability, Health and Environment Advisory Committee (SSHEAC) is a sub-Committee of the SSE plc Board with the membership comprising: four non-Executive Directors; the Chair of the Board; the Chief Commercial Officer; the Chief Sustainability Officer; and three senior executives. The Committee's role is to support the Board and provide assurance in matters relating to safety, health, environment (SHE) and sustainability. The SSHEAC provides a leadership forum for non-Executive Directors to work with senior management and shape policy, targets and strategy to improve SHE performance and culture, in addition to supporting SSE's commitment to being a sustainable company that makes a positive contribution. The Committee's roles in relation to sustainability includes responsibility for: reviewing SSE's comparative ESG ratings performance; approving SSE's Sustainability Report; reviewing the physical impacts of climate change on SSE's assets and activities with a focus on climate adaptation and resilience; and increased oversight of SSE's policy, practice and performance surrounding environmental impacts, including waste, air emissions, biodiversity and water consumption – under which it continues to oversee the actions which have been agreed to manage SSE's environmental footprint.*

### **Biodiversity**

#### (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Board-level committee

#### (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes



### (4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- Board Terms of Reference

### (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in some board meetings – at least annually

### (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets

### (4.1.2.7) Please explain

*The Safety, Sustainability, Health and Environment Advisory Committee (SSHEAC) is a sub-Committee of the SSE plc Board with the membership comprising: four non-Executive Directors; the Chair of the Board; the Chief Commercial Officer; the Chief Sustainability Officer; and three senior executives. The Committee's role is to support the Board and provide assurance in matters relating to safety, health, environment (SHE) and sustainability. The SSHEAC provides a leadership forum for non-Executive Directors to work with senior management and shape policy, targets and strategy to improve SHE performance and culture, in addition to supporting SSE's commitment to being a sustainable company that makes a positive contribution. The Committee's roles in relation to sustainability includes responsibility for: reviewing SSE's comparative ESG ratings performance; approving SSE's Sustainability Report; reviewing the physical impacts of climate change on SSE's assets and activities with a focus on climate adaptation and resilience; and increased oversight of SSE's policy, practice and performance surrounding environmental impacts, including waste, air emissions, biodiversity and water consumption – under which it continues to oversee the actions which have been agreed to manage SSE's environmental footprint.*

*[Fixed row]*

## (4.2) Does your organization's board have competency on environmental issues?

### Climate change

#### (4.2.1) Board-level competency on this environmental issue

Select from:

- Yes

## (4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- Consulting regularly with an internal, permanent, subject-expert working group
- Engaging regularly with external stakeholders and experts on environmental issues
- Integrating knowledge of environmental issues into board nominating process
- Having at least one board member with expertise on this environmental issue

## (4.2.3) Environmental expertise of the board member

### Experience

- Executive-level experience in a role focused on environmental issues
- Management-level experience in a role focused on environmental issues

### Forests

## (4.2.1) Board-level competency on this environmental issue

Select from:

- Not assessed

### Water

## (4.2.1) Board-level competency on this environmental issue

Select from:

- Yes

## (4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

Other, please specify :SSE has not developed a mechanism to maintain Board-level competency of water-related issues.

[Fixed row]

### **(4.3) Is there management-level responsibility for environmental issues within your organization?**

#### **Climate change**

##### **(4.3.1) Management-level responsibility for this environmental issue**

Select from:

Yes

#### **Forests**

##### **(4.3.1) Management-level responsibility for this environmental issue**

Select from:

No, but we plan to within the next two years

##### **(4.3.2) Primary reason for no management-level responsibility for environmental issues**

Select from:

Not an immediate strategic priority

##### **(4.3.3) Explain why your organization does not have management-level responsibility for environmental issues**

*The Safety, Sustainability, Health and Environment Advisory Committee (SSHEAC) is a sub-Committee of the SSE plc Board with the membership comprising: four non-Executive Directors; the Chair of the Board; the Chief Commercial Officer; the Chief Sustainability Officer; and three senior executives. The Committee's roles in relation to sustainability includes responsibility for: reviewing SSE's comparative ESG ratings performance; approving SSE's Sustainability Report; reviewing the physical impacts of climate change on SSE's assets and activities with a focus on climate adaptation and resilience; and increased oversight of SSE's policy, practice and performance surrounding environmental impacts, including waste, air emissions, biodiversity and water consumption – under which it continues to oversee the actions which have been agreed to manage SSE's environmental footprint. Forest-related issues are not overseen by the SSHEAC.*

## Water

### (4.3.1) Management-level responsibility for this environmental issue

Select from:

Yes

## Biodiversity

### (4.3.1) Management-level responsibility for this environmental issue

Select from:

Yes

[Fixed row]

**(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).**

## Climate change

### (4.3.1.1) Position of individual or committee with responsibility

#### Executive level

Chief Executive Officer (CEO)

### (4.3.1.2) Environmental responsibilities of this position

#### Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

## Engagement

- Managing public policy engagement related to environmental issues

## Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Measuring progress towards environmental science-based targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

## Strategy and financial planning

- Conducting environmental scenario analysis
- Developing a climate transition plan
- Implementing a climate transition plan
- Managing annual budgets related to environmental issues

### (4.3.1.4) Reporting line

Select from:

- Reports to the board directly

### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

### (4.3.1.6) Please explain

*The Chief Executive Officer (CEO) is an Executive Director on the Board and is head of executive management, leading the Group Executive Committee (GEC). As a member of the Board, the CEO is involved in setting the strategic direction of SSE. As leader of the GEC, the CEO oversees strategic implementation, which is reported back to the Board at each meeting (typically monthly). Through the Board approved division of responsibilities, the CEO has overall responsibility for ensuring the decisions and actions of the company are sustainable in the long-term, through appropriate management, implementation and progress of sustainability interventions which support SSE's strategy and address material impacts including climate change. The CEO is responsible for considering material influencing*

factors (including climate-related issues and opportunities) when proposing and leading the delivery of strategy (which is centred on supporting the net zero transition); implementing and driving climate-related performance programmes across the organisation; and providing feedback on the implementation of Board agreed policies, including SSE's Group Climate Change Policy. The GEC has responsibility for climate-related issues through its mandate to implement SSE's strategy through the operational management of SSE's Business Units; and its responsibility for identifying SSE's material sustainability impacts and deciding the implementation and delivery of the Group's sustainability strategy. The GEC is responsible for delivering strategy under the leadership of the CEO and for overseeing SSE's Group Principal Risks and implementing a comprehensive Principal Risk Self-Assessment, including the Climate Change Group Principal Risk. It drives climate-related performance programmes across the company and considers climate-related issues on a standing basis at least annually, with other climate-related issues being considered as and when required as advised by the CEO or CSO.

## Water

### (4.3.1.1) Position of individual or committee with responsibility

#### Committee

- Safety, Health, Environment and Quality committee

### (4.3.1.2) Environmental responsibilities of this position

#### Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities

#### Policies, commitments, and targets

- Setting corporate environmental policies and/or commitments

#### Strategy and financial planning

- Conducting environmental scenario analysis

### (4.3.1.4) Reporting line

Select from:

- Reports to the board directly

### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- Quarterly

#### (4.3.1.6) Please explain

*The Safety, Sustainability, Health and Environment Advisory Committee (SSHEAC) is a sub-Committee of the SSE plc Board with the membership comprising: four non-Executive Directors; the Chair of the Board; the Chief Commercial Officer; the Chief Sustainability Officer; and three senior executives. The Committee's role is to support the Board and provide assurance in matters relating to safety, health, environment (SHE) and sustainability. The SSHEAC provides a leadership forum for non-Executive Directors to work with senior management and shape policy, targets and strategy to improve SHE performance and culture, in addition to supporting SSE's commitment to being a sustainable company that makes a positive contribution. The Committee's roles in relation to sustainability includes responsibility for: reviewing SSE's comparative ESG ratings performance; approving SSE's Sustainability Report; reviewing the physical impacts of climate change on SSE's assets and activities with a focus on climate adaptation and resilience; and increased oversight of SSE's policy, practice and performance surrounding environmental impacts, including waste, air emissions, biodiversity and water consumption – under which it continues to oversee the actions which have been agreed to manage SSE's environmental footprint.*

## Biodiversity

#### (4.3.1.1) Position of individual or committee with responsibility

##### Committee

- Safety, Health, Environment and Quality committee

#### (4.3.1.2) Environmental responsibilities of this position

##### Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities

##### Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

## Strategy and financial planning

- Conducting environmental scenario analysis

### (4.3.1.4) Reporting line

Select from:

- Reports to the board directly

### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- Quarterly

### (4.3.1.6) Please explain

*The Safety, Sustainability, Health and Environment Advisory Committee (SSHEAC) is a sub-Committee of the SSE plc Board with the membership comprising: four non-Executive Directors; the Chair of the Board; the Chief Commercial Officer; the Chief Sustainability Officer; and three senior executives. The Committee's role is to support the Board and provide assurance in matters relating to safety, health, environment (SHE) and sustainability. The SSHEAC provides a leadership forum for non-Executive Directors to work with senior management and shape policy, targets and strategy to improve SHE performance and culture, in addition to supporting SSE's commitment to being a sustainable company that makes a positive contribution. The Committee's roles in relation to sustainability includes responsibility for: reviewing SSE's comparative ESG ratings performance; approving SSE's Sustainability Report; reviewing the physical impacts of climate change on SSE's assets and activities with a focus on climate adaptation and resilience; and increased oversight of SSE's policy, practice and performance surrounding environmental impacts, including waste, air emissions, biodiversity and water consumption – under which it continues to oversee the actions which have been agreed to manage SSE's environmental footprint.*

## Climate change

### (4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Sustainability Officer (CSO)

### (4.3.1.2) Environmental responsibilities of this position



### **Dependencies, impacts, risks and opportunities**

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

### **Engagement**

- Managing public policy engagement related to environmental issues

### **Policies, commitments, and targets**

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Measuring progress towards environmental science-based targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

### **Strategy and financial planning**

- Conducting environmental scenario analysis
- Developing a climate transition plan
- Implementing a climate transition plan
- Managing annual budgets related to environmental issues

## **(4.3.1.4) Reporting line**

*Select from:*

- Reports to the Chief Executive Officer (CEO)

## **(4.3.1.5) Frequency of reporting to the board on environmental issues**

*Select from:*

- More frequently than quarterly

## **(4.3.1.6) Please explain**

*The Chief Sustainability Officer (CSO) is responsible for advising the Board and its committees, the GEC and SSE's Business Units on sustainability issues and strategy, including those relating to climate. The CSO reports directly to the Chief Executive and is a member of the SSHEAC (a sub-Committee of the Board) and three of the six SSE Group-level sub-committees of the GEC: the Group Safety, Health and Environment Committee (SHEC); the Group Risk Committee; and the Group Large Capital Projects Committee. The CSO is also a non-Executive Director of the SSEN Transmission Board. The roles and responsibilities of the CSO have been defined in the context of the significance of climate-related issues to the Group's strategy, sustainability approach and long-term success. The role of CSO ensures a continuous focus on sustainability issues through agreed reporting to the Board and executive, ensuring relevant issues are elevated to the most senior level. The Chief Sustainability Officer is responsible for the Group Sustainability function which assesses, manages and monitors climate-related issues and opportunities in the context of strategic development, and oversees external reporting, which includes non-financial disclosures such as those in relation to climate change. In addition, the Chief Sustainability Officer, is responsible for driving sustainability performance across the organisation and reports progress on sustainability activities to the Board and SSE's stakeholders. This includes working with SSE's Business Units to deliver the business strategy and implementing the four 2030 business goals, which are focused on addressing the challenge of climate change in a way that is fair to working people, consumers and communities. The Group Sustainability function monitors: performance against SSE's Science Based Targets; progress against the 2030 goals; and facilitates TCFD risk and opportunity assessments. Results of these are reported to the GEC, Board and CEO.*

[Add row]

## **(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?**

### **Climate change**

#### **(4.5.1) Provision of monetary incentives related to this environmental issue**

Select from:

Yes

#### **(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue**

30

#### **(4.5.3) Please explain**

*The Directors' Remuneration Policy, sees performance against the 2030 Goals linked to the longer-term Performance Share Plan (PSP). SSE's PSP is an incentive which awards executive directors with a grant of shares equal to a percentage of their base salary. These shares are held in trust for a period of three years before being released subject to performance targets being met. These targets are financial and non-financial which includes sustainability. These measures are worth 15% of the overall award. Strategic measures which assess progress towards the successful delivery of SSE's capital investment plan are also considered, meaning that*

30% of shares awarded under the PSP are linked to sustainability, either directly through sustainability measures or through strategic measures via SSE's NZAP Plus.

## Forests

### (4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

No, and we do not plan to introduce them in the next two years

### (4.5.3) Please explain

*SSE actively manages its environmental footprint and takes careful consideration of forest related issues in its activities. However, SSE has undertaken a double materiality assessment, with the objective to confirm the ESG issues most material to SSE, both in terms of their impact on the business and the impact of the business on each issue. The assessment identified 21 ESG issues and highlighted five highly material issues for SSE. These issues were: Carbon emissions Sustainable energy generation Affordable and reliable energy Supply chain management Skilled workforce Whilst forest commodity management was amongst the material ESG issues, the five highly material issues were identified as having a higher likelihood of, and magnitude of, potential financial/reputational impacts than those posed by forest commodity management issues. As such, establishing monetary incentives for the management of forest related issues is not an immediate strategic priority for SSE.*

## Water

### (4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

No, and we do not plan to introduce them in the next two years

### (4.5.3) Please explain

*SSE actively manages its environmental footprint and takes careful consideration of water related issues in its activities. However, SSE has undertaken a double materiality assessment, with the objective to confirm the ESG issues most material to SSE, both in terms of their impact on the business and the impact of the business on each issue. The assessment identified 21 ESG issues and highlighted five highly material issues for SSE. These issues were: Carbon emissions Sustainable energy generation Affordable and reliable energy Supply chain management Skilled workforce Whilst water management was amongst the material ESG issues, the five highly material issues were identified as having a higher likelihood of, and magnitude of, potential financial/reputational impacts than those posed by water management issues. As such, establishing monetary incentives for the management of water related issues is not an immediate strategic priority for SSE.*  
[Fixed row]

**(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).**

## **Climate change**

### **(4.5.1.1) Position entitled to monetary incentive**

#### **Board or executive level**

- Chief Executive Officer (CEO)

### **(4.5.1.2) Incentives**

*Select all that apply*

- Bonus - % of salary
- Shares

### **(4.5.1.3) Performance metrics**

#### **Targets**

- Progress towards environmental targets

#### **Strategy and financial planning**

- Board approval of climate transition plan
- Shareholder approval of climate transition plan

#### **Emission reduction**

- Reduction in emissions intensity

### **(4.5.1.4) Incentive plan the incentives are linked to**

*Select from:*

- Both Short-Term and Long-Term Incentive Plan, or equivalent

#### **(4.5.1.5) Further details of incentives**

*The framework of SSE's 2030 Goals has been used since 2019 to assess performance, which was linked to the performance based Annual Incentive Plan (AIP) until 2021/22. The updated Directors' Remuneration Policy, approved by shareholders at the 2022 AGM, has seen two important changes: • performance against the 2030 Goals is now linked to the longer-term Performance Share Plan (PSP). • average performance across three independent external ESG ratings, now being linked to the AIP. AIP: SSE's AIP is a short-term bonus scheme. It measures performance against a range of financial and non-financial measures (including sustainability). The award is delivered 67% as cash, and 33% in shares which are deferred for a period of three years. The updated sustainability measures in the AIP include average percentile performance across three key ESG ratings, linked to 10% of the AIP award. These are Moody's ESG rating, Sustainalytics sustainability index and S&P Global sustainability index. SSE assess its performance by deeming the median score as the threshold and performance at the upper quintile, or above, the maximum. In addition to the new sustainability measures, operational measures based on People and Customers ensure a strong focus on sustainability in the AIP. PSP: SSE's PSP is a long-term incentive which awards executive directors with a grant of shares equal to a percentage of their base salary. These shares are held in trust for a period of three years before being released subject to certain performance targets being met. These targets are financial and non-financial which includes sustainability. These will vest for the first time in 2025. These measures are worth 15% of the overall award. In 2022, Shareholders also approved new 'strategic' measures which assess progress towards the successful delivery of SSE's capital investment plan meaning that 30% of shares awarded under the new PSP are linked to sustainability, either directly through sustainability measures or through strategic measures via SSE's NZAP Plus. Outcomes will be reported in 2025 at the end of the three-year measurement period. Leadership Share Plan (LSP): SSE's LSP is a long-term incentive which awards senior leadership roles (including C-Suite Officers but excluding Executive Directors). The LSP is a share award delivered over three years, which primarily focuses on strategic progress in relation to the NZAP Plus, with the remainder focused on retention (30%).*

#### **(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan**

*Annual Incentive Plan (AIP): The AIP award is determined by performance against both financial metrics and non-financial performance Updated in 2022, the Remuneration Committee aligned 10% of the AIP to sustainability performance by assessing SSE's performance across three key ESG ratings (Moody's ESG rating, Sustainalytics sustainability index and S&P Global sustainability index). These ESG indices factor in performance on a wide range of sustainability matters, such as SSE's environmental performance (e.g., greenhouse gas emissions, water use, biodiversity, waste) and SSE's social performance (e.g., human rights, human resources) and governance performance (e.g., corporate governance, business ethics). By encouraging SSE to achieve its upper quintile ranking across all indices, the incentives are linked to the continuous improvement of SSE sustainability performance. Performance Share Plan (PSP): PSP is linked to the progress against the achievement of SSE's four business goals aligned to the UN Sustainable Development Goals. Three of the four goals are climate-related and drive renewable development, electrification and reduce carbon intensity of generated electricity. These are: • SDG 13 Climate Action: Reduce scope 1 carbon intensity by 80% by 2030, compared to 2017/18 levels, to 61gCO<sub>2</sub>e/kWh. •SDG 7 Affordable and Clean Energy: Build a renewable energy portfolio that generates at least 50TWh of renewable electricity a year by 2030. •SDG 9 Industry, Innovation and Infrastructure: 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. The final goal, to champion a real Living Wage and Fair Tax are also important to delivering the first three: • SDG 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. • Outcomes will be reported in 2025 at the end of the current three-year measurement period.*

### **Climate change**

### (4.5.1.1) Position entitled to monetary incentive

#### Board or executive level

- General Counsel

### (4.5.1.2) Incentives

*Select all that apply*

- Bonus - % of salary
- Shares

### (4.5.1.3) Performance metrics

#### Targets

- Progress towards environmental targets

#### Strategy and financial planning

- Board approval of climate transition plan
- Shareholder approval of climate transition plan

#### Emission reduction

- Reduction in emissions intensity

### (4.5.1.4) Incentive plan the incentives are linked to

*Select from:*

- Both Short-Term and Long-Term Incentive Plan, or equivalent

### (4.5.1.5) Further details of incentives

*The framework of SSE's 2030 Goals has been used since 2019 to assess performance, which was linked to the performance based Annual Incentive Plan (AIP) until 2021/22. The updated Directors' Remuneration Policy, approved by shareholders at the 2022 AGM, has seen two important changes: • performance against the 2030 Goals is now linked to the longer-term Performance Share Plan (PSP). • average performance across three independent external ESG ratings, now*

being linked to the AIP. AIP: SSE's AIP is a short-term bonus scheme. It measures performance against a range of financial and non-financial measures (including sustainability). The award is delivered 67% as cash, and 33% in shares which are deferred for a period of three years. The updated sustainability measures in the AIP include average percentile performance across three key ESG ratings, linked to 10% of the AIP award. These are Moody's ESG rating, Sustainalytics sustainability index and S&P Global sustainability index. SSE assess its performance by deeming the median score as the threshold and performance at the upper quintile, or above, the maximum. In addition to the new sustainability measures, operational measures based on People and Customers ensure a strong focus on sustainability in the AIP. PSP: SSE's PSP is a long-term incentive which awards executive directors with a grant of shares equal to a percentage of their base salary. These shares are held in trust for a period of three years before being released subject to certain performance targets being met. These targets are financial and non-financial which includes sustainability. These will vest for the first time in 2025. These measures are worth 15% of the overall award. In 2022, Shareholders also approved new 'strategic' measures which assess progress towards the successful delivery of SSE's capital investment plan meaning that 30% of shares awarded under the new PSP are linked to sustainability, either directly through sustainability measures or through strategic measures via SSE's NZAP Plus. Outcomes will be reported in 2025 at the end of the three-year measurement period. Leadership Share Plan (LSP): SSE's LSP is a long-term incentive which awards senior leadership roles (including C-Suite Officers but excluding Executive Directors). The LSP is a share award delivered over three years, which primarily focuses on strategic progress in relation to the NZAP Plus, with the remainder focused on retention (30%).

#### **(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan**

*Annual Incentive Plan (AIP): The AIP award is determined by performance against both financial metrics and non-financial performance Updated in 2022, the Remuneration Committee aligned 10% of the AIP to sustainability performance by assessing SSE's performance across three key ESG ratings (Moody's ESG rating, Sustainalytics sustainability index and S&P Global sustainability index). These ESG indices factor in performance on a wide range of sustainability matters, such as SSE's environmental performance (e.g., greenhouse gas emissions, water use, biodiversity, waste) and SSE's social performance (e.g., human rights, human resources) and governance performance (e.g., corporate governance, business ethics). By encouraging SSE to achieve its upper quintile ranking across all indices, the incentives are linked to the continuous improvement of SSE sustainability performance. Performance Share Plan (PSP): PSP is linked to the progress against the achievement of SSE's four business goals aligned to the UN Sustainable Development Goals. Three of the four goals are climate-related and drive renewable development, electrification and reduce carbon intensity of generated electricity. These are: •SDG 13 Climate Action: Reduce scope 1 carbon intensity by 80% by 2030, compared to 2017/18 levels, to 61gCO<sub>2</sub>e/kWh. •SDG 7 Affordable and Clean Energy: Build a renewable energy portfolio that generates at least 50TWh of renewable electricity a year by 2030. •SDG 9 Industry, Innovation and Infrastructure: 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. The final goal, to champion a real Living Wage and Fair Tax are also important to delivering the first three: •SDG 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. •Outcomes will be reported in 2025 at the end of the current three-year measurement period.*

### **Climate change**

#### **(4.5.1.1) Position entitled to monetary incentive**

##### **Board or executive level**

Chief Technology Officer (CTO)

## (4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary
- Shares

## (4.5.1.3) Performance metrics

### Targets

- Progress towards environmental targets

### Strategy and financial planning

- Board approval of climate transition plan
- Shareholder approval of climate transition plan

### Emission reduction

- Reduction in emissions intensity

## (4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Both Short-Term and Long-Term Incentive Plan, or equivalent

## (4.5.1.5) Further details of incentives

*The framework of SSE's 2030 Goals has been used since 2019 to assess performance, which was linked to the performance based Annual Incentive Plan (AIP) until 2021/22. The updated Directors' Remuneration Policy, approved by shareholders at the 2022 AGM, has seen two important changes: • performance against the 2030 Goals is now linked to the longer-term Performance Share Plan (PSP). • average performance across three independent external ESG ratings, now being linked to the AIP. AIP: SSE's AIP is a short-term bonus scheme. It measures performance against a range of financial and non-financial measures (including sustainability). The award is delivered 67% as cash, and 33% in shares which are deferred for a period of three years. The updated sustainability measures in the AIP include average percentile performance across three key ESG ratings, linked to 10% of the AIP award. These are Moody's ESG rating, Sustainalytics sustainability index and S&P Global sustainability index. SSE assess its performance by deeming the median score as the threshold and performance at the upper quintile, or above, the maximum. In addition to the new sustainability measures, operational measures based on People and Customers ensure a strong focus on sustainability in the AIP. PSP: SSE's PSP is a long-term incentive which awards executive directors with a grant of shares equal to a percentage of their base salary. These shares are held in trust for a period of three years before being released subject to certain performance targets being met. These targets are financial and non-financial*



which includes sustainability. These will vest for the first time in 2025. These measures are worth 15% of the overall award. In 2022, Shareholders also approved new 'strategic' measures which assess progress towards the successful delivery of SSE's capital investment plan meaning that 30% of shares awarded under the new PSP are linked to sustainability, either directly through sustainability measures or through strategic measures via SSE's NZAP Plus. Outcomes will be reported in 2025 at the end of the three-year measurement period. Leadership Share Plan (LSP): SSE's LSP is a long-term incentive which awards senior leadership roles (including C-Suite Officers but excluding Executive Directors). The LSP is a share award delivered over three years, which primarily focuses on strategic progress in relation to the NZAP Plus, with the remainder focused on retention (30%).

#### **(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan**

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### **Climate change**

#### **(4.5.1.1) Position entitled to monetary incentive**

##### **Board or executive level**

Chief Procurement Officer (CPO)

#### **(4.5.1.2) Incentives**

Select all that apply

Bonus - % of salary

Shares

### (4.5.1.3) Performance metrics

#### Targets

- Progress towards environmental targets

#### Strategy and financial planning

- Board approval of climate transition plan
- Shareholder approval of climate transition plan

#### Emission reduction

- Reduction in emissions intensity

### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Both Short-Term and Long-Term Incentive Plan, or equivalent

### (4.5.1.5) Further details of incentives

*The framework of SSE's 2030 Goals has been used since 2019 to assess performance, which was linked to the performance based Annual Incentive Plan (AIP) until 2021/22. The updated Directors' Remuneration Policy, approved by shareholders at the 2022 AGM, has seen two important changes: • performance against the 2030 Goals is now linked to the longer-term Performance Share Plan (PSP). • average performance across three independent external ESG ratings, now being linked to the AIP. AIP: SSE's AIP is a short-term bonus scheme. It measures performance against a range of financial and non-financial measures (including sustainability). The award is delivered 67% as cash, and 33% in shares which are deferred for a period of three years. The updated sustainability measures in the AIP include average percentile performance across three key ESG ratings, linked to 10% of the AIP award. These are Moody's ESG rating, Sustainalytics sustainability index and S&P Global sustainability index. SSE assess its performance by deeming the median score as the threshold and performance at the upper quintile, or above, the maximum. In addition to the new sustainability measures, operational measures based on People and Customers ensure a strong focus on sustainability in the AIP. PSP: SSE's PSP is a long-term incentive which awards executive directors with a grant of shares equal to a percentage of their base salary. These shares are held in trust for a period of three years before being released subject to certain performance targets being met. These targets are financial and non-financial which includes sustainability. These will vest for the first time in 2025. These measures are worth 15% of the overall award. In 2022, Shareholders also approved new 'strategic' measures which assess progress towards the successful delivery of SSE's capital investment plan meaning that 30% of shares awarded under the new PSP are linked to sustainability, either directly through sustainability measures or through strategic measures via SSE's NZAP Plus. Outcomes will be reported in 2025 at the end of the three-year measurement period. Leadership Share Plan (LSP): SSE's LSP is a long-term incentive which awards senior leadership roles (including C-Suite Officers but excluding Executive Directors). The LSP is a share award delivered over three years, which primarily focuses on strategic progress in relation to the NZAP Plus, with the remainder focused on retention (30%).*

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## Climate change

### (4.5.1.1) Position entitled to monetary incentive

#### Board or executive level

- Chief Sustainability Officer (CSO)

### (4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary
- Shares

### (4.5.1.3) Performance metrics

#### Targets

- Progress towards environmental targets

## Strategy and financial planning

- Board approval of climate transition plan
- Shareholder approval of climate transition plan

## Emission reduction

- Reduction in emissions intensity

### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Both Short-Term and Long-Term Incentive Plan, or equivalent

### (4.5.1.5) Further details of incentives

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## Climate change

### (4.5.1.1) Position entitled to monetary incentive

#### Board or executive level

- Corporate executive team

### (4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary
- Shares

### (4.5.1.3) Performance metrics

#### Targets

- Progress towards environmental targets

#### Strategy and financial planning

- Board approval of climate transition plan
- Shareholder approval of climate transition plan

## Emission reduction

- Reduction in emissions intensity

### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Both Short-Term and Long-Term Incentive Plan, or equivalent

### (4.5.1.5) Further details of incentives

The framework of SSE's 2030 Goals has been used since 2019 to assess performance, which was linked to the performance based Annual Incentive Plan (AIP) until 2021/22. The updated Directors' Remuneration Policy, approved by shareholders at the 2022 AGM, has seen two important changes: • performance against the 2030 Goals is now linked to the longer-term Performance Share Plan (PSP). • average performance across three independent external ESG ratings, now being linked to the AIP. AIP: SSE's AIP is a short-term bonus scheme. It measures performance against a range of financial and non-financial measures (including sustainability). The award is delivered 67% as cash, and 33% in shares which are deferred for a period of three years. The updated sustainability measures in the AIP include average percentile performance across three key ESG ratings, linked to 10% of the AIP award. These are Moody's ESG rating, Sustainalytics sustainability index and S&P Global sustainability index. SSE assess its performance by deeming the median score as the threshold and performance at the upper quintile, or above, the maximum. In addition to the new sustainability measures, operational measures based on People and Customers ensure a strong focus on sustainability in the AIP. PSP: SSE's PSP is a long-term incentive which awards executive directors with a grant of shares equal to a percentage of their base salary. These shares are held in trust for a period of three years before being released subject to certain performance targets being met. These targets are financial and non-financial which includes sustainability. These will vest for the first time in 2025. These measures are worth 15% of the overall award. In 2022, Shareholders also approved new 'strategic' measures which assess progress towards the successful delivery of SSE's capital investment plan meaning that 30% of shares awarded under the new PSP are linked to sustainability, either directly through sustainability measures or through strategic measures via SSE's NZAP Plus. Outcomes will be reported in 2025 at the end of the three-year measurement period. Leadership Share Plan (LSP): SSE's LSP is a long-term incentive which awards senior leadership roles (including C-Suite Officers but excluding Executive Directors). The LSP is a share award delivered over three years, which primarily focuses on strategic progress in relation to the NZAP Plus, with the remainder focused on retention (30%).

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## Climate change

### (4.5.1.1) Position entitled to monetary incentive

#### Board or executive level

- Chief Risks Officer (CRO)

### (4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary
- Shares

### (4.5.1.3) Performance metrics

#### Targets

- Progress towards environmental targets

#### Strategy and financial planning

- Board approval of climate transition plan
- Shareholder approval of climate transition plan

#### Emission reduction

- Reduction in emissions intensity



#### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

Both Short-Term and Long-Term Incentive Plan, or equivalent

#### (4.5.1.5) Further details of incentives

*The framework of SSE's 2030 Goals has been used since 2019 to assess performance, which was linked to the performance based Annual Incentive Plan (AIP) until 2021/22. The updated Directors' Remuneration Policy, approved by shareholders at the 2022 AGM, has seen two important changes: • performance against the 2030 Goals is now linked to the longer-term Performance Share Plan (PSP). • average performance across three independent external ESG ratings, now being linked to the AIP. AIP: SSE's AIP is a short-term bonus scheme. It measures performance against a range of financial and non-financial measures (including sustainability). The award is delivered 67% as cash, and 33% in shares which are deferred for a period of three years. The updated sustainability measures in the AIP include average percentile performance across three key ESG ratings, linked to 10% of the AIP award. These are Moody's ESG rating, Sustainalytics sustainability index and S&P Global sustainability index. SSE assess its performance by deeming the median score as the threshold and performance at the upper quintile, or above, the maximum. In addition to the new sustainability measures, operational measures based on People and Customers ensure a strong focus on sustainability in the AIP. PSP: SSE's PSP is a long-term incentive which awards executive directors with a grant of shares equal to a percentage of their base salary. These shares are held in trust for a period of three years before being released subject to certain performance targets being met. These targets are financial and non-financial which includes sustainability. These will vest for the first time in 2025. These measures are worth 15% of the overall award. In 2022, Shareholders also approved new 'strategic' measures which assess progress towards the successful delivery of SSE's capital investment plan meaning that 30% of shares awarded under the new PSP are linked to sustainability, either directly through sustainability measures or through strategic measures via SSE's NZAP Plus. Outcomes will be reported in 2025 at the end of the three-year measurement period. Leadership Share Plan (LSP): SSE's LSP is a long-term incentive which awards senior leadership roles (including C-Suite Officers but excluding Executive Directors). The LSP is a share award delivered over three years, which primarily focuses on strategic progress in relation to the NZAP Plus, with the remainder focused on retention (30%).*

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## Climate change

### (4.5.1.1) Position entitled to monetary incentive

#### Board or executive level

- Chief Financial Officer (CFO)

### (4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary
- Shares

### (4.5.1.3) Performance metrics

#### Targets

- Progress towards environmental targets

#### Strategy and financial planning

- Board approval of climate transition plan
- Shareholder approval of climate transition plan

#### Emission reduction

- Reduction in emissions intensity

### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Both Short-Term and Long-Term Incentive Plan, or equivalent

#### **(4.5.1.5) Further details of incentives**

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#### **Climate change**

### (4.5.1.1) Position entitled to monetary incentive

#### Board or executive level

- Other C-Suite Officer, please specify :Chief Commercial Officer

### (4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary
- Shares

### (4.5.1.3) Performance metrics

#### Targets

- Progress towards environmental targets

#### Strategy and financial planning

- Board approval of climate transition plan
- Shareholder approval of climate transition plan

#### Emission reduction

- Reduction in emissions intensity

### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Both Short-Term and Long-Term Incentive Plan, or equivalent

### (4.5.1.5) Further details of incentives

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 [Add row]

#### **(4.6) Does your organization have an environmental policy that addresses environmental issues?**

	Does your organization have any environmental policies?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

### (4.6.1) Provide details of your environmental policies.

#### Row 1

#### (4.6.1.1) Environmental issues covered

Select all that apply

- Forests
- Biodiversity

#### (4.6.1.2) Level of coverage

Select from:

- Organization-wide

#### (4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations

#### (4.6.1.4) Explain the coverage

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

*Policies will be utilised as a default, subject to legal or regulatory requirements of the relevant international domain, and relevant local policies and supporting procedures.*

#### **(4.6.1.5) Environmental policy content**

##### **Environmental commitments**

- Commitment to No Net Loss
- Commitment to Net Positive Gain
- Commitment to a circular economy strategy
- Commitment to respect legally designated protected areas
- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance
- Commitment to avoidance of negative impacts on threatened and protected species
- Commitment to stakeholder engagement and capacity building on environmental issues
- Commitment to implementation of nature-based solutions that support landscape restoration and long-term protection of natural ecosystems

##### **Forests-specific commitments**

- Other forests-related commitment, please specify :No Net Loss (NNL) of native woodland

##### **Additional references/Descriptions**

- Description of biodiversity-related performance standards
- Description of impacts on natural resources and ecosystems
- Description of environmental requirements for procurement
- Reference to timebound environmental milestones and targets

#### **(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals**

*Select all that apply*

- No, but we plan to align in the next two years

#### **(4.6.1.7) Public availability**

Select from:

Publicly available

#### (4.6.1.8) Attach the policy

*po-grp-007.pdf*

### Row 2

#### (4.6.1.1) Environmental issues covered

Select all that apply

Climate change

#### (4.6.1.2) Level of coverage

Select from:

Organization-wide

#### (4.6.1.3) Value chain stages covered

Select all that apply

Direct operations

#### (4.6.1.4) Explain the coverage

*This policy applies to all SSE employees and contingent workers. It is relevant to people contracted to provide services to the Company through third parties. Where SSE operates internationally, the Group Policies will be utilised as a default, subject to legal or regulatory requirements of the relevant international domain, and relevant local policies and supporting procedures.*

#### (4.6.1.5) Environmental policy content

##### Environmental commitments

Commitment to stakeholder engagement and capacity building on environmental issues

### Climate-specific commitments

- Commitment to net-zero emissions
- Commitment to not funding climate-denial or lobbying against climate regulations
- Other climate-related commitment, please specify :SSE will regularly propose a resolution at the Annual General Meeting of the Company for shareholders to receive, consider and express non-binding advisory approval of SSE's Net Zero Transition Report, which reports on the terms and implementation.

### Social commitments

- Other social commitment, please specify :SSE seeks to support a just transition to net zero by maximizing the social and economic opportunities of climate action, while minimizing and carefully managing any challenges.

### (4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- Yes, in line with the Paris Agreement

### (4.6.1.7) Public availability

Select from:

- Publicly available

### (4.6.1.8) Attach the policy

po-grp-001-1.pdf  
[Add row]

### (4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

#### (4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

- Yes

#### (4.10.2) Collaborative framework or initiative



Select all that apply

- Climate Action 100+
- Task Force on Climate-related Financial Disclosures (TCFD)
- Transition Pathway Initiative
- UN Global Compact
- Other, please specify :Accounting for Sustainability

#### **(4.10.3) Describe your organization's role within each framework or initiative**

*In the UK, The Financial Conduct Authority (FCA) requires organisations to report against the TCFD recommendations, recommended disclosures and the Annex and guidance (published 2021) in annual reports. SSE believes that whilst it is compliant with the listing rule there is still opportunity for increasing maturity across all TCFD disclosure requirements. SSE continues to actively seek feedback from shareholders and stakeholders on best practice on TCFD disclosures. UN Global Compact – SSE has been a signatory since 2018 and is aligned to the Compact's ten principles for corporate sustainability. A4S – SSE's CFO is a member of the Accounting for Sustainability (A4S) CFO Leadership Network. Transition Plan Taskforce - SSE supported the Transition Plan Taskforce preparers and users working group to develop guidance on Transition Plans and is now a member of the TPT's Delivery Group after involvement with the TPT sandbox (testing) exercise. SSE is also a focus company for the Climate Action 100 and Transition Pathway Initiative.*

*[Fixed row]*

#### **(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?**

##### **(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment**

Select all that apply

- Yes, we engaged directly with policy makers
- Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

##### **(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals**

Select from:

- Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

#### **(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement**

Select all that apply

- Paris Agreement

#### **(4.11.4) Attach commitment or position statement**

*po-grp-012.pdf*

#### **(4.11.5) Indicate whether your organization is registered on a transparency register**

Select from:

- Yes

#### **(4.11.6) Types of transparency register your organization is registered on**

Select all that apply

- Mandatory government register  
 Voluntary government register

#### **(4.11.7) Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization**

*SSE is a Corporate Affiliate to the Chartered Institute of Public Relations' UK Lobbying Register and, alongside this policy, employees are governed by its Code of Conduct. SSE complies with lobbying and transparency registers where they in place, including those in the EU and in Scotland. SSE's EU Transparency register number is 901176348730-75 and SSE's submissions to Scotland's lobbying register can be found at [www.lobbying.scot](http://www.lobbying.scot).*

#### **(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan**

*SSE actively engages in supportive climate policies in the areas in which it has activities, notably the UK and the EU's net zero targets under the Paris Agreement and other targets contributing to these namely in Ireland and Scotland, the latter of which has an earlier net zero target of 2045 – and is heavily reliant on policy and regulatory frameworks covering Great Britain. We are active in supporting Scotland's accelerated ambition with the UK Department of Energy Security and Net Zero*

(DESNZ), the UK's Office of Gas and Electricity Markets (Ofgem) and the Electricity System Operator (ESO) in Great Britain. Currently SSE is supporting accelerated ambition through delivering of the new UK Government's Clean Power Mission for 2030, and extending this internationally via its planned Clean Power Alliance, building on the work of the previous Powering Past Coal Alliance of which SSE was an active member through its UNFCCC COP activity since COP26 in Glasgow where it was a Principal Partner. In respect of accelerated climate target, SSE is supportive of ambitious climate targets being put in place for both the EU and the UK for 2040 under their Nationally Determined Contributions (NDCs) into the Paris Agreement, supporting targets of at least 90% greenhouse gas emissions reduction on 1990 levels being set in 2025. As part of this, we are encouraging the UK to consider increasing its 2030 climate target from a 68% target to reflect increased ambition on electricity decarbonisation under its Clean Power Mission. SSE look to encourage its trade associations to reflect these positions, and at least ensure they aligned with goals of the Paris Agreement through a regular review of its trade association memberships. If trade associations are not aligned with the Paris Agreement, SSE will first seek to ensure they change their position, and if unsuccessful SSE will withdraw its membership.

[Fixed row]

#### **(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?**

##### **Row 1**

##### **(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers**

*UK Contract for Difference Allocation Round AR6*

##### **(4.11.1.2) Environmental issues the policy, law, or regulation relates to**

*Select all that apply*

Climate change

##### **(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment**

**Energy and renewables**

Renewable energy generation

##### **(4.11.1.4) Geographic coverage of policy, law, or regulation**

*Select from:*

National

#### (4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

- United Kingdom of Great Britain and Northern Ireland

#### (4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

- Support with minor exceptions

#### (4.11.1.7) Details of any exceptions and your organization's proposed alternative approach to the policy, law, or regulation

*Following the UK Contract for Difference Allocation Round in 2023 (AR5) failing to secure contracts for fixed bottom and floating offshore wind, in 2023/24 SSE delivered a programme of advocacy working with industry bodies, developers and supply chain for the next six allocation round (AR6), detailing why the maximum price set by government in AR5 did not reflect the global cost pressures now facing the offshore wind industry. The parameters for AR6 have set maximum prices at more sustainable and investible levels and UK Government have also significantly increased the budget for offshore wind. While these are positive developments and a welcome recognition that the cost of offshore wind has reached an inflection point, further increased ambition for AR6 and next year's auction AR7 is needed to secure the volumes required to get us back on track to meeting the government's 2030 targets for offshore wind. Over several years SSE has also advocated for a market mechanism to support investment in long duration energy storage (LDES) and particularly Pumped Storage Hydro (PSH) to provide low carbon flexible generation when its needed. SSE has continued this engagement during 2023/24 and UK Government has now published a 'minded to' consultation on introducing a Cap and Floor mechanism to support investment in LDES.*

#### (4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

- Ad-hoc meetings
- Discussion in public forums
- Responding to consultations
- Submitting written proposals/inquiries

#### (4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

#### **(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement**

*SSE made a clear public commitment in 2020 to the long-term goal of achieving net zero greenhouse gas emissions across all its operations by 2050 at the latest, covering scope 1, 2, and 3 emissions. SSE's Net Zero Transition Plan outlines SSE's short, medium, and long-term carbon targets, alongside 17 key actions it will take to achieve them. One of these key actions is to build a renewable energy portfolio of 13GW of capacity by 2031. In 2023/24, SSE owned 4.46GW of installed renewable generation capacity. It expects to increase its global renewable output by fivefold by 2031, to 50TWh annually, with a target portfolio of over 13GW installed capacity that is owned by SSE. SSE Renewables currently has a secured project pipeline of around 16.8GW, of which 2.8GW is already under construction. This includes Dogger Bank offshore wind farm which will be the world's largest offshore wind farm when complete. Additionally, one of SSE's core 2030 business goals is to reduce the carbon intensity of scope 1 GHG emissions by 80% by 2030, compared to 2018 levels, to 61gCO<sub>2</sub>e/kWh. This is in line with a 1.5C Paris-aligned pathway. The achievement of this key strategic goal requires two important developments. The first is a very significant reduction of greenhouse gas emissions associated with electricity generation from fossil fuels; the second is the rapid scaling up of renewable generation output, especially from offshore wind. The UK's Contract for Difference (CfD) mechanism is crucial for renewable energy growth as it provides developers with price stability by guaranteeing a "strike price" for electricity, protecting them from market fluctuations and ensuring predictable returns. This reduces financial risks, lowers the cost of capital, and attracts investment, making renewable projects more competitive. By encouraging competition through regular auctions, CfDs drive down costs and incentivize innovation and scale, helping to expand the share of renewables in the energy mix. In 2023/24, SSE delivered a programme of advocacy working with industry bodies, developers and supply chain for the next allocation round (AR6), detailing why the maximum price set by government in AR5 did not reflect the global cost pressures now facing the offshore wind industry. SSE is calling for increased ambition for AR6 and next year's auction AR7 is needed to secure the volumes required to get SSE back on track to meeting the government's 2030 targets for offshore wind.*

#### **(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals**

Select from:

Yes, we have evaluated, and it is aligned

#### **(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation**

Select all that apply

Paris Agreement

[Add row]

**(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.**

## Row 1

### (4.11.2.1) Type of indirect engagement

Select from:

- Indirect engagement via a trade association

### (4.11.2.4) Trade association

Europe

- Other trade association in Europe, please specify :Energy Networks Association

### (4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- Climate change

### (4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

- Consistent

### (4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

- Yes, we publicly promoted their current position

### (4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

SSE works closely with trade associations and seeks to ensure that its principles on climate change aligns with those of the trade associations of which it is a member. SSE assessed Energy Networks Association (ENA)'s position on climate change and compared it against its own five key principles: • Acknowledges the serious threat of climate change • Supports the goals of the Paris Agreement • Supports a strong carbon price • Promotes innovation • Seeks a just transition to net zero SSE found that Energy Networks Association (ENA) was aligned to its position on climate change. More details can be found in SSE's Trade Associations Climate Review 2022/23 and the accompanying scope and methodology paper. Energy Networks Association (ENA) represents the companies which operate the electricity wires, gas pipes and energy system in the UK and Ireland. The ENA recognises climate change as the defining issue of our time and that energy networks will be required to play a vital role in delivering the UK's 2050 and 2045 net-zero emissions targets.

#### **(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)**

250000

#### **(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment**

SSE does not disclose the exact annual membership fee for each trade association, but the fee paid in 2022/23 was between 250,000 -

#### **(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals**

Select from:

Yes, we have evaluated, and it is aligned

#### **(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation**

Select all that apply

Paris Agreement

### **Row 2**

#### **(4.11.2.1) Type of indirect engagement**

Select from:

Indirect engagement via a trade association

#### (4.11.2.4) Trade association

##### Europe

Other trade association in Europe, please specify :Energy UK

#### (4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

Climate change

#### (4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

Consistent

#### (4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

Yes, we publicly promoted their current position

#### (4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

*SSE works closely with trade associations and seeks to ensure that its principles on climate change align with those of the trade associations of which it is a member. SSE assessed Energy UK's position on climate change and compared it against its own five key principles: • Acknowledges the serious threat of climate change. • Supports the goals of the Paris Agreement. • Supports a strong carbon price. • Promotes innovation. • Seeks a just transition to net zero SSE found that Energy UK was aligned to its position on climate change. More details can be found in SSE's Trade Associations Climate Review 2022/23 and the accompanying scope and methodology paper. Energy UK is the trade association for the energy industry with over 100 members spanning every aspect of the energy sector. Energy UK, on behalf of the energy industry, reaffirms its commitment to tackling climate change, and taking action to support wider society and other sectors of the economy to move towards net zero emissions. The trade association encourages the energy industry to invest capital in order transform the energy system with the ambition of reaching a net zero power system in the 2030s.*



#### (4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

100000

#### (4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

*SSE does not disclose the exact annual membership fee for each trade association, but the fee paid in 2022/23 was between 100,000 -*

#### (4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

*Select from:*

Yes, we have evaluated, and it is aligned

#### (4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

*Select all that apply*

Paris Agreement

### Row 3

#### (4.11.2.1) Type of indirect engagement

*Select from:*

Indirect engagement via a trade association

#### (4.11.2.4) Trade association

##### Europe

Other trade association in Europe, please specify :RenewableUK

#### (4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

Climate change

#### (4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

Consistent

#### (4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

Yes, we publicly promoted their current position

#### (4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

*SSE works closely with trade associations and seeks to ensure that its principles on climate change aligns with those of the trade associations of which it is a member. SSE assessed Renewable UK's position on climate change and compared it against its own five key principles: • Acknowledges the serious threat of climate change. • Supports the goals of the Paris Agreement. • Supports a strong carbon price. • Promotes innovation. • Seeks a just transition to net zero. SSE found that RenewableUK was aligned to its position on climate change. More details can be found in SSE's Trade Associations Climate Review 2022/23 and the accompanying scope and methodology paper. RenewableUK seeks to encourage the building of a future energy system, powered by clean electricity. It aims to ensure increasing amounts of renewable electricity are deployed across the UK and access markets to export all over the world. RenewableUK believes that delivering on climate change commitments must be put right at the heart of every Government department as a matter of urgency, with more ambitious targets for renewable energy required in order to reach net zero.*

#### (4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

30000

#### (4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

SSE does not disclose the exact annual membership fee for each trade association, but the fee paid in 2022/23 was between 30,000 -

#### (4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

#### (4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

Paris Agreement

### Row 4

#### (4.11.2.1) Type of indirect engagement

Select from:

Indirect engagement via a trade association

#### (4.11.2.4) Trade association

##### Europe

Other trade association in Europe, please specify :Scottish Renewables

#### (4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

Climate change

#### (4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

Consistent

#### **(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year**

Select from:

Yes, we publicly promoted their current position

#### **(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position**

*SSE works closely with trade associations and seeks to ensure that its principles on climate change aligns with those of the trade associations of which it is a member. SSE assessed Scottish Renewables position on climate change and compared it against its own five key principles: • Acknowledges the serious threat of climate change • Supports the goals of the Paris Agreement • Supports a strong carbon price • Promotes innovation • Seeks a just transition to net zero SSE found that Scottish Renewables was aligned to its position on climate change. More details can be found in SSE's Trade Associations Climate Review 2022/23 and the accompanying scope and methodology paper. Scottish Renewables acts as the voice of Scotland's renewable energy industry in leading the debate in how the growth of renewable energy can help sustainably heat and power Scotland's homes and businesses. Scottish Renewables recognise that Scotland is in the grips of a climate emergency and that reform to Scotland's planning system to enable renewable energy developments is essential if net-zero is to be achieved. The trade association aims to grow Scotland's renewable energy sector and sustain its position at the forefront of the global clean energy industry.*

#### **(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)**

30000

#### **(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment**

*SSE does not disclose the exact annual membership fee for each trade association, but the fee paid in 2022/23 was between 30,000 -*

#### **(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals**

Select from:

Yes, we have evaluated, and it is aligned

#### (4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

Paris Agreement

#### Row 5

#### (4.11.2.1) Type of indirect engagement

Select from:

Indirect engagement via a trade association

#### (4.11.2.4) Trade association

##### Europe

Other trade association in Europe, please specify :Electricity Association of Ireland

#### (4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

Climate change

#### (4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

Consistent

#### (4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

Yes, we publicly promoted their current position

#### **(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position**

*SSE works closely with trade associations and seeks to ensure that its principles on climate change aligns with those of the trade associations of which it is a member. SSE assessed Electricity Association of Ireland position on climate change and compared it against its own five key principles: • Acknowledges the serious threat of climate change • Supports the goals of the Paris Agreement • Supports a strong carbon price • Promotes innovation • Seeks a just transition to net zero SSE found that Electricity Association of Ireland was aligned to its position on climate change. More details can be found in SSE's Trade Associations Climate Review 2022/23 and the accompanying scope and methodology paper. The Electricity Association of Ireland (EAI) is the representative body for the electricity industry and gas retail sector operating within the Single Electricity Market (SEM) on the Island of Ireland. Additionally, EAI represents the Irish electricity industry in Eurelectric, the representative body for the European electricity industry, and helps shape the broader European response to developing policy and legislative initiative. EAI recognise the science underpinning the Paris Climate Change Agreement and support the goal of limiting the temperature increase to 1.5C above pre-industrial levels. EAI acknowledge the important role that a decarbonised electricity sector will play as a vector for clean energy but also as the backbone to a resilient and secure energy future.*

#### **(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)**

30000

#### **(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment**

*SSE does not disclose the exact annual membership fee for each trade association, but the fee paid in 2022/23 was between 30,000 -*

#### **(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals**

Select from:

Yes, we have evaluated, and it is aligned

#### **(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation**

Select all that apply

- Paris Agreement

## Row 6

### (4.11.2.1) Type of indirect engagement

Select from:

- Indirect engagement via a trade association

### (4.11.2.4) Trade association

#### Europe

- Other trade association in Europe, please specify :Wind Energy Ireland

### (4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- Climate change

### (4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

- Consistent

### (4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

- Yes, we publicly promoted their current position

### (4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

SSE works closely with trade associations and seeks to ensure that its principles on climate change aligns with those of the trade associations of which it is a member. SSE assessed Wind Energy Ireland position on climate change and compared it against its own five key principles: • Acknowledges the serious threat of climate change • Supports the goals of the Paris Agreement • Supports a strong carbon price • Promotes innovation • Seeks a just transition to net zero SSE found that Wind Energy Ireland was aligned to its position on climate change. More details can be found in SSE's Trade Associations Climate Review 2022/23 and the accompanying scope and methodology paper. Wind Energy Ireland (WEI) is the representative body for the Irish wind industry, working to promote wind energy as an essential, economical and environmentally friendly part of the country's low-carbon energy future. WEI's purpose is to help create jobs, invest in communities, reduce emissions and work to end Ireland's reliance on foreign fossil fuels. WEI acknowledges that climate change is causing enormous disruptions, and lists storms, droughts, floods, heatwaves, and biodiversity loss as consequences of planetary warming. The trade associations recognise that phasing out fossil fuels will be required to limit this warming to 2°C Celsius and pursue efforts to limit the temperature increase to 1.5°C. In response to the climate emergency, WEI aims to develop onshore and offshore wind to deliver a zero-carbon Ireland while creating sustainable jobs, attracting green investment and building stronger communities.

#### (4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

15000

#### (4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

SSE does not disclose the exact annual membership fee for each trade association, but the fee paid in 2022/23 was between 15,000 -

#### (4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

#### (4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

Paris Agreement

### Row 7

#### (4.11.2.1) Type of indirect engagement



Select from:

- Indirect engagement via a trade association

#### (4.11.2.4) Trade association

Europe

- Other trade association in Europe, please specify :RenewableNI

#### (4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- Climate change

#### (4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

- Consistent

#### (4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

- Yes, we publicly promoted their current position

#### (4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

*SSE works closely with trade associations and seeks to ensure that its principles on climate change aligns with those of the trade associations of which it is a member. SSE assessed RenewableNI position on climate change and compared it against its own five key principles: • Acknowledges the serious threat of climate change • Supports the goals of the Paris Agreement • Supports a strong carbon price • Promotes innovation • Seeks a just transition to net zero SSE found that RenewableNI was aligned to its position on climate change. More details can be found in SSE's Trade Associations Climate Review 2022/23 and the accompanying scope and methodology paper. RenewableNI represents businesses across the renewable sector in Northern Ireland, fostering knowledge exchange, policy development, support and consensus on best practice between stakeholders. RenewableNI is a collaboration between Wind Energy Ireland and RenewableUK,*

working closely with both trade bodies on issues impacting the renewable electricity industry across the UK and Ireland. RenewableNI recognises that the Climate Emergency requires Northern Ireland to rapidly reduce its emissions. RenewableNI acknowledges that Northern Ireland must play its part in meeting the UK requirement for Net Zero Greenhouse Gases by 2050, and as a part of the Single Electricity Market (SEM), its journey to zero-carbon is also inextricably linked with that of the Republic of Ireland.

#### (4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

5000

#### (4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

SSE does not disclose the exact annual membership fee for each trade association, but the fee paid in 2022/23 was between 0 -

#### (4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

#### (4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

Paris Agreement

### Row 8

#### (4.11.2.1) Type of indirect engagement

Select from:

Indirect engagement via a trade association

#### (4.11.2.4) Trade association

## Europe

Confederation of British Industry (CBI)

### (4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

Climate change

### (4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

Consistent

### (4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

Yes, we publicly promoted their current position

### (4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

*SSE works closely with trade associations and seeks to ensure that its principles on climate change aligned with those of the trade associations of which it is a member. SSE assessed Confederation of British Industry (CBI)'s position on climate change and compared it against its own five key principles: • Acknowledges the serious threat of climate change • Supports the goals of the Paris Agreement • Supports a strong carbon price • Promotes innovation • Seeks a just transition to net zero SSE found that Confederation of British Industry (CBI) was aligned to its position on climate change. More details can be found in SSE's Trade Associations Climate Review 2022/23 and the accompanying scope and methodology paper. The CBI is fully aligned with SSE's key principles to reach net zero. SSE will continue to work closely with the CBI on numerous areas of policy development as the energy industry engages with the UK Government, Scottish Government and political parties on their net zero policy proposals. Recent examples include feeding in our views on policy to include in the CBI's Scottish Budget submission and the CBI Business Manifesto, as well as regular ongoing engagement with the CBI Net Zero Directorate through membership of the CBI's Net Zero Committee.*

### (4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

100000

**(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment**

*SSE does not disclose the exact annual membership fee for each trade association, but the fee paid in 2022/23 was between 100,000 -*

**(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals**

*Select from:*

Yes, we have evaluated, and it is aligned

**(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation**

*Select all that apply*

Paris Agreement

**Row 9**

**(4.11.2.1) Type of indirect engagement**

*Select from:*

Indirect engagement via a trade association

**(4.11.2.4) Trade association**

**Europe**

Other trade association in Europe, please specify :Solar Energy UK

**(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position**

Select all that apply

Climate change

**(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with**

Select from:

Consistent

**(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year**

Select from:

Yes, we publicly promoted their current position

**(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position**

*SSE works closely with trade associations and seeks to ensure that its principles on climate change aligned with those of the trade associations of which it is a member. SSE assessed Solar Energy UK's position on climate change and compared it against its own five key principles: • Acknowledges the serious threat of climate change • Supports the goals of the Paris Agreement • Supports a strong carbon price • Promotes innovation • Seeks a just transition to net zero SSE found that Solar Energy UK was aligned to its position on climate change. More details can be found in SSE's Trade Associations Climate Review 2022/23 and the accompanying scope and methodology paper. Solar Energy UK is fully aligned with SSE's key principles to reach net zero. SSE will continue to work closely with Solar Energy UK on numerous areas of policy development to further the development of solar energy across the UK.*

**(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)**

5000

**(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment**

*SSE does not disclose the exact annual membership fee for each trade association, but the fee paid in 2022/23 was between 5000 -*

**(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals**

Select from:

- Yes, we have evaluated, and it is aligned

#### **(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation**

Select all that apply

- Paris Agreement

[Add row]

**(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.**

#### **Row 1**

##### **(4.12.1.1) Publication**

Select from:

- In mainstream reports, in line with environmental disclosure standards or frameworks

##### **(4.12.1.2) Standard or framework the report is in line with**

Select all that apply

- TCFD

##### **(4.12.1.3) Environmental issues covered in publication**

Select all that apply

- Climate change

##### **(4.12.1.4) Status of the publication**

Select from:

Complete

#### (4.12.1.5) Content elements

Select all that apply

Strategy

Other, please specify :Other metrics

Governance

Emission targets

Emissions figures

Risks & Opportunities

#### (4.12.1.6) Page/section reference

-Environment (Annual Report 2024, pages 25 to 26, 46 to 49) -Labour (Annual Report 2024, pages 38 to 45, 127 to 129, 132, 154 to 157) -Human Rights and Anti-Corruption (Annual Report 2023, pages 38 to 39, 127 to 129) -TCFD (Annual Report 2023, pages 28 to 32)

#### (4.12.1.7) Attach the relevant publication

sse\_ar24\_interactive.pdf

#### (4.12.1.8) Comment

See SSE's Annual Report at: [www.sse.com/annual-report-2024](http://www.sse.com/annual-report-2024)

### Row 2

#### (4.12.1.1) Publication

Select from:

In mainstream reports

#### (4.12.1.3) Environmental issues covered in publication

Select all that apply

Climate change

Water

#### (4.12.1.4) Status of the publication

Select from:

Complete

#### (4.12.1.5) Content elements

Select all that apply

Strategy

Other, please specify :**Other metrics**

Governance

Emission targets

Emissions figures

Risks & Opportunities

#### (4.12.1.6) Page/section reference

*Environment (Sustainability Report 2024, pages 87-95) Labour (Sustainability Report 2024, pages 61 to 85) Human Rights and Anti-Corruption (Sustainability Report 2024, pages 50-51, 62, 72, 77) Enhanced Climate Action (Sustainability Report 2024, pages 15 to 33)*

#### (4.12.1.7) Attach the relevant publication

*sse-plc-sustainability-report-2024.pdf*

#### (4.12.1.8) Comment

*See SSE's Sustainability Report at: [www.sse.com/sustainability](http://www.sse.com/sustainability)*

*[Add row]*



## C5. Business strategy

### (5.1) Does your organization use scenario analysis to identify environmental outcomes?

#### Climate change

##### (5.1.1) Use of scenario analysis

Select from:

Yes

##### (5.1.2) Frequency of analysis

Select from:

Annually

#### Forests

##### (5.1.1) Use of scenario analysis

Select from:

No, and we do not plan to within the next two years

##### (5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

Not an immediate strategic priority

##### (5.1.4) Explain why your organization has not used scenario analysis

*SSE actively manages its environmental footprint and takes careful consideration of forest related issues in its activities. However, SSE has undertaken a double materiality assessment, with the objective to confirm the ESG issues most material to SSE, both in terms of their impact on the business and the impact of the business on each issue. The assessment identified 21 ESG issues and highlighted five highly material issues for SSE. These issues were: Carbon emissions*

*Sustainable energy generation Affordable and reliable energy Supply chain management Skilled workforce Whilst forest commodity management was amongst the material ESG issues, the five highly material issues were identified as having a higher likelihood of, and magnitude of, potential financial/reputational impacts than those posed by forest commodity management issues. As such, conducting scenario analysis for the management of forest related issues is not an immediate strategic priority for SSE.*

## Water

### (5.1.1) Use of scenario analysis

Select from:

No, and we do not plan to within the next two years

### (5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

Not an immediate strategic priority

### (5.1.4) Explain why your organization has not used scenario analysis

*SSE actively manages its environmental footprint and takes careful consideration of water related issues in its activities. However, SSE has undertaken a double materiality assessment, with the objective to confirm the ESG issues most material to SSE, both in terms of their impact on the business and the impact of the business on each issue. The assessment identified 21 ESG issues and highlighted five highly material issues for SSE. These issues were: Carbon emissions Sustainable energy generation Affordable and reliable energy Supply chain management Skilled workforce Whilst water management was amongst the material ESG issues, the five highly material issues were identified as having a higher likelihood of, and magnitude of, potential financial/reputational impacts than those posed by water management issues. As such, establishing monetary incentives for the management of water related issues is not an immediate strategic priority for SSE.*  
[Fixed row]

### (5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

## Climate change

### (5.1.1.1) Scenario used

Physical climate scenarios

RCP 2.6

### (5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

- No SSP used

### (5.1.1.3) Approach to scenario

Select from:

- Qualitative and quantitative

### (5.1.1.4) Scenario coverage

Select from:

- Organization-wide

### (5.1.1.5) Risk types considered in scenario

Select all that apply

- Acute physical
- Chronic physical

### (5.1.1.6) Temperature alignment of scenario

Select from:

- 1.5°C or lower

### (5.1.1.7) Reference year

2023

### (5.1.1.8) Timeframes covered

Select all that apply

2050

2080

### (5.1.1.9) Driving forces in scenario

#### Local ecosystem asset interactions, dependencies and impacts

Climate change (one of five drivers of nature change)

### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*Climate scenarios help assess how the impact of the opportunities and risks identified may change in different warming scenarios, however they are scenarios and not forecasts. The scenario analysis SSE performs extends beyond normal business forecasting cycles and beyond the operating life of the majority of the Group's assets. External scenario datasets for each material opportunity and risk remain consistent with the prior year and were selected in relation to the relevant characteristics of each risk or opportunity. The scenario inputs remain consistent with the assumptions used in 2022/23, though the impact pathways have been updated for the latest data published by the relevant external provider.*

### (5.1.1.11) Rationale for choice of scenario

*SSE used the climate-related data within the IPCC RCP 2.6 scenarios in the quantification process of its two material physical climate risks, in the ARA for 23/24. The quantification of the Variable renewable generation risk applied the IPCC RCP 2.6 average wind speed times data at the country level for Scotland on a 60km resolution at the time horizons to 2050 and 2080. SSE's internal assumption is that this IPCC RCP 2.6 dataset is the most relevant to SSE'S wind portfolio as it demonstrates the most significant decline in average wind speed times in the time horizons under the 1.5oC scenario. The quantification of the Extreme weather network damage risk applied the IPCC RCP 2.6 average winter wind speed times data at the country level for Scotland on a 60km resolution and the IPCC RCP 2.6 and 8.5 mean summer temperature change for the administrative region for London at the time horizons to 2050 and 2080. SSE's internal assumption is that this IPCC RCP 2.6 dataset is the most relevant to SSE'S wind portfolio and network assets as it demonstrates the most significant increase in average winter wind speed times and the effect of heat on the network assets in the time horizons under the 1.5oC scenario.*

## Climate change

### (5.1.1.1) Scenario used

#### Physical climate scenarios

RCP 8.5

### (5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

- No SSP used

### (5.1.1.3) Approach to scenario

Select from:

- Qualitative and quantitative

### (5.1.1.4) Scenario coverage

Select from:

- Organization-wide

### (5.1.1.5) Risk types considered in scenario

Select all that apply

- Acute physical
- Chronic physical

### (5.1.1.6) Temperature alignment of scenario

Select from:

- 4.0°C and above

### (5.1.1.7) Reference year

2023

### (5.1.1.8) Timeframes covered

Select all that apply

- 2050
- 2080

## (5.1.1.9) Driving forces in scenario

### Local ecosystem asset interactions, dependencies and impacts

- Climate change (one of five drivers of nature change)

## (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*Climate scenarios help assess how the impact of the opportunities and risks identified may change in different warming scenarios, however they are scenarios and not forecasts. The scenario analysis SSE performs extends beyond normal business forecasting cycles and beyond the operating life of the majority of the Group's assets. External scenario datasets for each material opportunity and risk remain consistent with the prior year and were selected in relation to the relevant characteristics of each risk or opportunity. The scenario inputs remain consistent with the assumptions used in 2022/23, though the impact pathways have been updated for the latest data published by the relevant external provider.*

## (5.1.1.11) Rationale for choice of scenario

*SSE used the climate-related data within the IPCC RCP 8.5 scenario in the quantification process of its two material physical climate risks, in the ARA for 23/24. The quantification of the Variable renewable generation risk applied the IPCC RCP 8.5 average wind speed times data at the country level for Scotland on a 60km resolution at the time horizons to 2050 and 2080. SSE's internal assumption is that this IPCC RCP 8.5 dataset is the most relevant to SSE'S wind portfolio as it demonstrates the most significant decline in average wind speed times in the time horizons under the 4oC warming scenario. The quantification of the Extreme weather network damage networks assets risk applied the IPCC RCP 8.5 average winter wind speed times data at the country level for Scotland on a 60km resolution and the IPCC RCP 8.5 mean summer temperature change for the administrative region for London at the time horizons to 2050 and 2080. SSE's internal assumption is that this IPCC RCP 8.5 dataset is the most relevant to SSE'S wind portfolio and network assets as it demonstrates the most significant increase in average winter wind speed times and the effect of heat on the network assets in the time horizons under the 4oC warming scenario.*

## Climate change

### (5.1.1.1) Scenario used

#### Climate transition scenarios

- IEA NZE 2050

### (5.1.1.3) Approach to scenario

Select from:

- Qualitative and quantitative

#### (5.1.1.4) Scenario coverage

Select from:

- Organization-wide

#### (5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Market

#### (5.1.1.6) Temperature alignment of scenario

Select from:

- 1.5°C or lower

#### (5.1.1.7) Reference year

2023

#### (5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2050

#### (5.1.1.9) Driving forces in scenario

**Local ecosystem asset interactions, dependencies and impacts**

- Climate change (one of five drivers of nature change)

#### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

Climate scenarios help assess how the impact of the opportunities and risks identified may change in different warming scenarios, however they are scenarios and not forecasts. The scenario analysis SSE performs extends beyond normal business forecasting cycles and beyond the operating life of the majority of the Group's assets. External scenario datasets for each material opportunity and risk remain consistent with the prior year and were selected in relation to the relevant characteristics of each risk or opportunity. The scenario inputs remain consistent with the assumptions used in 2022/23, though the impact pathways have been updated for the latest data published by the relevant external provider.

#### (5.1.1.11) Rationale for choice of scenario

SSE used the climate transition data within the IEA NZE scenario in the quantification process of its material transition climate risk, in the ARA for 23/24. The quantification of the Wind generation price risk applied the IEA NZE wind capacity data at the World level for time horizons to 2030 and 2050. The quantification of the Accelerated wind investment opportunity applied the IEA NZE wind capacity data at the World level for time horizons to 2030 and 2050. The quantification of the Valuable flexible hydro opportunity applied the IEA NZE hydro generation capacity data at the World level for time horizons to 2030 and 2050. The quantification of the Valuable flexible thermal opportunity applied the IEA NZE natural gas with carbon capture and storage generation data at the World level for time horizons to 2030 and 2050.

### Climate change

#### (5.1.1.1) Scenario used

##### Climate transition scenarios

Customized publicly available climate transition scenario, please specify :National Grid Future Energy Scenarios 2023

#### (5.1.1.3) Approach to scenario

Select from:

Qualitative and quantitative

#### (5.1.1.4) Scenario coverage

Select from:

Organization-wide

#### (5.1.1.5) Risk types considered in scenario

Select all that apply



- Chronic physical
- Policy
- Market

#### (5.1.1.6) Temperature alignment of scenario

Select from:

- 1.5°C or lower

#### (5.1.1.7) Reference year

2023

#### (5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2050

#### (5.1.1.9) Driving forces in scenario

##### Relevant technology and science

- Granularity of available data (from aggregated to local)

##### Macro and microeconomy

- Domestic growth

#### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*National Grid future energy scenarios help assess how the impact of the opportunities and risks identified may change in different warming scenarios, however they are scenarios and not forecasts. The scenario analysis SSE performs extends beyond normal business forecasting cycles and beyond the operating life of the majority of the Group's assets. External scenario datasets for each material opportunity and risk remain consistent with the prior year and were selected in relation to the relevant characteristics of each risk or opportunity.*

### (5.1.1.11) Rationale for choice of scenario

SSE used the National Grid Future Energy Scenarios (FES) leading the way and customer transformation scenario (1.5 degrees) and the National Grid 2023 Future energy scenario Falling short scenario (2.5 degrees) for the Transition opportunities (accelerated transmission growth and driving distribution transformation) and the Transition risk (accelerated gas closure) and physical risk (extreme weather network damage)

## Climate change

### (5.1.1.1) Scenario used

#### Physical climate scenarios

Customized publicly available climate physical scenario, please specify :UK Met Office climate projections (UKCP18) tool

### (5.1.1.3) Approach to scenario

Select from:

Qualitative and quantitative

### (5.1.1.4) Scenario coverage

Select from:

Organization-wide

### (5.1.1.5) Risk types considered in scenario

Select all that apply

Acute physical

Chronic physical

### (5.1.1.6) Temperature alignment of scenario

Select from:

1.5°C or lower

### (5.1.1.7) Reference year

2018

### (5.1.1.8) Timeframes covered

Select all that apply

2050

2080

### (5.1.1.9) Driving forces in scenario

**Local ecosystem asset interactions, dependencies and impacts**

Climate change (one of five drivers of nature change)

### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*Climate scenarios help assess how the impact of the opportunities and risks identified may change in different warming scenarios, however they are scenarios and not forecasts. The scenario analysis SSE performs extends beyond normal business forecasting cycles and beyond the operating life of the majority of the Group's assets. External scenario datasets for each material opportunity and risk remain consistent with the prior year and were selected in relation to the relevant characteristics of each risk or opportunity.*

### (5.1.1.11) Rationale for choice of scenario

*SSE used the UK met Office Climate Projections (UKCP18) tool 1.5 degree and 4 degree warming scenario to assess SSE physical risks - variable renewable generation and extreme weather network damage.*

*[Add row]*

## (5.1.2) Provide details of the outcomes of your organization's scenario analysis.

### Climate change

#### (5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- Risk and opportunities identification, assessment and management
- Strategy and financial planning
- Resilience of business model and strategy
- Capacity building
- Target setting and transition planning

### (5.1.2.2) Coverage of analysis

Select from:

- Organization-wide

### (5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

*To SSE, climate-related risk expresses itself in two ways: through the physical risk associated with a climate changed world; and through the transition risks associated with policy or market change. The impacts described are designed to aid understanding of SSE's climate risks and are not intended to be forward looking guidance. The scenario analysis completed by SSE on its material climate transition risks indicates that SSE is resilient to identified climate-related scenarios including 1.5C and 2.5C pathways. For SSE, the potential financial impact at a 1.5C pathway presents a greater risk than the 2.5C pathway in these climate scenarios. This reflects the potential impact of climate policy in the 1.5C scenario which may bring forward the closure of unabated thermal generation to 2030 or earlier and potentially impact future earnings. Whilst the wind generation price risk has the potential in the 1.5C scenario to have a greater impact on SSE's current renewable capacity and future new renewable capacity and potential future earnings. The scenario analysis completed by SSE on its material climate physical risks indicates that SSE is reasonably resilient to identified climate related scenarios including 1.5C and 4C pathways. For SSE, the potential financial impact at a 1.5C pathway presents a lower risk in the scenarios than a 4C pathway. This reflects the potential impact of greater global warming and the associated weather impacts of sustained higher temperatures and extreme weather events associated with a warming world. The scenario analysis completed by SSE on its material climate opportunities indicates that SSE, its strategy and financial plans are resilient under a range of climate-related scenarios, including a 1.5C and 2.5C temperature pathway. Due to SSE's strategy to focus on the transition to a net zero world, opportunities under a 1.5C scenario represent greater growth than those under a 2.5C temperature pathway. Due to SSE's strategy to focus on transition to a net zero world, opportunities under a 1.5oC scenario represent greater growth than those under a 2.5oC scenario. It is with this in mind that SSE decided to update its existing capital expenditure plan in May 2023 to create the Net Zero Acceleration Programme Plus (NZAP Plus). The new NZAP Plus includes investment of 20.5bn(updated in November 2023 from 18bn to 20.5bn) over the five years to 2027 and is focused on climate solutions that are aligned to a 1.5C pathway.*

[Fixed row]

## (5.2) Does your organization's strategy include a climate transition plan?

### (5.2.1) Transition plan

Select from:

Yes, we have a climate transition plan which aligns with a 1.5°C world

### (5.2.3) Publicly available climate transition plan

Select from:

Yes

### (5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

No, and we do not plan to add an explicit commitment within the next two years

### (5.2.6) Explain why your organization does not explicitly commit to cease all spending on and revenue generation from activities that contribute to fossil fuel expansion

*SSE aims to achieve net zero across scope 1 and 2 GHG emissions by 2040 at the latest (subject to security of supply requirements) and for remaining scope 3 GHG emissions by 2050 at the latest. SSE notes that some of its competitors have pursued a divestment strategy, with high carbon assets being sold to new owners. With the UK and Ireland continuing to need gas generation for electricity system security, SSE seeks to take responsibility for its high-carbon assets over the long term, operating them in a responsible way, managing the phased reduction of emissions and repurposing the assets for the net zero world. SSE plans to continue reducing emissions by further decreasing load factors across its existing thermal fleet. While SSE anticipates older unabated gas-fired power stations will reach the end of their economic and engineering design life between 2030 and 2040, or reach the end of their life as a result of policy decisions, it expects shorter running hours and increased deployment of flexible response mechanisms to adopt to changing system needs and weather patterns. The Group's strategy is focused on both decreasing the output from, and therefore investment in, existing unabated generation whilst at the same time increasing investment to build a significant portfolio of carbon capture and storage (CCS) and hydrogen plants. This portfolio will be supported by other carbon-free technologies such as pumped storage hydro designed to provide the firm flexible capacity needed to support a renewables-led power system in the UK and Ireland. While this strategy is being executed, SSE anticipates that further developments to policy frameworks will be required to achieve the targets in full. As such, despite the phase down of fossil fuel usage in its power stations, SSE cannot explicitly commit to cease all spending on fossil fuel-related activities. To ensure continued security of supply and deliver the flexible electricity generation that net zero electricity systems in the UK and Ireland require, SSE is pursuing the development of a flexible low carbon generation portfolio. Flexible power generation through hydrogen-to-power and power Carbon Capture and Storage (CCS) are crucial technologies to underpin security of supply in a decarbonised electricity system. SSE Thermal continues to advocate for clear, long-term commitments to deployment of low carbon flexible generation and the supporting hydrogen and carbon dioxide infrastructure required.*

## (5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

Our climate transition plan is voted on at Annual General Meetings (AGMs)

## (5.2.10) Description of key assumptions and dependencies on which the transition plan relies

*SSE ensures that its economic activity is aligned with net zero, and a 1.5C pathway through its Net Zero Acceleration Programme Plus – a fully-funded 20.5bn strategic capital investment plan to 2027. In 2023/24, SSE assessed its economic activity, including capital expenditure against the Technical Screening Criteria of the EU Taxonomy. SSE is committed to updating its climate targets in line with the SBTi framework which requires a review once every 5 years or in the event that there are material changes to the business SSE is required to update its targets at that point. Since 2018, SSE has been aligning its disclosures to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. In 2023/24 SSE has integrated its disclosures against the TCFD recommendations throughout this years' Annual Report, providing stakeholders with a holistic picture of how it is thoroughly embedded through its business processes.*

## (5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

*At the end of 2023/24, SSE had achieved a 57% reduction in scope 1 and 2 emissions compared to its 2017/18 baseline. SSE targets a 72.5% decrease in emissions by 2030/31. Most of the historic emissions reductions were attained through strategic measures, including the phase out of coal-fired power generation. SSE closed its final coal-fired power station in 2020, four years ahead of the UK Government's decision to ban coal-fired power generation from October 2024. The closure of Fiddlers Ferry in 2020 followed the closure of SSE's Ferrybridge coal-fired power station in 2016. Additionally, SSE has adapted to evolving market dynamics, with lower load factors across its power station fleet due to the changing nature of electricity supply on the GB power system, including a higher share of intermittent renewable generation. SSE's portfolio has also changed since 2017/18, following the end of its Power Purchase Agreement with Seabank Power Station in 2021. SSE now reports 50% of Seabank's GHG emissions in its scope 3 inventory, recognising its 50% ownership share. Further emissions reductions were realised as a result of a lower-carbon impact of electricity distribution losses, the electrification of operational vehicles, and enhanced energy efficiency in non-operational buildings. SSE plans to continue reducing emissions by further decreasing load factors across its existing thermal fleet. While SSE anticipates older unabated gas-fired power stations will reach the end of their economic and engineering design life between 2030 and 2040, or reach the end of their life as a result of policy decisions, it expects shorter running hours and increased deployment of flexible response mechanisms to adopt to changing system needs and weather patterns. With further emissions reductions across its distribution network and from other initiatives, such as using lower Global Warming Potential (GWP) SF6 alternative insulation and interruption gases (IIGs), SSE remains focused on meeting its science-based target by 2030/31. Scope 3 emissions decreased by 7% between 2022/23 and 2023/24, mainly driven by a reduction in the well-to-tank emissions arising from purchased fuels. Specifically, upstream emissions from the fuel purchased for electricity generation dropped by 30% due to the reduction in thermal generation output over the year and gas sold emissions dropped by 7%. However, there were also increases in scope 3 emissions from SSEN Transmission network losses driven from an increase in power transported across the network and from joint venture thermal generation as this is the first full year that Triton Power Limited was included in SSE's scope 3 inventory. Over the past year, SSE's scope 3 action has focused on supporting customers with energy efficiency measures, advocating for heat decarbonisation, engaging with joint venture partners to deliver net zero transition pathways and working to improve its scope 3 reporting for goods and services.*

## (5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

### (5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

- No other environmental issue considered

[Fixed row]

## (5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

### (5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

- Yes, both strategy and financial planning

### (5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

- Products and services
- Upstream/downstream value chain
- Investment in R&D
- Operations

[Fixed row]

## (5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

### Products and services

#### (5.3.1.1) Effect type

Select all that apply

- Risks

- Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*Climate-related risks and opportunities have shaped SSE's short, medium, and long-term strategy, which is focused on its economically regulated electricity networks, deployment of renewables and complemented by thermal generation. These businesses have a crucial role in the transition to net zero electricity. SSE's product-related strategy is influenced by climate change legislation and policy such as the UK Government's 2030 Clean Power target and the Irish Government's Climate Action and Low Carbon Development Act. These developments signal a more supporting policy environment which provides the opportunity for SSE to deliver its strategy and realise the growth opportunities from an accelerated transition to net zero. Examples of a substantial decision made that has been influenced by climate related policy opportunity in SSE's products: In 2022, Ofgem published its 'Accelerated Strategic Transmission Infrastructure' (ASTI) framework to enable more Transmission infrastructure build-out, to support faster connection of Renewables. Since this publication, SSEN Transmission has been working to enhance and grow the network in line with this framework. This led to SSE Group publishing an update to its 'NZAP' strategy called the NZAP Plus in May 2023. At this time, the Group increased its original NZAP investment plan (released in November 2021) from 12.5bn capital expenditure over 5 years, to 20.5bn over 5 years. This was primarily driven by new opportunities that were enabled by the ASTI framework. The UK and Irish Governments have set 2030 ambitions for new offshore wind, with the 'Powering Up Britain' Strategy targeting 50GW in the UK (by 2035) and at least 7GW in Ireland. This strong policy support has influenced SSE's short and medium-term strategy and as such SSE is working to deliver a renewable energy portfolio that generates at least 50TWh of renewable electricity a year by 2030.*

## Upstream/downstream value chain

### (5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area



SSE's short, medium, and long-term strategy is influenced by climate change legislation and policy such as UK Climate Change Act 2008 and in Ireland the Climate Action and Low Carbon Development Act. This in turn has influenced elements of SSE's supply chain/value chain strategy. In July 2023, SSE announced Sumitomo Electric as having secured a place on the contractor's framework for future HVDC projects. As part of the Accelerated Strategic Transmission Investment framework, SSE identified the need for greater collaboration with supply chain, ensuring engagement as early as possible to enable the supply chain certainty to open new facilities and create new jobs to support the growth in the electricity networks sector. This was an important part of Sumitomo's decision to locate a cable factory in the North of Scotland, to support industry in Scotland and provide a significant boost for the UK green energy supply chain. To identify the most impactful actions for offshore wind, SSE Renewables became a founding partner of the Carbon Trust's Offshore Wind Sustainability Joint Industry Partnership (SusJIP). Launched in January 2023, SusJIP brings together global offshore wind developers to establish a common methodology and guidance for measuring and addressing carbon emissions throughout the lifecycle of offshore wind farms. This initiative aims to develop the first standardised approach for calculating lifecycle emissions of an offshore wind farm. By doing so, it will identify key carbon emission drivers and hotspots, while also improving data quality, availability, and transparency across the supply chain. SSE Renewables has started to trial the SusJIP approach on developments to understand how best to implement it within project design processes and provide feedback for the methodology development.

## Investment in R&D

### (5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

UK and Irish climate change legislation and policy shapes SSE's short, medium and long-term strategy, and in turn influences its approach to innovation and R&D, which is required to deliver net zero. SSE continues to implement climate risk and adaptation actions to prepare for extreme weather events, including monitoring short- and long-term weather patterns, using climate projections, crisis management and business continuity plans and investment programmes to improve infrastructure resilience. In March 2024, SSEN Distribution was the first electricity network operator to enshrine the needs of its most vulnerable customers at the heart of its plans for developing the electricity networks of the future. Through the delivery of its innovation project, known as Vulnerability Future Energy Scenarios (VFES), it predicts when and where communities are less resilient, less affluent, and more seriously affected by prolonged or frequent interruptions to supply. VFES also predicts the likelihood of customers missing out on the benefits low-carbon technologies. The level of understanding that VFES brings will help enhance plans for network investment strategies, not just in regions which will see a high uptake in low-carbon technologies, but also communities where customers rely on energy more than most and who may need more support with using low-carbon solutions.

## Operations

### (5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*To deliver its strategy, SSE has had to implement initiatives into its operations in response to climate-related policy as well as the physical impacts of climate change. Examples of a substantial decision made that has been influenced by climate related policy opportunities in SSE's operations: In the long-term, as part of the UK Govt's net zero target, it is understood that SF6, a potent GHG, needs to be removed or replaced as far as possible by 2050. In the medium-term, Ofgem (the government regulator) has now included setting a science-based target (SBT) as a minimum requirement within the RIIO-T2 business plan guidance. This SBT covers SSEN Transmission's significant SF6 emissions. In the electricity industry, SF6 is widely used in substations, power transformers, wind turbines, circuit breakers and switchgear due to its excellent insulating properties. This policy impacts the operations of SSE's electricity networks businesses in the short and medium-term. SSEN must address the issue of SF6 as part of their respective science-based targets in their price controls (RIIO-T2 for Transmission and RIIO-ED2 for Distribution). SSEN Distribution maintain a strategy for SF6 switchgear to minimise leakage, involving: establishing a working group to address SF6 leakage; improvements utilising a more pro-active approach to the SF6 switchgear repairs process; and changes to internal systems to target leaking SF6 assets. SSEN Transmission is undertaking a key research project, called the Condition Assessment of SF<sub>6</sub> Alternatives (CASA), to understand the changes in operating conditions associated with the use of SF<sub>6</sub> alternatives and their potential impact on the network system when rolled out at scale. The research looks at the condition monitoring requirements of the alternative gases with the aim of gaining key insights into the type and severity of defects associated with these systems. With this information it is hoped that network operators will be able to detect defects earlier and implement planned interventions to manage the network. In addition, the research will help to reduce the industry to develop and advance international measurement standards and diagnostic data tools to support the use of these innovative SF<sub>6</sub> alternative solutions.*

[Add row]

### (5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

### (5.3.2.1) Financial planning elements that have been affected

Select all that apply

- Assets
- Revenues
- Liabilities
- Direct costs
- Indirect costs
- Access to capital
- Capital allocation
- Capital expenditures
- Acquisitions and divestments

### (5.3.2.2) Effect type

Select all that apply

- Risks
- Opportunities

### (5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- Climate change

### (5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

*Direct and indirect costs: Severe adverse weather that causes damage or interrupts energy supply or generation is a climate-related risk for SSE that is factored into SSE's financial planning. SSE's distribution business' operations can be impacted by severe weather events which cause damage to infrastructure and interruption to electricity supply for its customers. Capital expenditures: The opportunity of low carbon electricity system influences the development and expansion of SSE's renewables pipeline and investment in its transmission infrastructure in the north of Scotland. To realise these opportunities, SSE has set the Net Zero Acceleration Programme Plus, which is a fully-funded capital expenditure plan to 2026/27, focused on low-carbon electricity assets and infrastructure, aligned to a 1.5C global warming pathway. Access to capital: Over 2023/24, SSE issued two new Green Bonds: a 750m 8-year Green Bond in August 2023, earmarked for flagship onshore and offshore wind projects recently completed or under construction, and, a 500m 20-year Green Bond in January 2024, to finance and/or refinance transmission infrastructure projects. These represent SSE's sixth and seventh Green Bonds and bring the total outstanding Green Bonds issued by SSE and subsidiaries to 3.7bn. Acquisitions and divestments: SSE's strategy is to support the transition to a low carbon electricity system. Core to this is focusing on its low-carbon businesses of renewable generation and regulated energy networks. Climate-related risks and opportunities surrounding decarbonisation are factored into SSE's acquisitions and divestments. In 2023/24, SSE Renewables completed a 'Development Service Agreement' agreement in Poland, regarding 959MW portfolio of solar photovoltaic projects. Assets: SSE has identified the potential risk of seeing more aggressive climate change policy being introduced in the UK and Ireland, which could bring*

forward the closure of unabated gas generation from 2030. This has influenced SSE's financial planning as SSE Thermal has started to develop CCS projects with Equinor at Keadby and Peterhead, as well as two further projects in the Humber, Keadby Hydrogen power station and a hydrogen storage facility at Aldbrough. These projects will play a pivotal role in helping to achieve national net zero targets by replacing unabated gas assets and providing flexible generation to an electricity network dominated by renewables.

[Add row]

**(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?**

	Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> A sustainable finance taxonomy	Select from: <input checked="" type="checkbox"/> At both the organization and activity level

[Fixed row]

**(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.**

**Row 1**

**(5.4.1.1) Methodology or framework used to assess alignment**

Select from:

A sustainable finance taxonomy

**(5.4.1.2) Taxonomy under which information is being reported**

Select from:

EU Taxonomy for Sustainable Activities

#### (5.4.1.3) Objective under which alignment is being reported

Select from:

Climate change mitigation

#### (5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

Yes

#### (5.4.1.5) Financial metric

Select from:

Revenue/Turnover

#### (5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

3268500000

#### (5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

31.3

#### (5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

48.8

#### (5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

51.2

#### (5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

SSE has taken a best-efforts approach to consider its alignment to the EU Taxonomy. Key strategic activities (i.e., onshore wind, offshore wind, transmission, distribution) from SSE's Reporting Segments were voluntarily assessed against the technical screening criteria for climate change mitigation. While an internal assessment against the Do No Significant Harm and minimum safeguards criteria was undertaken, a second-party opinion has not yet been sought. Taxonomy eligible and aligned activities in 2023/24 are from SSE's onshore and offshore wind generation, hydro (run of river and pumped storage) as well as its networks transmission and distribution activities. The taxonomy eligible but not aligned activities are associated with SSE's thermal generation and gas storage businesses. As these businesses continue 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. Activities that have not been identified in the taxonomy as they either do not significantly contribute to climate change mitigation or could yet be integrated into the Taxonomy at a later date are considered taxonomy-non-eligible. They comprise SSE's Business Energy, Airtricity, Energy Markets, Enterprise and Corporate businesses. These activities either operate as customer-focused businesses, a route to market for generation, or do not contain material activities at this time. Through its Net Zero Acceleration Programme, which was updated to the Net Zero Acceleration Programme Plus in May 2023, SSE has reshaped its capital allocation to c55% Networks, c35% Renewables, c10% other flexible generation, distributed energy, and customer businesses. SSE considers its Transmission and Distribution (Networks) and Renewables businesses to conduct taxonomy eligible activities, therefore SSE expects 90% of its CAPEX will be aligned with a 1.5C world (using CDP's definition of alignment) over the 5 years to 2026/27. CAPEX plans beyond 2026/27 are yet to be published, therefore a similar capital allocation has been extended to 2030 for the purpose of this disclosure. With around 90% of the NZAP Plus expected to be invested in renewables and networks, the substantial majority of the investment plan is focused on climate solutions to achieve SSE's interim 2030 Goals which are linked to material UN Sustainable Development Goals (SDGs), and it is aligned to the Technical Screening Criteria of the EU Taxonomy.

## Row 2

### (5.4.1.1) Methodology or framework used to assess alignment

Select from:

- A sustainable finance taxonomy

### (5.4.1.2) Taxonomy under which information is being reported

Select from:

- EU Taxonomy for Sustainable Activities

### (5.4.1.3) Objective under which alignment is being reported

Select from:

- Climate change mitigation

### (5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

Yes

#### (5.4.1.5) Financial metric

Select from:

CAPEX

#### (5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

2199900000

#### (5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

88.8

#### (5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

90

#### (5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

90

#### (5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

92.9

#### (5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

7.1

#### (5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

*SSE has taken a best-efforts approach to consider its alignment to the EU Taxonomy. Key strategic activities (i.e., onshore wind, offshore wind, transmission, distribution) from SSE's Reporting Segments were voluntarily assessed against the technical screening criteria for climate change mitigation. While an internal assessment against the Do No Significant Harm and minimum safeguards criteria was undertaken, a second-party opinion has not yet been sought. Taxonomy*

eligible and aligned activities in 2023/24 are from SSE's onshore and offshore wind generation, hydro (run of river and pumped storage) as well as its networks transmission and distribution activities. The taxonomy eligible but not aligned activities are associated with SSE's thermal generation and gas storage businesses. As these businesses continue 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. Activities that have not been identified in the taxonomy as they either do not significantly contribute to climate change mitigation or could yet be integrated into the Taxonomy at a later date are considered taxonomy-non-eligible. They comprise SSE's Business Energy, Airtricity, Energy Markets, Enterprise and Corporate businesses. These activities either operate as customer-focused businesses, a route to market for generation, or do not contain material activities at this time. Through its Net Zero Acceleration Programme, which was updated to the Net Zero Acceleration Programme Plus in May 2023, SSE has reshaped its capital allocation to c55% Networks, c35% Renewables, c10% other flexible generation, distributed energy, and customer businesses. SSE considers its Transmission and Distribution (Networks) and Renewables businesses to conduct taxonomy eligible activities, therefore SSE expects 90% of its CAPEX will be aligned with a 1.5C world (using CDP's definition of alignment) over the 5 years to 2026/27. CAPEX plans beyond 2026/27 are yet to be published, therefore a similar capital allocation has been extended to 2030 for the purpose of this disclosure. With around 90% of the NZAP Plus expected to be invested in renewables and networks, the substantial majority of the investment plan is focused on climate solutions to achieve SSE's interim 2030 Goals which are linked to material UN Sustainable Development Goals (SDGs), and it is aligned to the Technical Screening Criteria of the EU Taxonomy.

### Row 3

#### (5.4.1.1) Methodology or framework used to assess alignment

Select from:

- A sustainable finance taxonomy

#### (5.4.1.2) Taxonomy under which information is being reported

Select from:

- EU Taxonomy for Sustainable Activities

#### (5.4.1.3) Objective under which alignment is being reported

Select from:

- Climate change mitigation

#### (5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

- Yes



#### (5.4.1.5) Financial metric

Select from:

OPEX

#### (5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

1697300000

#### (5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

21.1

#### (5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

33.8

#### (5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

66.2

#### (5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

*SSE has taken a best-efforts approach to consider its alignment to the EU Taxonomy. Key strategic activities (i.e., onshore wind, offshore wind, transmission, distribution) from SSE's Reporting Segments were voluntarily assessed against the technical screening criteria for climate change mitigation. While an internal assessment against the Do No Significant Harm and minimum safeguards criteria was undertaken, a second-party opinion has not yet been sought. Taxonomy eligible and aligned activities in 2023/24 are from SSE's onshore and offshore wind generation, hydro (run of river and pumped storage) as well as its networks transmission and distribution activities. The taxonomy eligible but not aligned activities are associated with SSE's thermal generation and gas storage businesses. As these businesses continue 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. Activities that have not been identified in the taxonomy as they either do not significantly contribute to climate change mitigation or could yet be integrated into the Taxonomy at a later date are considered taxonomy-non-eligible. They comprise SSE's Business Energy, Airtricity, Energy Markets, Enterprise and Corporate businesses. These activities either operate as customer-focused businesses, a route to market for generation, or do not contain material activities at this time. To calculate OPEX for the purposes of CDP Disclosures, the relevant financial metrics (Revenue and Adjusted operating profit per SSE's ARA 2023/24 Table 3: Assessment of SSE'S taxonomy aligned activities) for taxonomy-eligible aligned, taxonomy non-eligible not aligned and taxonomy-non-eligible activities have been netted. Through its Net Zero Acceleration Programme, which was updated to the Net Zero Acceleration Programme Plus in May 2023, SSE has reshaped its capital allocation to c55% Networks, c35% Renewables, c10% other flexible generation, distributed energy, and customer businesses. SSE considers its Transmission and Distribution (Networks) and Renewables businesses to conduct taxonomy eligible activities, therefore SSE expects*

90% of its CAPEX will be aligned with a 1.5C world (using CDP's definition of alignment) over the 5 years to 2026/27. CAPEX plans beyond 2026/27 are yet to be published, therefore a similar capital allocation has been extended to 2030 for the purpose of this disclosure. With around 90% of the NZAP Plus expected to be invested in renewables and networks, the substantial majority of the investment plan is focused on climate solutions to achieve SSE's interim 2030 Goals which are linked to material UN Sustainable Development Goals (SDGs), and it is aligned to the Technical Screening Criteria of the EU Taxonomy.  
[Add row]

## **(5.4.2) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.**

### **Row 1**

#### **(5.4.2.1) Economic activity**

Select from:

- Electricity generation from wind power

#### **(5.4.2.2) Taxonomy under which information is being reported**

Select from:

- EU Taxonomy for Sustainable Activities

#### **(5.4.2.3) Taxonomy alignment**

Select from:

- Taxonomy-aligned

#### **(5.4.2.4) Financial metrics**

Select all that apply

- Turnover
- CAPEX
- OPEX

#### **(5.4.2.5) Types of substantial contribution**

Select all that apply

Activity enabling mitigation

**(5.4.2.6) Taxonomy-aligned turnover from this activity in the reporting year (currency)**

1379300000

**(5.4.2.7) Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year**

13.2

**(5.4.2.8) Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year**

13.2

**(5.4.2.9) Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year**

0

**(5.4.2.13) Taxonomy-aligned CAPEX from this activity in the reporting year (currency)**

1099200000

**(5.4.2.14) Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year**

44.4

**(5.4.2.15) Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year**

44.4

#### (5.4.2.16) Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

#### (5.4.2.20) Taxonomy-aligned OPEX from this activity in the reporting year (currency)

499500000

#### (5.4.2.21) Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

6.2

#### (5.4.2.22) Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

6.2

#### (5.4.2.23) Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

0

#### (5.4.2.27) Calculation methodology and supporting information

SSE's calculation methodology for assessing the alignment of financial metrics with the EU Taxonomy is based on a combination of internal assessments and principles. The key steps involved in the calculation are as follows:

- **Segmentation of activities:** Financial metrics are classified based on SSE's reportable segments, which are assessed against the EU Taxonomy's technical screening criteria for climate change mitigation.
- **Linkage principle:** A 'linkage principle' ensures that revenue, operating profit/loss, or capital expenditure linked to a taxonomy economic activity is classified as taxonomy-eligible and aligned.
- **Use of proxies:** Where financial results weren't split by taxonomy eligibility, proxies were applied, particularly in Energy Markets trading and power sales, with allocations based on purchased power volumes from renewable vs. non-renewable assets.
- **Materiality and top-down review:** A top-down review was conducted, excluding certain activities based on materiality thresholds.
- **Internal assessment:** While SSE performed internal assessments against the Do No Significant Harm (DNSH) and Minimum Safeguards criteria, a second-party opinion has not yet been sought. The disclosures are based on a best-efforts approach, reflecting our commitment to transparency in sustainable finance.

#### (5.4.2.28) Substantial contribution criteria met

Select from:

Yes

#### (5.4.2.29) Details of substantial contribution criteria analysis

*Taxonomy eligible and aligned activities in 2023/24 are from SSE's onshore and offshore wind generation, hydro (run of river and pumped storage). These activities meet the following technical screening criteria for climate change mitigation: 4.10 storage of electricity, this refers to SSE's pumped hydro activities. 4.5 electricity generation from hydropower, which refers to SSE's run of river hydro activities. 4.3 electricity generation from wind power, which refers to SSE's onshore and offshore windfarm activities.*

#### (5.4.2.30) Do no significant harm requirements met

Select from:

Yes

#### (5.4.2.31) Details of do no significant harm analysis

*SSE has undertaken internal do no significant harm self-assessments for each eligible economic activity aligned to the technical screening criteria for climate change mitigation. This involved assessing each aligned economic activity against the remaining relevant environmental DNSH criteria as laid out in the EU Taxonomy Delegated Acts. The process included gathering and assessing evidence of policies, regulations, and practices that ensure alignment with DNSH criteria related to each aligned eligible activity. Group sustainability collaborated with environmental experts within each business unit, and an internal review was conducted, with findings reported to relevant ESG committees for approval. The self-assessments confirmed that all of SSE's aligned economic activities meet the DNSH criteria.*

#### (5.4.2.32) Minimum safeguards compliance requirements met

Select from:

Yes

#### (5.4.2.33) Attach any supporting evidence

*sse\_ar24\_interactive.pdf*

### Row 2

#### (5.4.2.1) Economic activity

Select from:

- Transmission and distribution of electricity

#### (5.4.2.2) Taxonomy under which information is being reported

Select from:

- EU Taxonomy for Sustainable Activities

#### (5.4.2.3) Taxonomy alignment

Select from:

- Taxonomy-aligned

#### (5.4.2.4) Financial metrics

Select all that apply

- Turnover
- CAPEX
- OPEX

#### (5.4.2.5) Types of substantial contribution

Select all that apply

- Activity enabling mitigation

#### (5.4.2.6) Taxonomy-aligned turnover from this activity in the reporting year (currency)

1889200000

#### (5.4.2.7) Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

18.1

**(5.4.2.8) Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year**

18.1

**(5.4.2.9) Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year**

0

**(5.4.2.13) Taxonomy-aligned CAPEX from this activity in the reporting year (currency)**

1100700000

**(5.4.2.14) Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year**

44.4

**(5.4.2.15) Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year**

44.4

**(5.4.2.16) Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year**

0

**(5.4.2.20) Taxonomy-aligned OPEX from this activity in the reporting year (currency)**

1197800000

**(5.4.2.21) Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year**

14.9

#### (5.4.2.22) Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

14.9

#### (5.4.2.23) Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

0

#### (5.4.2.27) Calculation methodology and supporting information

*SSE's calculation methodology for assessing the alignment of financial metrics with the EU Taxonomy is based on a combination of internal assessments and principles. The key steps involved in the calculation are as follows:*

- *Segmentation of activities: Financial metrics are classified based on SSE's reportable segments, which are assessed against the EU Taxonomy's technical screening criteria for climate change mitigation.*
- *Linkage principle: A 'linkage principle' ensures that revenue, operating profit/loss, or capital expenditure linked to a taxonomy economic activity is classified as taxonomy-eligible and aligned.*
- *Use of proxies: Where financial results weren't split by taxonomy eligibility, proxies were applied, particularly in Energy Markets trading and power sales, with allocations based on purchased power volumes from renewable vs. non-renewable assets.*
- *Materiality and top-down review: A top-down review was conducted, excluding certain activities based on materiality thresholds.*
- *Internal assessment: While SSE performed internal assessments against the Do No Significant Harm (DNSH) and Minimum Safeguards criteria, a second-party opinion has not yet been sought. The disclosures are based on a best-efforts approach, reflecting our commitment to transparency in sustainable finance.*

#### (5.4.2.28) Substantial contribution criteria met

Select from:

Yes

#### (5.4.2.29) Details of substantial contribution criteria analysis

*Taxonomy eligible and aligned activities in 2023/24 are from SSE's networks transmission and distribution activities. These activities meet the following technical screening criteria for climate change mitigation: 4.9 transmission and distribution of electricity, which refers to SSE's networks activities.*

#### (5.4.2.30) Do no significant harm requirements met

Select from:

Yes



#### (5.4.2.31) Details of do no significant harm analysis

SSE has undertaken internal do no significant harm self-assessments for each eligible economic activity aligned to the technical screening criteria for climate change mitigation. This involved assessing each aligned economic activity against the remaining relevant environmental DNSH criteria as laid out in the EU Taxonomy Delegated Acts. The process included gathering and assessing evidence of policies, regulations, and practices that ensure alignment with DNSH criteria related to each aligned eligible activity. Group sustainability collaborated with environmental experts within each business unit, and an internal review was conducted, with findings reported to relevant ESG committees for approval. The self-assessments confirmed that all of SSE's aligned economic activities meet the DNSH criteria.

#### (5.4.2.32) Minimum safeguards compliance requirements met

Select from:

Yes

#### (5.4.2.33) Attach any supporting evidence

sse\_ar24\_interactive.pdf

[Add row]

### **(5.4.3) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.**

#### (5.4.3.1) Details of minimum safeguards analysis

The minimum safeguards criteria laid out in the EU Taxonomy requires alignment with international standards including the UN Guiding Principles on Business and Human Rights, OECD guidelines for multinational enterprises, the Declaration of the International Labour Organisation on fundamental Principles and rights at Work, and the International Bill of Human Rights. SSE supports and is fully committed to upholding these international standards as outlined in SSE's Group Human Rights Policy, and its actions to implement the requirements of these standards and its compliance with the UK Modern Slavery Act 2015 are outlined in SSE's Human Rights Report and Modern Slavery Statement 2024. This outlines SSE's human rights strategy, which is aligned with the UNGPs and the OECD Due Diligence process, and includes information about steps taken to identify, prevent, mitigate, and remediate human rights abuses and modern slavery within its business and supply chains. Over 2023/24, SSE undertook additional deep-dive risk assessments for its Renewable technologies, increased due diligence on high-risk supply chains, developed an approach to remediation aligned with the UNGPs, and reported progress against its human rights KPIs. As SSE is fully committed to upholding all relevant business and human rights, human trafficking, and modern slavery legislation within every jurisdiction it operates, we expect that our eligible activities align with the Minimum Safeguards requirements under the EU taxonomy.

#### (5.4.3.2) Additional contextual information relevant to your taxonomy accounting

SSE Energy Markets is used as a route to market for SSE Renewables' electricity generation from onshore wind, offshore wind and hydroelectric power assets and has been included within the taxonomy eligible activities as the counterparty to external electricity sales.

**(5.4.3.3) Indicate whether you will be providing verification/assurance information relevant to your taxonomy alignment in question 13.1**

Select from:

No

**(5.4.3.4) Please explain why you will not be providing verification/assurance information relevant to your taxonomy alignment in question 13.1**

SSE discloses against the EU Taxonomy on a voluntary basis as it believes this to be best practice. SSE has undertaken internal review processes but has not sought a second party opinion at this stage. This is something SSE expects to become compliant under future reporting requirements.  
 [Fixed row]

**(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?**

	Investment in low-carbon R&D	Comment
	Select from: <input checked="" type="checkbox"/> Yes	Research costs in 2023/24 were 12.7m as shown in SSE's Sustainability Report 2024 on page 48.

[Fixed row]

**(5.5.7) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.**

**Row 1**

### (5.5.7.1) Technology area

Select from:

Smart grid integration

### (5.5.7.2) Stage of development in the reporting year

Select from:

Applied research and development

### (5.5.7.3) Average % of total R&D investment over the last 3 years

23

### (5.5.7.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

12700000

### (5.5.7.5) Average % of total R&D investment planned over the next 5 years

24

### (5.5.7.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

*SSE is focused on enabling, harnessing and deploying new technologies and innovations which can accelerate the journey to net zero. A culture of innovation is promoted through a dedicated innovation team within SSEN which focuses on accelerating a low-carbon transition and co-creation with partners to develop whole-system solutions. Examples of innovation projects: Project Transition Transition is an Ofgem Electricity Network Innovation Competition funded project, led by SSEN. Transition will inform the design requirements of a Neutral Market Facilitator and Whole System Coordinator, develop the roles and responsibilities within the marketplace, develop the market rules required for the trials, and implement and test these by means of a programme of trials. The Transition project is also integral to the Project LEO and will demonstrate a Smart Local Energy System at county scale, to maximise economic, environmental and social prosperity for the region. Working together, Transition and the Project LEO programme will determine how opportunities can be maximised and unlocked from the transition to a smarter, more flexible electricity system and how households, businesses and communities can realise the benefits through participation in the markets for flexibility.*

**Row 2**

### (5.5.7.1) Technology area

Select from:

Battery storage

### (5.5.7.2) Stage of development in the reporting year

Select from:

Pilot demonstration

### (5.5.7.3) Average % of total R&D investment over the last 3 years

10

### (5.5.7.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

12700000

### (5.5.7.5) Average % of total R&D investment planned over the next 5 years

10

### (5.5.7.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

*SSE is focused on enabling, harnessing and deploying new technologies and innovations which can accelerate the journey to net zero. A culture of innovation is promoted through a dedicated innovation team within SSEN which focuses on accelerating a low-carbon transition and co-creation with partners to develop whole-system solutions. Examples of innovation projects: Project RaaS The RaaS - Resilience as a Service – project is investigating an innovative solution to improve the operational resilience of electricity distribution networks in remote locations. The proposed scheme would use services provided by a third party owned Battery Energy Storage System together with local Distributed Energy Resources to swiftly, automatically, restore power to customers in the event of a fault. Through temporary operation of the local network in islanded mode, RaaS will maintain supply to customers allowing time for the DNO to respond to the issue. RaaS would also allow local renewables to continue generating and exporting energy at times when that zero carbon electricity, and any associated income, would otherwise have been lost. The RaaS concept represents a flexible, low carbon solution to increase security of supply in areas where traditional reinforcement or use of Distribution Network Operator owned standby generation to provide network resilience would be prohibitively costly, supporting the UK's transition to Net Zero.*

[Add row]

**(5.7) Break down, by source, your organization's CAPEX in the reporting year and CAPEX planned over the next 5 years.**

**Coal – hard**

**(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)**

0

**(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**(5.7.5) Explain your CAPEX calculations, including any assumptions**

*Not applicable.*

**Lignite**

**(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)**

0

**(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**(5.7.5) Explain your CAPEX calculations, including any assumptions**

*Not applicable.*

**Oil**

**(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)**

0

**(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**(5.7.5) Explain your CAPEX calculations, including any assumptions**

*SSE has some small oil-fired generation assets but they are very small in the context of the Group, contributing 1% to non-renewable output in 2024.*

**Gas**

**(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)**

99600000

**(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

8

**(5.7.4) Most recent year in which a new power plant using this source was approved for development**

2018

**(5.7.5) Explain your CAPEX calculations, including any assumptions**

*8% share of CAPEX is FY24 adjusted CAPEX numbers before acquisitions for [SSE Thermal] / [(SSE Thermal SSE Renewables)].*

**Sustainable biomass**

**(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)**

0

**(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**(5.7.5) Explain your CAPEX calculations, including any assumptions**

*In Ireland, SSE Thermal is advancing new power stations which would utilise sustainable biofuels (in accordance with EU sustainability standards) and would be capable of converting to hydrogen in the future. A decision is expected from An Bord Pleanála in summer 2024 on planning consent for the 300MW Tarbert Next Generation power station. Initial consent is secured on the 170MW Platin power station from Meath County Council, with the decision now referred to An Bord Pleanála and a decision also expected in summer 2024. This would allow final investment decisions to be made in 2024.*

## Other biomass

**(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)**

0

**(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**(5.7.5) Explain your CAPEX calculations, including any assumptions**

*SSE has a small biomass generation asset but it is very small in the context of the Group, contributing 1% to renewable output in 2024.*

## Waste (non-biomass)

**(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)**

0

**(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**



0

#### **(5.7.5) Explain your CAPEX calculations, including any assumptions**

*SSE Thermal has a 50% stake in the 55MW Slough Multifuel, an under-construction energy from-waste asset, but at 28MW net share this is relatively small within the context of the Group.*

### **Nuclear**

#### **(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)**

0

#### **(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

#### **(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

#### **(5.7.5) Explain your CAPEX calculations, including any assumptions**

*Not applicable.*

### **Geothermal**

#### **(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)**

0

#### **(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**(5.7.5) Explain your CAPEX calculations, including any assumptions**

*Not applicable.*

## **Hydropower**

**(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)**

50000000

**(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

4

**(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

3

**(5.7.4) Most recent year in which a new power plant using this source was approved for development**

2021

**(5.7.5) Explain your CAPEX calculations, including any assumptions**

*SSE has said it will invest around 50m per year in maintaining and modernising its hydro fleet. 4% CAPEX in the reporting year takes this approximate figure as the basis for the numerator for the calculation and the Thermal and Renewables CAPEX before acquisitions as basis for the denominator (total generation CAPEX). 3%*

*of planned CAPEX takes this approximate per annum figure as the basis for the numerator for the calculation and the Thermal including other, and Renewables CAPEX and investment over the five years to 2027 as basis for the denominator (total generation CAPEX).*

## **Wind**

### **(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)**

1047100000

### **(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

87

### **(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

71

### **(5.7.4) Most recent year in which a new power plant using this source was approved for development**

2023

### **(5.7.5) Explain your CAPEX calculations, including any assumptions**

*Wind CAPEX in reporting year is calculated as SSE Renewables CAPEX in reporting year less approximate estimate of 50m Hydro CAPEX Planned wind capex is calculated as planned SSE Renewables capex over 5 years to 2027 less approximate estimate of 50m pa Hydro CAPEX.*

## **Solar**

### **(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)**

0

**(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**(5.7.5) Explain your CAPEX calculations, including any assumptions**

*Some CAPEX planned but quantum is not disclosed nor highly material.*

## **Marine**

**(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)**

0

**(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**(5.7.5) Explain your CAPEX calculations, including any assumptions**

*Not applicable.*

## Fossil-fuel plants fitted with CCS

**(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)**

0

**(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**(5.7.5) Explain your CAPEX calculations, including any assumptions**

*CCS development expenditure over the 5 years to 2027 is included in SSE's plans but the quantum is not disclosed.*

## Other renewable (e.g. renewable hydrogen)

**(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)**

0

**(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**(5.7.5) Explain your CAPEX calculations, including any assumptions**

*Not applicable.*

**Other non-renewable (e.g. non-renewable hydrogen)**

**(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)**

0

**(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**(5.7.5) Explain your CAPEX calculations, including any assumptions**

*Not applicable.*

*[Fixed row]*

**(5.7.1) Break down your total planned CAPEX in your current CAPEX plan for products and services (e.g. smart grids, digitalization, etc.).**

**Row 1**

**(5.7.1.1) Products and services**

Select from:

Other, please specify :Electricity Distribution

### (5.7.1.2) Description of product/service

*All numbers are approximate. SSEN Distribution, operating under licence as Scottish Hydro Electric Power Distribution plc (SHEPD) and Southern Electric Power Distribution plc (SEPD), is responsible for safely and reliably maintaining the electricity distribution networks supplying over 3.9m homes and businesses across central southern England and the North of Scotland.*

### (5.7.1.3) CAPEX planned for product/service

3500000000

### (5.7.1.4) Percentage of total CAPEX planned for products and services

17

### (5.7.1.5) End year of CAPEX plan

2027

## Row 2

### (5.7.1.1) Products and services

Select from:

Other, please specify :Electricity Transmissions

### (5.7.1.2) Description of product/service

*All numbers are approximate. SSEN Transmission owns, operates and develops the high voltage electricity transmission system in the North of Scotland and its islands.*

### (5.7.1.3) CAPEX planned for product/service

7500000000

#### (5.7.1.4) Percentage of total CAPEX planned for products and services

37

#### (5.7.1.5) End year of CAPEX plan

2027

[Add row]

**(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

#### (5.9.1) Water-related CAPEX (+/- % change)

-26

#### (5.9.5) Please explain

*The CapEx figures include: SSE's adjusted capital expenditure in its Thermal generation (all business activities); and hydro generation CapEx (approximately 50m). Between 2022/23 and 2023/24 SSE's water-related CapEx decreased by 26%.*

[Fixed row]

**(5.10) Does your organization use an internal price on environmental externalities?**

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from:	Select all that apply



	Use of internal pricing of environmental externalities	Environmental externality priced
	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Carbon

[Fixed row]

### (5.10.1) Provide details of your organization's internal price on carbon.

#### Row 1

##### (5.10.1.1) Type of pricing scheme

Select from:

- Other, please specify :Forecast of explicit price

##### (5.10.1.2) Objectives for implementing internal price

Select all that apply

- Drive low-carbon investment
- Identify and seize low-carbon opportunities
- Stress test investments

##### (5.10.1.3) Factors considered when determining the price

Select all that apply

- Alignment with the price of allowances under an Emissions Trading Scheme
- Benchmarking against peers
- Cost of required measures to achieve climate-related targets
- Scenario analysis

#### (5.10.1.4) Calculation methodology and assumptions made in determining the price

SSE's generation activities in Great Britain are subject to the UK Emissions Trading Scheme (UK ETS), which is a cap-and-trade emissions scheme. In addition, SSE's generation assets in Great Britain are subject to the Carbon Price Support mechanism which sets a price per tonne of carbon emitted and 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). At the time of reporting, SSE trades the market price for dispatch decisions and its own forecast for investment decisions.

#### (5.10.1.5) Scopes covered

Select all that apply

Scope 1

#### (5.10.1.6) Pricing approach used – spatial variance

Select from:

Differentiated

#### (5.10.1.7) Indicate how and why the price is differentiated

SSE's internal carbon price is differentiated as the company is captured by multiple carbon pricing mechanisms in the jurisdiction in which it operates. SSE's generation activities in Great Britain are subject to the UK Emissions Trading Scheme (UK ETS), which is a cap-and-trade emissions scheme. In addition, SSE's generation assets in Great Britain are subject to the Carbon Price Support mechanism which sets a price per tonne of carbon emitted and 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). Applying differentiated carbon prices in the UK and EU informs SSE's strategy when deciding to invest in and operate thermal generation plant.

#### (5.10.1.8) Pricing approach used – temporal variance

Select from:

Evolutionary

#### (5.10.1.9) Indicate how you expect the price to change over time

(1) Expect UK ETS and EU ETS to converge by late-2020s. (2) Prices of both expected to drop in the short-term, recovering by the late 2020s then increasing between 2030 and 2050 (the end of our outlook period).

#### (5.10.1.10) Minimum actual price used (currency per metric ton CO<sub>2</sub>e)

**(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)**

108

**(5.10.1.12) Business decision-making processes the internal price is applied to***Select all that apply*

- Capital expenditure
- Operations
- Risk management
- Opportunity management
- Public policy engagement

**(5.10.1.13) Internal price is mandatory within business decision-making processes***Select from:*

- Yes, for all decision-making processes

**(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers**

99

**(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives***Select from:*

- Yes

**(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives**

*As a generator of electricity, SSE is subject to policies that impact the price of carbon, which means the price of carbon is an explicit consideration in many 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 emissions scheme. In addition, SSE's generation assets in Great Britain are subject to the Carbon Price Support mechanism which sets a price per tonne of carbon emitted and 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). At the time of reporting, SSE used carbon prices of 78/tCO<sub>2</sub> in GB and 86/tCO<sub>2</sub> in the EU. SSE's future plans include assumptions on low, central and high carbon range forecasts. The price of carbon is reflected in decisions to invest in and operate thermal generation plant and renewable generation technologies, the investments made in capital projects and how SSE performs in the energy markets. Robust carbon pricing will be particularly important to support SSE's activities in CCS and hydrogen, which ties back to two of SSE's key actions within its net zero transition plan: 1. Reduce emissions from unabated gas generation; and 2. Develop new low-carbon flexible generation.*

[Add row]

## **(5.11) Do you engage with your value chain on environmental issues?**

### **Suppliers**

#### **(5.11.1) Engaging with this stakeholder on environmental issues**

Select from:

Yes

#### **(5.11.2) Environmental issues covered**

Select all that apply

Climate change

Forests

Water

Plastics

### **Smallholders**

#### **(5.11.1) Engaging with this stakeholder on environmental issues**

Select from:

No, and we do not plan to within the next two years

#### **(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues**

Select from:

- Judged to be unimportant or not relevant

#### (5.11.4) Explain why you do not engage with this stakeholder on environmental issues

*SSE does not source small-scale agricultural or forest products. Any agricultural or forest products procured by SSE will be sourced from larger-scale producers.*

### Customers

#### (5.11.1) Engaging with this stakeholder on environmental issues

*Select from:*

- Yes

#### (5.11.2) Environmental issues covered

*Select all that apply*

- Climate change

### Investors and shareholders

#### (5.11.1) Engaging with this stakeholder on environmental issues

*Select from:*

- Yes

#### (5.11.2) Environmental issues covered

*Select all that apply*

- Climate change

### Other value chain stakeholders

#### (5.11.1) Engaging with this stakeholder on environmental issues

*Select from:*

No, and we do not plan to within the next two years

### (5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

Judged to be unimportant or not relevant

### (5.11.4) Explain why you do not engage with this stakeholder on environmental issues

SSE considers its customers, suppliers and investors as its most important stakeholders.

[Fixed row]

## (5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

### Climate change

#### (5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

Yes, we assess the dependencies and/or impacts of our suppliers

#### (5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

Contribution to supplier-related Scope 3 emissions

#### (5.11.1.3) % Tier 1 suppliers assessed

Select from:

76-99%

#### **(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment**

*Through the EcoVadis IQ system, SSE can identify which suppliers are defined as high risk in relation to carbon. This is based on a 70% weighting on greenhouse gas risk (estimated GHG emissions linked to supplier's activities) and the supplier's estimated capacity to transition to a low-carbon model (transition risk). 30% of the weighting is based on procurement risk, which is considered spend and criticality of the supplier. Using this approach, SSE has identified 68 high risk tier 1 suppliers.*

#### **(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment**

Select from:

1-25%

#### **(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment**

68

### **Forests**

#### **(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment**

Select from:

Yes, we assess the dependencies and/or impacts of our suppliers

#### **(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment**

Select all that apply

Impact on deforestation or conversion of other natural ecosystems

#### **(5.11.1.3) % Tier 1 suppliers assessed**

Select from:

1-25%

#### **(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment**

*Through the EcoVadis IQ system, SSE can identify which suppliers are defined as high risk in relation to the environment and biodiversity based upon the industry in which they operate in and if the supplier falls under the EcoVadis Key Performance Indicator of "Actions on Biodiversity".*

#### **(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment**

*Select from:*

1-25%

#### **(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment**

51

### **Water**

#### **(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment**

*Select from:*

Yes, we assess the dependencies and/or impacts of our suppliers

#### **(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment**

*Select all that apply*

Basin/landscape condition

Dependence on water

Impact on water availability

Impact on pollution levels

#### **(5.11.1.3) % Tier 1 suppliers assessed**

*Select from:*



1-25%

#### **(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment**

*Through the EcoVadis IQ system, SSE can identify which suppliers are defined as high risk in relation to the environment and biodiversity based upon the industry in which they operate in and if the supplier falls under the EcoVadis Key Performance Indicator of “Measures to Reduce Water Consumption”.*

#### **(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment**

*Select from:*

1-25%

#### **(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment**

164

## **Plastics**

#### **(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment**

*Select from:*

Yes, we assess the dependencies and/or impacts of our suppliers

#### **(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment**

*Select all that apply*

Impact on plastic waste and pollution

#### **(5.11.1.3) % Tier 1 suppliers assessed**

*Select from:*

1-25%

#### (5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

Through the EcoVadis IQ system, SSE can identify which suppliers are defined as high risk in relation to the environment and biodiversity based upon the industry in which they operate in and if the supplier falls under the EcoVadis Key Performance Indicator of "Waste Management Actions in Place".

#### (5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

1-25%

#### (5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

393

[Fixed row]

### (5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

#### Climate change

#### (5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

Yes, we prioritize which suppliers to engage with on this environmental issue

#### (5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

Material sourcing

Procurement spend

Product lifecycle

Regulatory compliance

- Vulnerability of suppliers
- Strategic status of suppliers
- Supplier performance improvement
- In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change

#### (5.11.2.4) Please explain

*SSE uses the EcoVadis IQ Risk feature as the criteria to inform how suppliers are prioritised for engagement. EcoVadis IQ Risk creates risk profiles for SSE's suppliers based upon location, industry, external data and their EcoVadis scorecard. Through the EcoVadis IQ system, SSE can identify which suppliers are defined as high risk in relation to climate change, which highlights these suppliers as a priority for engagement activities. The risk profile is based on a 70% weighting on greenhouse gas risk (estimated GHG emissions linked to the supplier's activities) and the supplier's estimated capacity to transition to a low-carbon model (transition risk). 30% of the weighting is based on procurement risk, which is considered spend and criticality of the supplier. Using this approach, SSE has identified 68 high risk, 366 medium-high risk and 873 medium-low risk suppliers out of 4,500 suppliers across its tier 1 supply chain.*

## Forests

#### (5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

- Yes, we prioritize which suppliers to engage with on this environmental issue

#### (5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- Material sourcing
- Procurement spend
- Product lifecycle
- Regulatory compliance
- Vulnerability of suppliers
- Strategic status of suppliers
- Supplier performance improvement
- In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to forests

#### (5.11.2.4) Please explain

SSE uses the EcoVadis IQ Risk feature as the criteria to inform how suppliers are prioritised for engagement. EcoVadis IQ Risk creates risk profiles for SSE's suppliers based upon location, industry, external data and their EcoVadis scorecard. Through the EcoVadis IQ system, SSE can identify which suppliers are defined as high risk in relation to forest commodities, which highlights these suppliers as a priority for engagement. Through the EcoVadis IQ system, SSE can identify which suppliers are defined as high risk in relation to the environment and biodiversity based upon the industry in which they operate in and if the supplier falls under the EcoVadis Key Performance Indicator of "Actions on Biodiversity". Using this approach, SSE has identified 1 high risk, 112 medium-high risk and 330 medium-low risk suppliers out of 4,500 suppliers across its tier 1 supply chain.

## Water

### (5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

- Yes, we prioritize which suppliers to engage with on this environmental issue

### (5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- Material sourcing
- Procurement spend
- Product lifecycle
- Regulatory compliance
- Vulnerability of suppliers
- Strategic status of suppliers
- Supplier performance improvement
- In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to water

### (5.11.2.4) Please explain

SSE uses the EcoVadis IQ Risk feature as the criteria to inform how suppliers are prioritised for engagement. EcoVadis IQ Risk creates risk profiles for SSE's suppliers based upon location, industry, external data and their EcoVadis scorecard. Through the EcoVadis IQ system, SSE can identify which suppliers are defined as high risk in relation to climate change, which highlights these suppliers as a priority for engagement activities. Through the EcoVadis IQ system, SSE can identify which suppliers are defined as high risk in relation to the environment and biodiversity based upon the industry in which they operate in and if the supplier falls under the EcoVadis Key Performance Indicator of "Measures to Reduce Water Consumption". Using this approach, SSE has identified 9 high risk, 194 medium-high risk and 700 medium-low risk suppliers out of 4,500 suppliers across its tier 1 supply chain.

## Plastics

### (5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

- Yes, we prioritize which suppliers to engage with on this environmental issue

### (5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- Material sourcing
- Procurement spend
- Product lifecycle
- Regulatory compliance
- Vulnerability of suppliers
- Strategic status of suppliers
- Supplier performance improvement
- In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to plastics

### (5.11.2.4) Please explain

*SSE uses the EcoVadis IQ Risk feature as the criteria to inform how suppliers are prioritised for engagement. EcoVadis IQ Risk creates risk profiles for SSE's suppliers based upon location, industry, external data and their EcoVadis scorecard. Through the EcoVadis IQ system, SSE can identify which suppliers are defined as high risk in relation to climate change, which highlights these suppliers as a priority for engagement activities. Through the EcoVadis IQ system, SSE can identify which suppliers are defined as high risk in relation to the environment and biodiversity based upon the industry in which they operate in and if the supplier falls under the EcoVadis Key Performance Indicator of "Waste Management Actions in Place".*

*[Fixed row]*

### (5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

## Climate change

### (5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

- Yes, environmental requirements related to this environmental issue are included in our supplier contracts

### (5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

- Yes, we have a policy in place for addressing non-compliance

### (5.11.5.3) Comment

SSE expects all suppliers and contractors to comply with local laws and regulations. Where relevant and appropriate, it also expects the values and standards outlined in its Sustainable Procurement Code to be shared by its supply chain. Whilst SSE does not have a set of determined climate-related requirements for all its suppliers, these will be determined by the contract size and nature, and clearly outlined when tendering for work with SSE. Whilst not a requirement, suppliers and contractors are encouraged to:

- Actively reduce carbon emissions across the whole life cycle and offer low-carbon design alternatives when possible; and are expected to quantify the embodied carbon.
- Report annually on scope 1 and 2 GHG emissions in line with recognised frameworks and standards.
- Have carbon data externally validated to recognised standards (such as ISO14064 and ISAE3000).
- Provide carbon reporting for SSE sites, if requested
- Have a net zero carbon reduction strategy and associated commitment or target in place, in line with climate science.
- Have validated science-based carbon reduction targets with an external validation body (such as SBTi) or equivalent. For contracts of a significant value, this will be a requirement. In these cases, SSE will work with suppliers and contractors to support the setting of science-based targets.

## Forests

### (5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

- Yes, suppliers have to meet environmental requirements related to this environmental issue, but they are not included in our supplier contracts

### (5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

- Yes, we have a policy in place for addressing non-compliance

### (5.11.5.3) Comment

*SSE expects all suppliers and contractors to comply with local laws and regulations. Where relevant and appropriate, it also expects the values and standards outlined in its Sustainable Procurement Code to be shared by its supply chain. Whilst SSE does not have a set of determined climate-related requirements for all its suppliers, these will be determined by the contract size and nature, and clearly outlined when tendering for work with SSE.*

## Water

### (5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

Yes, suppliers have to meet environmental requirements related to this environmental issue, but they are not included in our supplier contracts

### (5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

Yes, we have a policy in place for addressing non-compliance

### (5.11.5.3) Comment

*SSE expects all suppliers and contractors to comply with local laws and regulations. Where relevant and appropriate, it also expects the values and standards outlined in its Sustainable Procurement Code to be shared by its supply chain. Whilst SSE does not have a set of determined climate-related requirements for all its suppliers, these will be determined by the contract size and nature, and clearly outlined when tendering for work with SSE.*

*[Fixed row]*

**(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.**

## Climate change

### (5.11.6.1) Environmental requirement

Select from:

- Disclosure of GHG emissions to your organization (Scope 1 and 2)

#### **(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement**

*Select all that apply*

- Certification
- First-party verification
- On-site third-party audit
- Supplier self-assessment
- Off-site third-party audit
- Supplier scorecard or rating
- Grievance mechanism/ Whistleblowing hotline

#### **(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement**

*Select from:*

- 76-99%

#### **(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement**

*Select from:*

- 26-50%

#### **(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement**

*Select from:*

- 76-99%

#### **(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement**

*Select from:*

- 1-25%



### (5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

- Retain and engage

### (5.11.6.10) % of non-compliant suppliers engaged

Select from:

- 1-25%

### (5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

- Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
- Developing quantifiable, time-bound targets and milestones to bring suppliers back into compliance
- Providing information on appropriate actions that can be taken to address non-compliance

### (5.11.6.12) Comment

*SSE's Sustainable Procurement Code outlines the expectations and requirements on SSE's suppliers and contractors when undertaking work on SSE's behalf. Suppliers and contractors are: • required to actively reduce, and where requested provide project-level reporting on the carbon impacts of construction works carried out for SSE, including the embodied carbon of construction materials and manufactured assets procured by or on behalf of SSE. • required to report annually on scope 1 and 2 emissions in line with recognised frameworks and standards. • required to have carbon data externally validated to recognised standards or by equivalent credible accredited third parties. • encouraged to manage carbon impacts at the project level in accordance with a relevant standard. • encouraged to complete the annual CDP climate change programme, if requested by SSE. • required to provide carbon reporting for SSE sites, if requested by SSE. • required to have a net zero carbon reduction strategy and associated commitment or target in place, which is in line with the latest climate science and has a target year of no later than 2050. • required to have validated science-based carbon reduction targets, in line with a 1.5C pathway, with an external validation body (such as the SBTi) or equivalent. Companies which are categorised as SMEs are encouraged to sign up to the SBTi's SME pathway. • encouraged to sign up to Race To Zero to support and build momentum around the transition to net zero.*

## Forests

### (5.11.6.1) Environmental requirement

Select from:

- Regular environmental risk assessments (at least once annually)

#### **(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement**

*Select all that apply*

- Certification
- First-party verification
- On-site third-party audit
- Supplier self-assessment
- Off-site third-party audit
- Supplier scorecard or rating
- Grievance mechanism/ Whistleblowing hotline

#### **(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement**

*Select from:*

- 76-99%

#### **(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement**

*Select from:*

- 26-50%

#### **(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement**

*Select from:*

- Less than 1%

#### **(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement**

*Select from:*

- Less than 1%

### (5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

- Retain and engage

### (5.11.6.10) % of non-compliant suppliers engaged

Select from:

- 1-25%

### (5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

- Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
- Developing quantifiable, time-bound targets and milestones to bring suppliers back into compliance
- Providing information on appropriate actions that can be taken to address non-compliance

### (5.11.6.12) Comment

*SSE's Sustainable Procurement Code outlines the expectations and requirements on SSE's suppliers and contractors when undertaking work on SSE's behalf. Suppliers and contractors are:*

- required to take appropriate steps to prevent environmental damage and always comply with legislative and regulatory requirements.*
- required to be certified to ISO 14001:2015 or equivalent.*
- required to identify and minimise risks and have a robust strategy to minimise any impact on the environment when completing works.*
- required to report all environmental incidents or permit breaches to SSE and where applicable to the Local Authority or relevant environment agency.*
- required to comply with SSE's Environmental Management Systems (EMS), Environmental Procedures or plans.*
- encouraged to be proactive in offering and utilising best practice and innovative solutions to deliver positive environmental performance.*
- required to source materials, products and services responsibly, using recognised industry standards.*
- required to have in place a responsible sourcing practice/policy for goods procured (e.g. BES 6001 Responsible Sourcing of Construction Products, BS EN 8902).*
- encouraged to have a sustainable procurement policy which is aligned with ISO 20400 or equivalent.*
- required to NOT use materials detailed in SSE's Materials Blacklist unless evidence of a legal deviation can be provided.*

## Water

### (5.11.6.1) Environmental requirement

Select from:

- Total water withdrawal volumes reduction

### **(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement**

*Select all that apply*

- Certification
- First-party verification
- On-site third-party audit
- Supplier self-assessment
- Off-site third-party audit
- Supplier scorecard or rating
- Grievance mechanism/ Whistleblowing hotline

### **(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement**

*Select from:*

- 76-99%

### **(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement**

*Select from:*

- 26-50%

### **(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement**

*Select from:*

- Less than 1%

### **(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement**

*Select from:*

- Less than 1%

### **(5.11.6.9) Response to supplier non-compliance with this environmental requirement**

*Select from:*

- Retain and engage

#### (5.11.6.10) % of non-compliant suppliers engaged

Select from:

- 1-25%

#### (5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

- Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
- Developing quantifiable, time-bound targets and milestones to bring suppliers back into compliance
- Providing information on appropriate actions that can be taken to address non-compliance

#### (5.11.6.12) Comment

*SSE's Sustainable Procurement Code outlines the expectations and requirements on SSE's suppliers and contractors when undertaking work on SSE's behalf. Suppliers and contractors are:*

- required to actively reduce the volume of water used on development and operational sites and, if requested by SSE, measure the embodied water in the products bought.*
- required to adhere to environmental permits relating to water discharge and must not discharge or abstract without the necessary permissions in place.*
- encouraged to be proactive in innovation of solutions to reduce water usage and consumption.*
- encouraged to complete the annual CDP Water Programme disclosure.*
- required to provide reporting of water usage at a site level, if requested by SSE.*

[Add row]

### (5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

#### Climate change

#### (5.11.7.2) Action driven by supplier engagement

Select from:

- Emissions reduction

#### (5.11.7.3) Type and details of engagement

## Capacity building

- Provide training, support and best practices on how to measure GHG emissions

### (5.11.7.4) Upstream value chain coverage

Select all that apply

- Tier 1 suppliers

### (5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- 51-75%

### (5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

- 51-75%

### (5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

*SSE engages with its supply chain on sustainability on a project, business unit and company level, with project and business unit engagement being issue specific on a case-by-case basis. At a company level, SSE has been using the EcoVadis platform, a sustainability ratings agency, to engage its main suppliers, with 463 suppliers representing 59% of SSE's supply chain by spend having completed the EcoVadis assessment. Carbon removals engagement has been completed through engagement with suppliers via the EcoVadis platform, which shows that 29% out of 407 applicable suppliers are conducting carbon offsetting activity. Emission reduction engagement has been completed through a variety of ways including requesting that suppliers set science-based targets and validate these targets through the SBTi, by providing suppliers with training and direct engagement through the EcoVadis platform. Results from last year have shown that 42% of suppliers by spend have set SBTi targets up 34% from the previous year. Finally, through its membership of the Supply Chain Sustainability School (SCSS), SSE's suppliers have accessed 9,624 training resources on carbon. Additionally, SSE has engaged with suppliers through the Supply Chain Sustainability School (SCSS) on Circular Economy, where 900 training resources have been accessed. Through the EcoVadis platform, SSE is promoting Sustainable Procurement practices such as through value chain transparency which gives details on whole life cycle assessments of products and due diligence on value chain human rights. SSE uses the EcoVadis IQ Risk feature to enable its Procurement team to understand high risk human rights suppliers based upon location, industry, external data and their EcoVadis scorecard. Using the EcoVadis platform, which aligns to UN's International Labour Organisation (ILO) principles, SSE can access the policies, actions and reporting of its suppliers on human rights and labour practices. The performance of these practices can be measured through the Labour & Human Rights Score which improved from 60.8 to 63.8 for suppliers completing a reassessment. Additionally, SSE also uses the Supply Chain Sustainability School (SCSS) to engage suppliers on labour and human rights, where 3,437 resources have been accessed by 1,333 individual users.*

### (5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

- Yes, please specify the environmental requirement :SSE's Sustainable Procurement Code.

### (5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

- Yes

## Forests

### (5.11.7.1) Commodity

Select from:

- Timber products

### (5.11.7.2) Action driven by supplier engagement

Select from:

- Natural ecosystem restoration and long-term protection

### (5.11.7.3) Type and details of engagement

#### Capacity building

- Provide training, support and best practices on how to mitigate environmental impact

### (5.11.7.4) Upstream value chain coverage

Select all that apply

- Tier 1 suppliers

#### (5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

51-75%

#### (5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

Less than 1%

#### (5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

*SSE engages with its supply chain on sustainability on a project, business unit and company level, with project and business unit engagement being issue specific on a case-by-case basis. At a company level, SSE has been using the EcoVadis platform, a sustainability ratings agency, to engage its main suppliers, with 463 suppliers representing 59% of SSE's supply chain by spend having completed the EcoVadis assessment. SSE has supported natural ecosystem restoration and long-term protection and the conversion of other natural ecosystems through its engagement with suppliers through EcoVadis and the Supply Chain Sustainability School (SCSS). On EcoVadis 71% of relevant suppliers have actions on biodiversity whilst SSE has enabled the training of 1,042 individuals within its supply chain with 2,299 biodiversity resources accessed via the SCSS, showing SSE's commitment to engage with its supply chain on protecting natural ecosystems. Through the EcoVadis platform, SSE is promoting sustainable procurement practices by evaluating value chain transparency, which provides details on whole life cycle assessments of products and due diligence on value chain human rights. SSE uses the EcoVadis IQ Risk feature to provide an understanding of high-risk human rights suppliers based upon location, industry, external data and their EcoVadis scorecard. Using the EcoVadis platform, which aligns to UN's International Labour Organisation (ILO) principles, SSE can access the policies, actions and reporting of its suppliers on human rights and labour practices. The performance of these practices can be measured through the Labour & Human Rights Score which improved from 60.8 to 63.8 for suppliers completing a reassessment. Additionally, SSE also uses the Supply Chain Sustainability School (SCSS) to engage suppliers on labour and human rights, where 3,437 resources have been accessed by 1,333 individual users.*

#### (5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

Yes, please specify the environmental requirement :SSE's Sustainable Procurement Code.

#### (5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:



Yes

## Water

### (5.11.7.2) Action driven by supplier engagement

Select from:

Total water withdrawal volumes reduction

### (5.11.7.3) Type and details of engagement

#### Information collection

Collect water quantity information at least annually from suppliers (e.g., withdrawal and discharge volumes)

### (5.11.7.4) Upstream value chain coverage

Select all that apply

Tier 1 suppliers

### (5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

51-75%

### (5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

Less than 1%

### (5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

*SSE engages with its supply chain on sustainability on a project, business unit and company level, with project and business unit engagement being issue specific on a case-by-case basis. At a company level, SSE has been using the EcoVadis platform, a sustainability ratings agency, to engage its main suppliers, with 463*

suppliers representing 59% of SSE's supply chain by spend having completed the EcoVadis assessment. SSE has supported the reduction in water withdrawal through its engagement with its suppliers through EcoVadis and the Supply Chain Sustainability School (SCSS). On EcoVadis 55% of relevant suppliers have measures to reduce water consumption, whilst SSE has enabled the training of 491 individuals within its supply chain with 801 water reduction resources accessed, showing SSE's commitment to engage with its supply chain to reduce water withdrawal. Through the EcoVadis platform, SSE is promoting sustainable procurement practices by evaluating value chain transparency, which provides details on whole life cycle assessments of products and due diligence on value chain human rights. SSE uses the EcoVadis IQ Risk feature to provide an understanding of high-risk human rights suppliers based upon location, industry, external data and their EcoVadis scorecard. Using the EcoVadis platform, which aligns to UN's International Labour Organisation (ILO) principles, SSE can access the policies, actions and reporting of its suppliers on human rights and labour practices. The performance of these practices can be measured through the Labour & Human Rights Score which improved from 60.8 to 63.8 for suppliers completing a reassessment. Additionally, SSE also uses the Supply Chain Sustainability School (SCSS) to engage suppliers on labour and human rights, where 3,437 resources have been accessed by 1,333 individual users.

#### **(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue**

Select from:

Yes, please specify the environmental requirement :SSE's Sustainable Procurement Code.

#### **(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action**

Select from:

Yes

### **Plastics**

#### **(5.11.7.2) Action driven by supplier engagement**

Select from:

Circular economy

#### **(5.11.7.3) Type and details of engagement**

##### **Capacity building**

Provide training, support and best practices on how to mitigate environmental impact

#### **(5.11.7.4) Upstream value chain coverage**

Select all that apply

Tier 1 suppliers

#### (5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

51-75%

#### (5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

*SSE engages with its supply chain on sustainability on a project, business unit and company level, with project and business unit engagement being issue specific on a case-by-case basis. At a company level, SSE has been using the EcoVadis platform, a sustainability ratings agency, to engage its main suppliers, with 463 suppliers representing 59% of SSE's supply chain by spend having completed the EcoVadis assessment. Circular Economy, waste, resource reduction and improved end-of-life management have all been taken into consideration when engaging with suppliers through the EcoVadis platform. Of the applicable SSE suppliers on Ecovadis, 44% are reporting their waste data and 78% have waste management actions in place. Additionally, SSE has engaged with its suppliers through the Supply Chain Sustainability School on circular economy principles, where 25,48 resources have been accessed by 1,137 individuals in its supply chain. SSE has supported the removal of plastic from the environment through its engagement with its suppliers through the Supply Chain Sustainability School (SCSS). SSE has enabled the training of 217 individuals within its supply chain by providing access to 269 plastic resources, showing SSE's commitment to engage with its supply chain to remove plastic from the environment. Through the EcoVadis platform, SSE is promoting sustainable procurement practices by evaluating value chain transparency, which provides details on whole life cycle assessments of products and due diligence on value chain human rights. SSE uses the EcoVadis IQ Risk feature to provide an understanding of high-risk human rights suppliers based upon location, industry, external data and their EcoVadis scorecard. Using the EcoVadis platform, which aligns to UN's International Labour Organisation (ILO) principles, SSE can access the policies, actions and reporting of its suppliers on human rights and labour practices. The performance of these practices can be measured through the Labour & Human Rights Score which improved from 60.8 to 63.8 for suppliers completing a reassessment. Additionally, SSE also uses the Supply Chain Sustainability School (SCSS) to engage suppliers on labour and human rights, where 3,437 resources have been accessed by 1,333 individual users.*

#### (5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

Yes

[Add row]

#### (5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

##### Climate change

### (5.11.9.1) Type of stakeholder

Select from:

- Customers

### (5.11.9.2) Type and details of engagement

#### Education/Information sharing

- Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

### (5.11.9.3) % of stakeholder type engaged

Select from:

- 51-75%

### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- 26-50%

### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*Audience: SMEs Purpose: After extensive primary and secondary market research, SSE Business Energy found that the majority of SME customers have not set targets to reduce their emissions, even though many acknowledge that they're concerned about their environmental impact. SSE Energy Solutions customers represent 45% of SSE's total scope 3 emissions. Therefore, educating SMEs on how to reduce their emissions will reduce SSE's scope 3 emissions and contribute to the Company's net zero target. The website content hub, and the use of case studies such as the Binn Group Sustainability, enable customers to engage with the topic of climate change. The Binn Group Sustainability case study showcases SSE's engagement with customers and the different products available for reducing carbon emissions. The Binn Group are one of Scotland's leading recycling and resource management companies that champion renewable energy and have impressive sustainability credentials. As an organisation, they have their own on-site renewable generation methods, including solar, biogas and wind, with ambitious plans for hydrogen at the early stages. They're also supported as SSE's customer with 100% renewable electricity from SSE's own UK wind farms and hydro plants. SSE produced a hero video featuring an interview with CEO Allan McGregor and a supporting written case study. The case study is freely available on SSE's website and YouTube channel. In addition, the video has been shared across SSE's social and the video has been viewed around 3,000 times on Facebook.*

### (5.11.9.6) Effect of engagement and measures of success

SSE Energy Solutions launched a website content hub in 2022. The purpose of the hub was to educate its SME customers, and wider UK business community, on the importance of sustainability and the impact on businesses. The hub has recently been updated with an optimised structure and refreshed content, to provide businesses with further support on their digital and sustainable journey. The content on the hub includes guides, guest blogs, videos, case studies and a carbon footprint calculator. The hub drives a significant amount of traffic to the website. Resources like the 'Small Business Grants: A list of Sustainable Funding Opportunities' which offers a list of funding options available to SMEs for sustainable projects, has proven particularly popular and has been viewed 10,729 times. Similarly, the carbon footprint calculator has been viewed 5,356 times. This traffic can be traced back to organic search and social media, where it is regularly shared on Facebook, Instagram and LinkedIn. Additional articles such as 'How to Set a Carbon Reduction Strategy' and 'How to Engage Employees on Your Net Zero Journey' are further resources available on the hub. Case studies can also be found on the content hub. These productions allow customers to showcase their sustainability credentials, explain the positive impact that SSE's products and services have made, and share advice to inspire other SMEs to start their efforts in reducing emissions.

## Climate change

### (5.11.9.1) Type of stakeholder

Select from:

- Customers

### (5.11.9.2) Type and details of engagement

#### Education/Information sharing

- Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

### (5.11.9.3) % of stakeholder type engaged

Select from:

- 51-75%

### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- 26-50%

### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*Audience: SMEs, large enterprises and TPIs Purpose: SSE's research show that its customers' perceptions of smart meter benefits were misjudged, with businesses not fully understanding the reasons why they should have a smart meter installed. Smart meters help SSE's customers understand their energy consumption and the data provided is essential for the country to develop an intelligent, clean, and reactive energy grid. SSE's campaign aims to educate customers on the benefits of smart meters for their businesses and their role in the UK's transition to net zero. If SSE's customers can reduce their energy consumption, the Company can in turn reduce the emissions arising from the use of its sold products.*

#### **(5.11.9.6) Effect of engagement and measures of success**

*Smart meter engagement programme - Under the UK Government's Smart Programme, SSE has been promoting the benefits of a smart meter via direct campaigns and within its customer life cycle communications. To engage these customers, SSE Energy Customer Solutions has now taken the smart meter story one step further to educate customers on the additional benefits of smart for the UK. Through blogs, animations, social media campaigns, internal promotions, podcasts, and attendance at national events, SSE is developing a narrative that puts smart meters at the heart of the net zero story. Social media campaign - Since the start of 2023, SSE has been running several smart meter social media campaigns to educate on the benefits and promote installations among its customer base. Through varied media including animations, videos and infographics, SSE has delivered over 3m impression and 200k clicks across its channel on smart meter content. The SSE Energy Solutions website content includes short videos explaining smart meters benefits and its wider role in the net zero transition. In addition, there is content on exploring energy efficiency by sector, smart meter case studies and quotes from customers, as well as an FAQ section tackling common questions regarding smart meters.*

### **Climate change**

#### **(5.11.9.1) Type of stakeholder**

Select from:

- Customers

#### **(5.11.9.2) Type and details of engagement**

##### **Education/Information sharing**

- Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

#### **(5.11.9.3) % of stakeholder type engaged**

Select from:

- 1-25%

#### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

26-50%

#### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*Audience: SMEs, large enterprise, public sector, TPIs, industry bodies, government officials. Purpose: To share expertise with wider audiences of businesses and TPIs, positioning SSE Energy Customer Solutions as the partner of choice to help organisations on their journey to net zero.*

#### (5.11.9.6) Effect of engagement and measures of success

*SSE Energy Solutions attended Buying and Using Utilities, hosted by the Major Energy Users' Council (MEUC). This premier event brought together industry experts and energy users to explore the latest trends in utility management. This was an opportunity to connect with experts, policymakers, and peers to share experiences and collaborate on solutions. SSE had a stand at the event, where attendees could find out more about its renewable energy assets, products and solutions. At the stand were members from SSE Energy Solutions and SSE Renewables, providing insight into various areas of the business. Alongside the event, SSE also contributed to the Buying and Using Utilities magazine. This included an article titled 'Navigating the Landscape of Corporate Power Purchase Agreements (CPPAs)', which educated readers on the value of these agreements for businesses. It also described the benefits of taking out a CPPA with SSE, positioning SSE Energy Solutions as the partner of choice.*

### Climate change

#### (5.11.9.1) Type of stakeholder

Select from:

Customers

#### (5.11.9.2) Type and details of engagement

##### Education/Information sharing

Share information about your products and relevant certification schemes

#### (5.11.9.3) % of stakeholder type engaged

Select from:

100%

#### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

26-50%

#### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*Audience: SMEs, large enterprises, TPIs. Purpose: To engage our customers and give them confidence that the renewable electricity and gas they purchase from SSE Energy Customer Solutions has been independently verified by a credible third party.*

#### (5.11.9.6) Effect of engagement and measures of success

*EcoAct verification EcoAct is an international climate consultancy and a CDP Accredited Provider. As part of a rigorous assurance process, EcoAct assessed the environmental claims of SSE's Green Electricity and Green Gas products against the GHG Protocol reporting and quality criteria. EcoAct analysed SSE's REGO-backed product specifications and evaluated its REGO balance for the most recent Fuel Mix Disclosure period. SSE's design and operation processes, risk management and data processing for its renewable gas and electricity were also tested and confirmed by EcoAct. SSE Energy Solutions Sales Director said: 'Having renewed EcoAct certification gives our customers peace of mind that our environmental credentials have been independently verified.' How SSE engages with its customers regarding its EcoAct certification: Green certificates: Every customer on one of SSE Energy Customer Solutions' Green Electricity or Gas plans receives a certificate confirming this status. The customers use these certificates to promote their sustainability credentials to customers, prospects and investors. Blog: SSE published a blog on its website that explains what the EcoAct verification is and what it means for its customers reporting Scope 2 emissions. This was shared across all social channels to encourage engagement, resulting in thousands of impressions. PR: SSE's PR and media strategy surrounding its EcoAct certification secured coverage in national publications.*

### Climate change

#### (5.11.9.1) Type of stakeholder

Select from:

Customers

#### (5.11.9.2) Type and details of engagement

##### Education/Information sharing

Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services



### (5.11.9.3) % of stakeholder type engaged

Select from:

1-25%

### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

26-50%

### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*Audience: SMEs, large enterprises, TPIs. Purpose: Digital technologies will be key to the net zero transition. They enable decarbonisation with their ability to process data more effectively, identify problems faster, and test solutions virtually.*

### (5.11.9.6) Effect of engagement and measures of success

*After months of development and planning, SSE launched a new commerce section of its website in October 2022. This allows businesses to browse energy tariffs online and then make a purchase if they meet the eligibility criteria. In a digital age, having this online proposition is key to engaging a wider customer base and encouraging more people to switch to a renewable provider. In April 2023, SSE launched a new virtual assistant on its online customer account space. N-ero, short for net zero, has been designed to answer customer queries quickly and efficiently. Since launch, intent recognition has increased from 74% to 92%, providing users with accurate responses to their questions. This has resulted in more users turning to N-ero for support, as the accuracy and reliability of the assistant improves. SSE has been monitoring the questions its customers ask most often and deploys new Q&A batches in two-week sprints. The customer question data from N-ero will help improve customer service and operational processes. Plus, it will inform the Company on the questions that customers have on sustainability and climate change, allowing SSE to develop new content and resources to educate and inspire.*

## Climate change

### (5.11.9.1) Type of stakeholder

Select from:

Customers

### (5.11.9.2) Type and details of engagement

## Education/Information sharing

- Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

### (5.11.9.3) % of stakeholder type engaged

Select from:

- 1-25%

### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- 26-50%

### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*Audience: As part of the commitment to deliver an additional 30,000 retrofits in 10 years in Ireland, 82 units and residents of 53 residential units were identified as some of the community's most vulnerable and fuel poor. Part of the Climate Bill includes a national retrofit program aiming to see 500,000 homes, one-third of Ireland's housing stock, retrofitted to a B2 building energy rating by 2030. SSE Airtricity Energy Services (SSE AES) is supporting the retrofit of an additional 30,000 homes in Ireland over the next 10 years, with around 4,000 upgrades already completed. These works will drastically reduce the emissions of thousands of homes, saving millions on energy costs for consumers and making their homes warmer, healthier, and safer. Once delivered, this will equal approximately 20 million in reduced energy costs every year.*

### (5.11.9.6) Effect of engagement and measures of success

*As part of the engagement process, SSE Airtricity regularly shares case studies of retrofitting journeys to showcase the history, challenges, support, measures and results to showcase the benefits to future customers. This includes the case studies of 'Anne and Aiden share their 'One Stop Shop' journey to a warm and cosy A-rated home', 'Mary Nash shares her 'One Stop Shop' journey to improve her home's BER' and 'Orla and George have transformed their cold house into a warm and welcoming A-rated home'. Orla and George's case study was accompanied by a show video, which is available on YouTube and has been viewed over 104k times. These case studies include comprehensive retrofits which involved the installation of solutions using solar PV, heat pumps, coupled new windows, external wall insulation, attic insulation and new radiators. These projects will have long lasting benefits for residents, with the case studies receiving at least an A3 energy rating, with the Mary Nash case study achieving an A1 rating.*

## Climate change

### (5.11.9.1) Type of stakeholder

Select from:

- Customers

### (5.11.9.2) Type and details of engagement

#### Education/Information sharing

- Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

### (5.11.9.3) % of stakeholder type engaged

Select from:

- 51-75%

### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- 26-50%

### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*Audience: Customers and non-customers. All domestic ROI SSE Airtricity customers that are opted into marketing contact. (181,317 customers), SSE Reward loyalty base, social media audiences, and Dublin Zoo visitors. Purpose: This engagement campaign aimed to grow brand awareness, association, and credibility on sustainability and climate change. As the proud sustainability partner of Dublin Zoo since 2017, SSE Airtricity continued the evolution of the Eco Explorers club in 2023/24. The Dublin Zoo partnership aligns to SSE's sponsorship pillars– to retain and reward customers, while driving engagement with its sustainability and net zero strategies. As part of the Sustainability Partnership, SSE Airtricity will continue to supply all facilities at the 28-hectare park with cleaner, greener electricity. The energy supply deal builds on Dublin Zoo and SSE Airtricity's commitment to encourage zoo visitors to learn more about the positive impact of sustainability on the climate. The engagement aims to:*

- Drive and maintain high levels of brand consideration.*
- Engage SSE's base with sustainability and provide unique access experiences at Dublin Zoo, tapping into a captive reward base and wider staycation audience post-Covid.*
- Extend SSE's reach and increase engagement with its prime target audience of young families. Fostering the trust and public's love of Dublin Zoo. Dublin ranks number one in NSI top ten sponsorship properties and is Ireland's largest family tourist attraction. Head of Marketing at Dublin Zoo said: "At Dublin Zoo we're thrilled to continue our long-term partnership with SSE Airtricity. As part of our ten-year vision, we look forward to working closely with SSE to achieve our goal of becoming a sustainable visitor attraction and to reduce our environmental impact. Conservation and education are at the heart of all we do at Dublin Zoo, and through the brand-new Eco Explorers Trail, Discovery Carts and hosting SSE Airtricity's Eco Explorers Weekend, we're excited to achieve even further environmental improvements and raise awareness on the importance of sustainability to everyone who visits Dublin Zoo." The Eco Explorers Club has been one of the most inspiring campaigns for SSE's team to work on in recent years. To witness the benefit this hub has for families and hear their stories is deeply rewarding. Response from customers online, at Eco Explorers weekends, through reviews through and through its reward base has been overwhelmingly positive.*

### (5.11.9.6) Effect of engagement and measures of success

*Dublin Zoo Hub The online educational hub was designed to support primary school children and their parents, allowing them to continue their sustainability education from their own homes. The hub featured multiple lessons given in a range of engaging formats across the subject areas of biodiversity, pollution, conservation, energy, and climate. The Eco Explorers Club has also yielded hugely positive results in terms of internal engagement at SSE Airtricity. Some measures of success include:*

- *SSE Airtricity created a 10-stop Eco Explorers Trail in Dublin Zoo focusing on key sustainability messages such as recycling, rain harvesting and biodiversity.*
- *For the June 2023 weekend there were 9620 attendees across the weekend and 4000 Eco-Explorer passports handed out*
- *The 'Eco-explorer's Club' playlist on YouTube has gained over 300K views on videos to date.*
- *Increase of 30,000 plus website visits*
- *Conversion on website increased by 18%*
- *Installed water stations in Dublin Zoo to reduce plastic.*
- *Positive google reviews and comments on social media posts*
- *SSE Reward Dublin Zoo E-Zine (June 2023) sent to 115,698 recipients in the ROI Reward base with OR of 34% and CTR of 5.6%.*
- *Additional, rewards emails offering Eco Explorer's club and other event offers were included in 6 monthly emails in FY24 and were sent to an average of 35,929 recipients in ROI each month with average 45% OR and 37% CTR. NI averaged 26,467 recipients with a 30% OR and 36% CTR.*

## Climate change

### (5.11.9.1) Type of stakeholder

Select from:

- Customers

### (5.11.9.2) Type and details of engagement

#### Education/Information sharing

- Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

### (5.11.9.3) % of stakeholder type engaged

Select from:

- 51-75%

### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- 26-50%

### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*Audience: All domestic, ROI SSE Airtricity customers that are opted into marketing contact. (181,317 customers). Purpose: At a time of increased energy costs and confusion around energy pricing, SSE Airtricity has run several campaigns and have been used within the last year to educate customers in several key areas. -*

*The 'Ways to be Energy Efficient ROI and NI' campaign is utilised to highlight small changes which can reduce customers emissions and energy bills, including thermostat, boiler and laundry advice. - The 'Smart Explainer ROI' campaign helps bust 5 smart meter myths and encourages more balanced electricity use, which ultimately enables renewable energy sources, like wind, to contribute more to meeting electricity demand, reducing our fossil fuel dependence and carbon emissions. - The 'Welcome to Generation Green' emails in ROI and NI which include content on 'Generation Green', 'Energy services for your home', and 'Making your home cosier and more energy efficient'. - The ROI 'Home Upgrade' Campaign which promotes home upgrade solutions and includes clicks to respective technologies including heat pumps, insulation, windows and doors, EV charging, and solar panels. It also includes a link to a home upgrade calculator.*

### (5.11.9.6) Effect of engagement and measures of success

*Thousands of customers have read the campaigns and offer advice for reducing emissions and saving money. The inclusion of cost calculators helps customer estimate their consumption, costs and identify areas for improvement. The respective campaigns have achieved the below open rate and/or click-through rate (CTR) for FY24: The 'Ways to be Energy Efficient ROI and NI' campaign Delivered – 71,444 OR – 51.86% CTR – 2.53% The 'Smart Explainer ROI' campaign Delivered – 40,143 OR – 49.44% CTR – 3.42% The 'Welcome to Generation Green' emails in ROI and NI Delivered – 26,210 OR – 71.93% CTR – 13.88% The ROI 'Home Upgrade' Campaign (October 23 – June 24) Delivered – 221,977 OR – 30.22% CTR – 4.63%*

## Climate change

### (5.11.9.1) Type of stakeholder

Select from:

- Investors and shareholders

### (5.11.9.2) Type and details of engagement

#### Innovation and collaboration

- Collaborate with stakeholders in creation and review of your climate transition plan

### (5.11.9.3) % of stakeholder type engaged

Select from:

- 100%

#### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

100%

#### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*Net Zero Transition Plans play a critical role in outlining company pathways to net zero, supporting both delivery and accountability. With SSE's opportunities for growth defined by the imperative to decarbonise power sectors at home and abroad, its Net Zero Transition Plan spells out how greenhouse gas emissions will be removed from its operations. SSE's Net Zero Transition Plan was first published in March 2022 and updated in October 2022 in response to shareholder and stakeholder feedback. SSE has committed through its shareholder resolution for shareholders to receive its Net Zero Transition Report annually. Both SSE and its investors benefit from high-quality engagement on climate-related issues. As such, all of SSE's investors and shareholders were invited to its Annual General Meeting in 2024 and were asked to vote on Resolution 18: Net Zero Transition Report. Given that all shareholders were invited, and that SSE's Net Zero Transition Plan covers all the company's scope 3 emissions, it can be considered that all stakeholders have been engaged on how to decarbonise 100% of SSE's scope 3 emissions.*

#### (5.11.9.6) Effect of engagement and measures of success

*SSE's Net Zero Transition Report is published each year in June, alongside SSE's full-year corporate reporting suite. The Report summarises SSE's progress against the targets and actions set out in its Net Zero Transition Plan and provides a navigation tool for shareholders. SSE's Net Zero Transition Report 2023 was received by shareholders at the Annual General Meeting in July 2023, with 97.63% of votes cast in favour. With such an overwhelming proportion of investors supporting the vote to receive the Net Zero Transition Report, SSE considers this shareholder engagement as a success. However, given that shareholders may have multiple motives when voting on such a matter, SSE is clear that if there is a significant vote against its Net Zero Transition Report, it would hold discussions with shareholders through its Investor Relations and environmental, social and governance (ESG) engagement programme and seek information from them about why they did not support the proposed resolution, informing all shareholders about the results of that process and announcing its intended measures aimed at taking them into account. While this annual exercise is of mutual benefit, SSE will consult during 2024/25 as to whether a three-yearly cycle of shareholder votes might be more proportionate and appropriate, particularly as this would align to the recent TPT Disclosure Framework's recommendations.*

[Add row]

## C6. Environmental Performance - Consolidation Approach

### (6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

#### Climate change

##### (6.1.1) Consolidation approach used

Select from:

Operational control

##### (6.1.2) Provide the rationale for the choice of consolidation approach

*SSE prepares its reporting of greenhouse gas and water performance measures using the reporting principles outlined by non-financial reporting guidance (specifically the UK Government's environmental reporting guidelines (BEIS, March 2019)) and in the case of the GHG emissions performance measures, the Greenhouse Gas Protocol and ISO 14064-1:20183. Where relevant, the inventory is aligned with industry or sector best practice for emissions measurement and reporting. There are two methods that are described in the UK Government Environmental Reporting guidelines (March 2019), Greenhouse Gas Protocol and ISO14064-1:2018 standards: the equity share and control (financial or operational) approaches. The boundaries for all environmental reporting disclosed include all activities over which SSE has operational control. For SSE's GHG emissions reporting, the material joint ventures where SSE does not have operational control (those with an equity share of equal to or greater than 50%) will be reported in scope 3 GHG emissions category 15 'Investments'. For joint arrangements where SSE does not have operational control and holds an equity ownership of less than 50%, these are excluded from the emissions inventory. By focusing on operational control, SSE can clearly identify and take responsibility for emissions from activities it directly manages. By identifying emissions within its operational control, SSE can implement operational efficiencies, introduce policies and optimise processes which can drive down its direct emissions. This clarity in accountability is crucial for its net zero transition and for setting and achieving emission reduction targets.*

#### Forests

##### (6.1.1) Consolidation approach used

Select from:

Operational control

##### (6.1.2) Provide the rationale for the choice of consolidation approach

*The boundaries for all timber products performance data disclosed include all activities over which SSE has operational control.*

## **Water**

### **(6.1.1) Consolidation approach used**

*Select from:*

Operational control

### **(6.1.2) Provide the rationale for the choice of consolidation approach**

*SSE prepares its reporting of greenhouse gas and water performance measures using the reporting principles outlined by non-financial reporting guidance (specifically the UK Government's environmental reporting guidelines (BEIS, March 2019)) and in the case of the GHG emissions performance measures, the Greenhouse Gas Protocol and ISO 14064-1:20183. Where relevant, the inventory is aligned with industry or sector best practice for emissions measurement and reporting. There are two methods that are described in the UK Government Environmental Reporting guidelines (March 2019), Greenhouse Gas Protocol and ISO14064-1:2018 standards: the equity share and control (financial or operational) approaches. The boundaries for all environmental reporting disclosed include all activities over which SSE has operational control. By focusing on operational control, SSE can clearly identify and take responsibility for water management practices from activities it directly manages. By identifying sources of water abstraction, consumption and returned to the environment within its operational control, SSE can implement operational efficiencies, introduce policies and optimise processes which can improve its water management procedures.*

## **Plastics**

### **(6.1.1) Consolidation approach used**

*Select from:*

Operational control

### **(6.1.2) Provide the rationale for the choice of consolidation approach**

*The boundaries for all plastics performance data disclosed include all activities over which SSE has operational control.*

## **Biodiversity**

### **(6.1.1) Consolidation approach used**

*Select from:*



Operational control

## **(6.1.2) Provide the rationale for the choice of consolidation approach**

*The boundaries for all biodiversity data disclosed include all activities over which SSE has operational control.  
[Fixed row]*

## C7. Environmental performance - Climate Change

**(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?**

	Has there been a structural change?
	<i>Select all that apply</i> <input checked="" type="checkbox"/> No

[Fixed row]

**(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?**

	Change(s) in methodology, boundary, and/or reporting year definition?
	<i>Select all that apply</i> <input checked="" type="checkbox"/> No

[Fixed row]

**(7.3) Describe your organization's approach to reporting Scope 2 emissions.**

### (7.3.1) Scope 2, location-based

Select from:

We are reporting a Scope 2, location-based figure

### (7.3.2) Scope 2, market-based

Select from:

We are reporting a Scope 2, market-based figure

### (7.3.3) Comment

*The indirect emissions (scope 2) cover: • Electricity consumption in buildings – this is the electricity consumed by SSE’s non-operational buildings (customer call centres, offices). This data excludes leased buildings (which represent less than 1% of employees). • Electricity consumption in networks – this is the electricity used by SSE’s operational buildings (e.g. substations) in the transmission and distribution network. • Electricity consumption in thermal power stations and gas storage facilities – this is the electricity used by SSE’s GB thermal power stations for the generation of electricity. This data excludes power stations below 100MW which do not have metering and thermal power stations in Ireland. • Distribution losses – this is the electricity lost in SSE’s distribution network in the north of Scotland (SHEPD) and southern central England (SEPD) transporting electricity to the customer.*

[Fixed row]

**(7.4.1) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.**

**Row 1**

#### (7.4.1.1) Source of excluded emissions

Neos Networks

#### (7.4.1.2) Scope(s) or Scope 3 category(ies)

Select all that apply

Scope 3: Investments

#### (7.4.1.6) Relevance of Scope 3 emissions from this source

Select from:

Emissions are not relevant

#### (7.4.1.9) Estimated percentage of total Scope 3 emissions this excluded source represents

0

#### (7.4.1.10) Explain why this source is excluded

*In the year ending 31 March 2019, the SSE Group disposed of 50% of its stake in Neos Networks Limited (formerly SSE Telecommunications Limited). SSE retains a 50% joint venture investment in Neos Networks Limited, but the Group does not have operational control over the activities undertaken by the company. Following the Greenhouse Gas Protocol's operational control consolidation approach, SSE have excluded Neos Networks Limited from its GHG and water inventory.*

#### (7.4.1.11) Explain how you estimated the percentage of emissions this excluded source represents

*Any activities representing under 1% of the total performance metric (i.e. total GHG emissions, or total water abstracted) are considered de-minimis by SSE. Exclusions are reviewed on an annual basis to ensure that they are still relevant and fall below the materiality threshold. Neos Networks Limited publish its total emissions annually and have selected calendar year 2019 as its base year. Total emissions (scopes 1, 2 and 3) in 2023 were reported as under 3,544 tCO<sub>2</sub>e, which falls under SSE's materiality threshold for inclusion at 1% of total SSE Group emissions. As emissions arising from Neos Networks Limited activities are considered de-minimis, SSE excludes these emissions from its scope 3 emissions under Category 15: Investments.*

### Row 2

#### (7.4.1.1) Source of excluded emissions

*SSE Renewables activities outside of the United Kingdom and Republic of Ireland*

#### (7.4.1.2) Scope(s) or Scope 3 category(ies)

Select all that apply

Scope 1

Scope 2 (location-based)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

### (7.4.1.3) Relevance of Scope 1 emissions from this source

Select from:

Emissions are not relevant

### (7.4.1.4) Relevance of location-based Scope 2 emissions from this source

Select from:

Emissions are not relevant

### (7.4.1.6) Relevance of Scope 3 emissions from this source

Select from:

Emissions are not relevant

### (7.4.1.8) Estimated percentage of total Scope 1+2 emissions this excluded source represents

0

### (7.4.1.9) Estimated percentage of total Scope 3 emissions this excluded source represents

0

### (7.4.1.10) Explain why this source is excluded

*SSE Renewables activities outside of the United Kingdom and Republic of Ireland are excluded for the GHG and water inventory. SSE's activities overseas cover employees based at small offices working on renewable energy development opportunities. Overseas operations are considered de-minimis as emissions arising from SSE Renewables' international activities fall under SSE's materiality threshold for inclusion at 1% of total SSE Group emissions. Approximately 40 employees were on-boarded from SGRE during the acquisition in 2022/23, representing a fraction of the SSE Group total FTEs.*

### (7.4.1.11) Explain how you estimated the percentage of emissions this excluded source represents

*SSE's activities overseas cover employees based at small offices working on renewable energy development opportunities. SSE's equivalent activities in the UK and Ireland (emissions arising from natural gas and electricity consumption in non-operational sites) represented 0.002% of SSE Group's total scope 1, 2 and 3 emissions inventories in 2023/24. SSE employees outside of the United Kingdom and Republic of Ireland represent a fraction of the SSE Group total FTEs. With the emissions*

from SSE's non-operational sites in the UK and Ireland already falling below the SSE's materiality threshold for inclusion at 1% of total SSE Group emissions it is assumed that emissions arising from SSE Renewables activities outside of the United Kingdom and Republic of Ireland are de-minimis.  
[Add row]

## **(7.5) Provide your base year and base year emissions.**

### **Scope 1**

#### **(7.5.1) Base year end**

03/31/2018

#### **(7.5.2) Base year emissions (metric tons CO2e)**

10154749.0

#### **(7.5.3) Methodological details**

*The direct GHG emissions (scope 1) cover: Generation power stations – oil, gas and biomass consumed in SSE's thermal power generation plant (including Power Purchase Agreements) to generate electricity. Gas consumption in buildings – this is the gas consumed by SSE's non-operational buildings (offices, depots, call centres) to maintain building temperatures. Network fuel consumed – this includes diesel and gas oil used by fixed generators on islands and mobile generators to generate electricity to maintain the distribution network. Company vehicles – this is the petrol or diesel used by SSE's operational vehicles for business activities (operational vehicles are those vehicles that are owned by SSE and used by employees for SSE business activities). Fugitive emissions – use of sulphur hexafluoride (SF6) in thermal power stations, and transmission and distribution networks (used for conductivity in the switchgears and substations). Time Chartered Crew Transfer Vessels – this is the fuel purchased by SSE for use in vessels contracted on a time charter and used to transfer crew to service offshore wind farms in which SSE has an ownership share and operates on behalf of joint venture partners. For example: Beatrice Offshore Wind Farm Limited (SSE Renewables share 40%); Greater Gabbard Offshore Wind Farm (SSE Renewables share 50%) and Seagreen Wind Energy Limited (SSE Renewables share 49%).*

### **Scope 2 (location-based)**

#### **(7.5.1) Base year end**

03/31/2018

#### **(7.5.2) Base year emissions (metric tons CO2e)**

### (7.5.3) Methodological details

*The location-based scope 2 figure is calculated using DESNZ conversion factors. The indirect emissions (scope 2) cover:*

- *Electricity consumption in buildings – this is the electricity consumed by SSE’s non-operational buildings (customer call centres, offices). This data excludes leased buildings (which represent less than 1% of employees).*
- *Electricity consumption in networks – this is the electricity used by SSE’s operational buildings (e.g. substations) in the transmission and distribution network.*
- *Electricity consumption in thermal power stations – this is the electricity used by SSE’s GB thermal power stations for the generation of electricity. This data excludes power stations below 100MW which do not have metering and thermal power stations in Ireland.*
- *Distribution losses – this is the electricity lost in SSE’s distribution network in the north of Scotland (SHEPD) and southern central England (SEPD) transporting electricity to the customer.*

## Scope 2 (market-based)

### (7.5.1) Base year end

03/31/2018

### (7.5.2) Base year emissions (metric tons CO2e)

907745

### (7.5.3) Methodological details

*The market-based scope 2 figure is calculated using DESNZ residual conversion factors and this is the same as the location-based conversion factors. The indirect emissions (scope 2) cover:*

- *Electricity consumption in buildings – this is the electricity consumed by SSE’s non-operational buildings (customer call centres, offices). This data excludes leased buildings (which represent less than 1% of employees).*
- *Electricity consumption in networks – this is the electricity used by SSE’s operational buildings (e.g. substations) in the transmission and distribution network.*
- *Electricity consumption in thermal power stations – this is the electricity used by SSE’s GB thermal power stations for the generation of electricity. This data excludes power stations below 100MW which do not have metering and thermal power stations in Ireland.*
- *Distribution losses – this is the electricity lost in SSE’s distribution network in the north of Scotland (SHEPD) and southern central England (SEPD) transporting electricity to the customer.*

## Scope 3 category 1: Purchased goods and services

### (7.5.3) Methodological details

*SSE has scope 3 emissions arising from its purchased goods and services and capital goods that are relevant for its greenhouse gas inventory. However, SSE is developing appropriate methodologies for these categories and is working to secure accurate data from its supply chain so that it can confidently report these emissions. SSE will report scope 3 category 1 and category 2 emissions once they are calculated to an acceptable level of accuracy.*

## **Scope 3 category 2: Capital goods**

### **(7.5.3) Methodological details**

*SSE has scope 3 emissions arising from its purchased goods and services and capital goods that are relevant for its greenhouse gas inventory. However, SSE is developing appropriate methodologies for these categories and is working to secure accurate data from its supply chain so that it can confidently report these emissions. SSE will report scope 3 category 1 and category 2 emissions once they are calculated to an acceptable level of accuracy.*

## **Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)**

### **(7.5.1) Base year end**

03/31/2018

### **(7.5.2) Base year emissions (metric tons CO2e)**

1433903

### **(7.5.3) Methodological details**

*Well to tank emissions for fuel consumed with SSE power stations. This is the GHG emissions associated with the extraction, refining and transportation of the raw fuel sources to SSE's sites before they are used to generate electricity at the power station, as defined by BEIS reporting guidelines. Transmission and Distribution emissions (the energy loss that occurs getting the electricity to SSE non-operational buildings from the power plant) associated with the electricity consumed by SSE's non-operational buildings (offices, depots, data centres and warehouses) and operational buildings (substations and thermal power stations).*

## **Scope 3 category 4: Upstream transportation and distribution**

### **(7.5.1) Base year end**

03/30/2021

### **(7.5.2) Base year emissions (metric tons CO2e)**



### (7.5.3) Methodological details

*Third Party Service Operation Vessels and Crew Transfer Vessels. This is the fuel purchased by a third party for use in third party vessels that service offshore wind farms (Service Operation Vessels) and to transfer crew (Crew Transfer Vessels) to service offshore wind farms in which SSE has an ownership share and operates on behalf of joint venture partners. For example: Beatrice Offshore Wind Farm Limited (SSE Renewables share 40%); and Seagreen Wind Energy Limited (SSE Renewables share 49%). The Greater Gabbard offshore wind farm was operational during 2017/18, however, fuel use consumption data was not available during the base year. Beatrice offshore wind farm and Seagreen offshore wind farm become operational after 2017/18. Therefore, no emissions were reported in this category during the 2017/18 base year.*

## Scope 3 category 5: Waste generated in operations

### (7.5.3) Methodological details

*Any activities representing under 1% of the total performance metric (i.e. total GHG emissions, or total water abstracted) are considered de-minimis by SSE. Exclusions are reviewed on an annual basis to ensure that they are still relevant and fall below the materiality threshold. The emissions impact of SSE's waste has been estimated as less than 1% of the total greenhouse emissions in 2017/18 and therefore it is not incorporated into its greenhouse gas inventory.*

## Scope 3 category 6: Business travel

### (7.5.1) Base year end

03/31/2018

### (7.5.2) Base year emissions (metric tons CO2e)

8770

### (7.5.3) Methodological details

*Flights (domestic, short haul, long haul and international), rail and company car distance travelled by SSE employees (in vehicles owned and operated by other organisations that SSE employees use to conduct business activities).*

## Scope 3 category 7: Employee commuting

### **(7.5.3) Methodological details**

*Any activities representing under 1% of the total performance metric (i.e. total GHG emissions, or total water abstracted) are considered de-minimis by SSE. Exclusions are reviewed on an annual basis to ensure that they are still relevant and fall below the materiality threshold. Employee commuting emissions are determined as not material, as they were estimated to represent less than 1% of total greenhouse gas emissions in 2017/18. To account for employee commuting emissions, the data would be based on employee commuting surveys and estimated mileage data from sample data sets. These methods are unlikely to return accurate and quality data on which to base the emissions calculation, therefore SSE does not intend to report employee commuting emissions in the near future.*

### **Scope 3 category 8: Upstream leased assets**

### **(7.5.3) Methodological details**

*SSE reviews the relevance of each scope 3 category when there are significant changes to the business (for example acquisitions, disposals, other structural and operational changes and improvements in data reporting standards or methods). SSE has not identified any upstream leased assets that should be included within its scope 3 greenhouse gas inventory.*

### **Scope 3 category 9: Downstream transportation and distribution**

### **(7.5.1) Base year end**

03/31/2018

### **(7.5.2) Base year emissions (metric tons CO2e)**

110004

### **(7.5.3) Methodological details**

*Transmission losses – the electricity lost in the Scottish Hydro Electric (SHE) Transmission network (the network between the generator and the distribution company) in the north of Scotland.*

### **Scope 3 category 10: Processing of sold products**

### **(7.5.3) Methodological details**

SSE reviews the relevance of each scope 3 category when there are significant changes to the business (for example acquisitions, disposals, other structural and operational changes and improvements in data reporting standards or methods). SSE has not identified any emissions from the processing of sold products that should be included within its scope 3 greenhouse gas inventory.

## Scope 3 category 11: Use of sold products

### (7.5.1) Base year end

03/31/2018

### (7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)

2538729

### (7.5.3) Methodological details

Gas sold to customers – the amount of gas sold to customers (retail and business customers) that is then used by SSE customers for heating and power purposes. This figure is calculated by taking the amount of gas sold (millions of therms) converting it to kWh and then applying a carbon dioxide conversion factor provided by BEIS reporting guidelines.

## Scope 3 category 12: End of life treatment of sold products

### (7.5.3) Methodological details

SSE reviews the relevance of each scope 3 category when there are significant changes to the business (for example acquisitions, disposals, other structural and operational changes and improvements in data reporting standards or methods). SSE has not identified any emissions from the end-of-life treatment of sold products that should be included within its scope 3 greenhouse gas inventory.

## Scope 3 category 13: Downstream leased assets

### (7.5.3) Methodological details

SSE reviews the relevance of each scope 3 category when there are significant changes to the business (for example acquisitions, disposals, other structural and operational changes and improvements in data reporting standards or methods). SSE has not identified any downstream leased assets that should be included within its scope 3 greenhouse gas inventory.

## Scope 3 category 14: Franchises

### (7.5.3) Methodological details

*SSE reviews the relevance of each scope 3 category when there are significant changes to the business (for example acquisitions, disposals, other structural and operational changes and improvements in data reporting standards or methods). SSE has not identified any franchises that should be included within its scope 3 greenhouse gas inventory.*

## Scope 3 category 15: Investments

### (7.5.1) Base year end

03/30/2022

### (7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)

325254

### (7.5.3) Methodological details

*Investments in Thermal electricity generation – gas consumed in thermal power generation plant (for example, Seabank and Triton Power with SSE's 50% ownership share) where SSE does not have operational control but has a 50%-and-over equity interest. The emissions associated with the generation of electricity is calculated using greenhouse gas emissions data from the generator's operating company. During 2017/18, SSE did not hold a 50%-and-over equity interest in any power stations. Its investment in Triton Power Ltd was completed in 2022 and emissions from Seabank Power Ltd were accounted for in SSE's scope 1 emissions during the 2017/18 base year. Therefore, no emissions were reported in this category during the 2017/18 base year.*

## Scope 3: Other (upstream)

### (7.5.3) Methodological details

*SSE reviews the relevance of each scope 3 category when there are significant changes to the business (for example acquisitions, disposals, other structural and operational changes and improvements in data reporting standards or methods). SSE has not identified any other upstream emissions that should be included within its scope 3 greenhouse gas inventory.*

## Scope 3: Other (downstream)

### **(7.5.3) Methodological details**

*SSE reviews the relevance of each scope 3 category when there are significant changes to the business (for example acquisitions, disposals, other structural and operational changes and improvements in data reporting standards or methods). SSE has not identified any other downstream emissions that should be included within its scope 3 greenhouse gas inventory.*

*[Fixed row]*

## **(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

### **Reporting year**

#### **(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)**

4338424

### **(7.6.3) Methodological details**

*The direct GHG emissions (scope 1) cover: Generation power stations – oil, gas and biomass consumed in SSE's thermal power generation plant (including Power Purchase Agreements) to generate electricity. Gas consumption in buildings – this is the gas consumed by SSE's non-operational buildings (offices, depots, call centres) to maintain building temperatures. Network fuel consumed – this includes diesel and gas oil used by fixed generators on islands and mobile generators to generate electricity to maintain the distribution network. Company vehicles – this is the petrol or diesel used by SSE's operational vehicles for business activities (operational vehicles are those vehicles that are owned by SSE and used by employees for SSE business activities). Fugitive emissions – use of sulphur hexafluoride (SF6) in thermal power stations, and transmission and distribution networks (used for conductivity in the switchgears and substations). Time Chartered Crew Transfer Vessels – this is the fuel purchased by SSE for use in vessels contracted on a time charter and used to transfer crew to service offshore wind farms in which SSE has an ownership share and operates on behalf of joint venture partners. For example: Beatrice Offshore Wind Farm Limited (SSE Renewables share 40%); Greater Gabbard Offshore Wind Farm (SSE Renewables share 50%) and Seagreen Wind Energy Limited (SSE Renewables share 49%).*

*[Fixed row]*

## **(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

### **Reporting year**

#### **(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)**

469489

## (7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

449281

### (7.7.4) Methodological details

*The indirect emissions (scope 2) cover:*

- *Electricity consumption in buildings – this is the electricity consumed by SSE’s non-operational buildings (customer call centres, offices). This data excludes leased buildings (which represent less than 1% of employees).*
- *Electricity consumption in networks – this is the electricity used by SSE’s operational buildings (e.g. substations) in the transmission and distribution network.*
- *Electricity consumption in thermal power stations – this is the electricity used by SSE’s GB thermal power stations for the generation of electricity. This data excludes power stations below 100MW which do not have metering and thermal power stations in Ireland.*
- *Distribution losses – this is the electricity lost in SSE’s distribution network in the north of Scotland (SHEPD) and southern central England (SEPD) transporting electricity to the customer.*

[Fixed row]

## (7.8) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

### Purchased goods and services

#### (7.8.1) Evaluation status

Select from:

Relevant, not yet calculated

#### (7.8.5) Please explain

*SSE has scope 3 emissions arising from its purchased goods and services and capital goods that are relevant for its greenhouse gas inventory. However, SSE is developing appropriate methodologies for these categories and is working to secure accurate data from its supply chain so that it can confidently report these emissions. SSE will report scope 3 category 1 and category 2 emissions once they are calculated to an acceptable level of accuracy.*

### Capital goods

#### (7.8.1) Evaluation status

Select from:

Relevant, not yet calculated

### (7.8.5) Please explain

*SSE has scope 3 emissions arising from its purchased goods and services and capital goods that are relevant for its greenhouse gas inventory. However, SSE is developing appropriate methodologies for these categories and is working to secure accurate data from its supply chain so that it can confidently report these emissions. SSE will report scope 3 category 1 and category 2 emissions once they are calculated to an acceptable level of accuracy.*

### Fuel-and-energy-related activities (not included in Scope 1 or 2)

#### (7.8.1) Evaluation status

Select from:

Relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO2e)

713077

#### (7.8.3) Emissions calculation methodology

Select all that apply

Fuel-based method

#### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### (7.8.5) Please explain

*Transmission and Distribution losses for electricity use in non-operational buildings: This is the transmission and distribution losses (the energy loss that occurs getting the electricity to SSE non-operational buildings from the power plant) associated with the electricity consumed by SSE's operational (power stations) and non-operational buildings (offices, depots, call centres, warehouses). This figure is calculated by taking the scope 2 electricity consumption figure for non-operational buildings and applying a carbon dioxide conversion factor provided by DESNZ reporting guidelines. As defined by DESNZ's reporting guidelines the transmission and distribution losses are included in this section instead of scope 2. Transmission and Distribution losses for electricity use in substations: This is the transmission and distribution losses (the energy loss that occurs getting the electricity to SHE Transmission, SEPD and SHEPD substations from the power plant) associated with the electricity consumed in SHE Transmission, SEPD and SHEPD substations. This figure is calculated by taking the scope 2 substation electricity consumption and applying a carbon dioxide conversion factor provided by DESNZ reporting guidelines. As defined by DESNZ's reporting guidelines the transmission and distribution*

losses are included in this section instead of scope 2. Well to tank emissions: Fuel purchased during the financial year (oil, gas and biomass) is measured through meters and weight tickets and converted into kWh using standard industry recognised conversion factors. Power Purchase Agreements are reported as Scope 1 emissions as the energy generated from these facilities is 100% used by SSE. PwC assures this data.

## Upstream transportation and distribution

### (7.8.1) Evaluation status

Select from:

Not relevant, calculated

### (7.8.2) Emissions in reporting year (metric tons CO2e)

13938.45

### (7.8.3) Emissions calculation methodology

Select all that apply

Fuel-based method

### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### (7.8.5) Please explain

*There are three Joint Ventures that are operational and use vessels to maintain offshore windfarms in the UK and Ireland. Fuel data is collected from the third party that owns and operates the vessels. Scottish Fuels supply all the fuel data for Beatrice Offshore Windfarm Limited (BOWL) and ASCO provide fuel data for Greater Gabbard Offshore Windfarm Limited (GGOWL) and Seagreen Wind Energy Ltd (SWEL). This data is sent by each third party and collected by BOWL, GGOWL, and SWEL SHE teams. The fuel data is stored by Renewables SHE and consolidated into one report to cover all offshore vessel activities. The sum of all vessel fuels consumed within 2023/24 is applied to an emission factor for Gas Oil, which is sourced from the 2023 UK Government GHG Conversion Factors for Company Reporting database. All data is verified by PwC using monthly invoices.*

## Waste generated in operations

### (7.8.1) Evaluation status



Select from:

Not relevant, explanation provided

### (7.8.5) Please explain

*Any activities representing under 1% of the total performance metric (i.e. total GHG emissions, or total water abstracted) are considered de-minimis by SSE. Exclusions are reviewed on an annual basis to ensure that they are still relevant and fall below the materiality threshold. The emissions impact of SSE's waste has been estimated as less than 1% of the total greenhouse emissions in 2023/24 and therefore it is not incorporated into its greenhouse gas inventory.*

## Business travel

### (7.8.1) Evaluation status

Select from:

Not relevant, calculated

### (7.8.2) Emissions in reporting year (metric tons CO2e)

7831

### (7.8.3) Emissions calculation methodology

Select all that apply

Distance-based method

### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### (7.8.5) Please explain

*Kilometres for flights (domestic, short haul, long haul and international), rail and company car (grey fleet) travel are reported, and relevant DESNZ conversion factors are applied to calculate the emissions for each type of travel. SSE reports this data and PwC assures this data.*

## Employee commuting

### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

### (7.8.5) Please explain

*Any activities representing under 1% of the total performance metric (i.e. total GHG emissions, or total water abstracted) are considered de-minimis by SSE. Exclusions are reviewed on an annual basis to ensure that they are still relevant and fall below the materiality threshold. Employee commuting emissions are determined as not material, as they were estimated to represent less than 1% of total greenhouse gas emissions in 2023/24. To account for employee commuting emissions, the data would be based on employee commuting surveys and estimated mileage data from sample data sets. These methods are unlikely to return accurate and quality data on which to base the emissions calculation, therefore SSE does not intend to report employee commuting emissions in the near future. Furthermore, following society's emergence from the COVID-19 pandemic, SSE launched its 'Flexible First' employee guidelines which were shaped by employee feedback. Throughout the pandemic virtual channels worked well and continue to be used in the Company. The guidelines are designed to harness the benefits of flexibility, balanced with the need to connect and collaborate in the most effective way. As such, many employees have been utilising technology to work from home and therefore reducing the frequency in which they commute to SSE sites.*

## Upstream leased assets

### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

### (7.8.5) Please explain

*SSE reviews the relevance of each scope 3 category when there are significant changes to the business (for example acquisitions, disposals, other structural and operational changes and improvements in data reporting standards or methods). SSE has not identified any upstream leased assets that should be included within its scope 3 greenhouse gas inventory.*

## Downstream transportation and distribution

### (7.8.1) Evaluation status

Select from:

Not relevant, calculated

## (7.8.2) Emissions in reporting year (metric tons CO2e)

109175

## (7.8.3) Emissions calculation methodology

Select all that apply

Other, please specify :Standard transmission losses guidance (produced by Elexon)

## (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

## (7.8.5) Please explain

*Transmission losses – the electricity lost in the Scottish Hydro Electric (SHE) Transmission network (the network between the generator and the distribution company) in the north of Scotland. The transmission of electricity is managed by the network operator, National Grid. When transferring power across the SHE Transmission System, some of the power is ‘lost’ known as ‘Transmission Losses’. Figures for transmission losses are calculated using standard transmission losses guidance (produced by Elexon) to compute the losses in the transmission system. This data is reported by National Grid as the system operator. They report this figure for the period of July to June to SSE for its assets. The figure is for the previous financial year as a result of the timing of the data capture process. This means for the financial year 1 April 2023 to 31 March 2024 the data will be based on the previous financial year July 2022 to June 2023. The data is verified by an independent third party, PwC, for National Grid.*

## Processing of sold products

### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

### (7.8.5) Please explain

*SSE reviews the relevance of each scope 3 category when there are significant changes to the business (for example acquisitions, disposals, other structural and operational changes and improvements in data reporting standards or methods). SSE has not identified any emissions from the processing of sold products that should be included within its scope 3 greenhouse gas inventory.*

## Use of sold products

### (7.8.1) Evaluation status

Select from:

Relevant, calculated

### (7.8.2) Emissions in reporting year (metric tons CO2e)

2012028

### (7.8.3) Emissions calculation methodology

Select all that apply

Fuel-based method

### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### (7.8.5) Please explain

*Gas volumes are based on settlement data published by Xoserve. SSE receives an allocation of the settlements data based on the total amount of gas used by the local distribution zone based on its portfolio of customers. This number covers both domestic (for the island of Ireland) and business customers (industrial and commercial) for Great Britain and the island of Ireland. The GHG emissions are calculated by taking the scope 3 gas sold to customers and applying the carbon dioxide conversion factor provided by BEIS reporting guidelines. PwC assure this data.*

## End of life treatment of sold products

### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

### (7.8.5) Please explain

SSE reviews the relevance of each scope 3 category when there are significant changes to the business (for example acquisitions, disposals, other structural and operational changes and improvements in data reporting standards or methods). SSE has not identified any emissions from the end-of-life treatment of sold products that should be included within its scope 3 greenhouse gas inventory.

## Downstream leased assets

### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

### (7.8.5) Please explain

SSE reviews the relevance of each scope 3 category when there are significant changes to the business (for example acquisitions, disposals, other structural and operational changes and improvements in data reporting standards or methods). SSE has not identified any downstream leased assets that should be included within its scope 3 greenhouse gas inventory.

## Franchises

### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

### (7.8.5) Please explain

SSE reviews the relevance of each scope 3 category when there are significant changes to the business (for example acquisitions, disposals, other structural and operational changes and improvements in data reporting standards or methods). SSE has not identified any franchises that should be included within its scope 3 greenhouse gas inventory.

## Investments

### (7.8.1) Evaluation status

Select from:

Not relevant, calculated

## (7.8.2) Emissions in reporting year (metric tons CO2e)

1605341

## (7.8.3) Emissions calculation methodology

Select all that apply

Investment-specific method

## (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

## (7.8.5) Please explain

*Emissions data is provided by the third-party owner of the generation site for the financial year. SSE will account for its equity share of the generation's emissions within the financial year. SSE invests in Thermal electricity generation. Emissions arise from the gas consumed in thermal power generation plant (for example, Seabank or Saltend power stations with SSE's 50% ownership share) that SSE does not operate but has a 50%-and-over equity interest. The emissions associated with the generation of electricity is calculated using greenhouse gas emissions data from the generator's operating company.*

### Other (upstream)

## (7.8.1) Evaluation status

Select from:

Not evaluated

## (7.8.5) Please explain

*SSE reviews the relevance of each scope 3 category when there are significant changes to the business (for example acquisitions, disposals, other structural and operational changes and improvements in data reporting standards or methods). SSE has not identified any other upstream emissions that should be included within its scope 3 greenhouse gas inventory.*

### Other (downstream)

## (7.8.1) Evaluation status

Select from:

Not evaluated

### (7.8.5) Please explain

SSE reviews the relevance of each scope 3 category when there are significant changes to the business (for example acquisitions, disposals, other structural and operational changes and improvements in data reporting standards or methods). SSE has not identified any other downstream emissions that should be included within its scope 3 greenhouse gas inventory.

[Fixed row]

### (7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 3	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place

[Fixed row]

### (7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

#### Row 1

#### (7.9.1.1) Verification or assurance cycle in place

Select from:

Annual process

### (7.9.1.2) Status in the current reporting year

Select from:

Complete

### (7.9.1.3) Type of verification or assurance

Select from:

Limited assurance

### (7.9.1.4) Attach the statement

*signed-pwc-assurance-report\_ghg-and-water-2024.pdf*

### (7.9.1.5) Page/section reference

*See metric "Scope 1 GHG emissions" in the table on page 1.*

### (7.9.1.6) Relevant standard

Select from:

ISAE 3410

### (7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

**(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**



## Row 1

### (7.9.2.1) Scope 2 approach

Select from:

- Scope 2 location-based

### (7.9.2.2) Verification or assurance cycle in place

Select from:

- Annual process

### (7.9.2.3) Status in the current reporting year

Select from:

- Complete

### (7.9.2.4) Type of verification or assurance

Select from:

- Limited assurance

### (7.9.2.5) Attach the statement

*signed-pwc-assurance-report\_ghg-and-water-2024 (1).pdf*

### (7.9.2.6) Page/ section reference

*See metric "Scope 2 GHG emissions" in the table on page 1.*

### (7.9.2.7) Relevant standard

Select from:

- ISAE 3410

### (7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

**(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

#### Row 1

### (7.9.3.1) Scope 3 category

Select all that apply

- Scope 3: Investments
- Scope 3: Business travel
- Scope 3: Use of sold products
- Scope 3: Upstream transportation and distribution
- Scope 3: Downstream transportation and distribution
- Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

### (7.9.3.2) Verification or assurance cycle in place

Select from:

- Annual process

### (7.9.3.3) Status in the current reporting year

Select from:

- Complete

### (7.9.3.4) Type of verification or assurance

Select from:

- Limited assurance

### (7.9.3.5) Attach the statement

*signed-pwc-assurance-report\_ghg-and-water-2024 (2).pdf*

### (7.9.3.6) Page/section reference

*See metric "Scope 3 GHG emissions - (Categories 3, 4, 6, 9, 11 and 15 only)" in the table on page 1.*

### (7.9.3.7) Relevant standard

*Select from:*

ISAE 3410

### (7.9.3.8) Proportion of reported emissions verified (%)

100

*[Add row]*

**(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

### **Change in renewable energy consumption**

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

*Select from:*

No change

#### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

*Change in renewable energy consumption had an immaterial impact on the change in SSE's gross global emissions.*

### Other emissions reduction activities

#### (7.10.1.1) Change in emissions (metric tons CO2e)

192436

#### (7.10.1.2) Direction of change in emissions

Select from:

Decreased

#### (7.10.1.3) Emissions value (percentage)

3

#### (7.10.1.4) Please explain calculation

*SSE's Tarbert oil-fired power station ceased generation, in line with environmental licence requirements, which is a more carbon intensive generation type compared to gas-fired generation. By closing this emissions intensive generation site, significant emissions savings have occurred year on year.*

### Divestment

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

Select from:

No change

### (7.10.1.3) Emissions value (percentage)

0

### (7.10.1.4) Please explain calculation

*SSE did not report any divestments during the 2023/24 reporting year.*

## Acquisitions

### (7.10.1.1) Change in emissions (metric tons CO2e)

0

### (7.10.1.2) Direction of change in emissions

Select from:

No change

### (7.10.1.3) Emissions value (percentage)

0

### (7.10.1.4) Please explain calculation

*SSE did not report any acquisitions during the 2023/24 reporting year.*

## Mergers

### (7.10.1.1) Change in emissions (metric tons CO2e)

0

### (7.10.1.2) Direction of change in emissions

Select from:

No change

### (7.10.1.3) Emissions value (percentage)

0

### (7.10.1.4) Please explain calculation

SSE did not report any mergers during the 2023/24 reporting year.

## Change in output

### (7.10.1.1) Change in emissions (metric tons CO<sub>2</sub>e)

1517404

### (7.10.1.2) Direction of change in emissions

Select from:

Decreased

### (7.10.1.3) Emissions value (percentage)

23

### (7.10.1.4) Please explain calculation

Scope 1 and 2 emissions decreased from 6.5 million tonnes CO<sub>2</sub>e to 4.8 million tonnes CO<sub>2</sub>e. This is equivalent to a 23% decrease (1,517,404 / 6,517,753). This was predominantly a result of a drop in output from SSE's thermal generation plant by 22% compared to the previous year, principally reflecting a normalisation of the market environment over the course of the year. Output from SSE's renewable generation portfolio (including pumped storage and biomass and excluding constrained off wind in GB) increased slightly to 10.0TWh in 2023/24, from 9.7TWh the previous year, due to capacity additions such as Seagreen offshore wind farm which were partially offset by lower year-on-year wind speeds.

## Change in methodology

### (7.10.1.1) Change in emissions (metric tons CO<sub>2</sub>e)

0

### (7.10.1.2) Direction of change in emissions

Select from:

No change

### (7.10.1.3) Emissions value (percentage)

0

### (7.10.1.4) Please explain calculation

*SSE did not report any methodology changes during the 2023/24 reporting year.*

## Change in boundary

### (7.10.1.1) Change in emissions (metric tons CO2e)

0

### (7.10.1.2) Direction of change in emissions

Select from:

No change

### (7.10.1.3) Emissions value (percentage)

0

### (7.10.1.4) Please explain calculation

*SSE did not report any boundary changes during the 2023/24 reporting year.*

## Change in physical operating conditions

**(7.10.1.1) Change in emissions (metric tons CO2e)**

0

**(7.10.1.2) Direction of change in emissions**

Select from:

No change

**(7.10.1.3) Emissions value (percentage)**

0

**(7.10.1.4) Please explain calculation**

*SSE did not report any physical operating conditions during the 2023/24 reporting year.*

**Unidentified**

**(7.10.1.1) Change in emissions (metric tons CO2e)**

0

**(7.10.1.2) Direction of change in emissions**

Select from:

No change

**(7.10.1.3) Emissions value (percentage)**

0

**(7.10.1.4) Please explain calculation**

*SSE has identified the reasons for the change in its gross global emissions between 2022/23 and 2023/24.*



## Other

### (7.10.1.1) Change in emissions (metric tons CO2e)

0

### (7.10.1.2) Direction of change in emissions

Select from:

No change

### (7.10.1.3) Emissions value (percentage)

0

### (7.10.1.4) Please explain calculation

*SSE has identified the reasons for the change in its gross global emissions between 2022/23 and 2023/24, as seen above.*

*[Fixed row]*

## (7.12.1) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

### (7.12.1.1) CO2 emissions from biogenic carbon (metric tons CO2)

191180

### (7.12.1.2) Comment

*These emissions relate to the biogenic only emissions from the combustion of wood at the SSE's Slough Heat & Power facility between 1st April 2023 and 31st March 2024.*

*[Fixed row]*

**(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).**

**Row 1**

**(7.15.1.1) Greenhouse gas**

Select from:

CO2

**(7.15.1.2) Scope 1 emissions (metric tons of CO2e)**

4324604

**(7.15.1.3) GWP Reference**

Select from:

IPCC Fifth Assessment Report (AR5 – 100 year)

**Row 2**

**(7.15.1.1) Greenhouse gas**

Select from:

CH4

**(7.15.1.2) Scope 1 emissions (metric tons of CO2e)**

5182

**(7.15.1.3) GWP Reference**

Select from:

IPCC Fifth Assessment Report (AR5 – 100 year)

### Row 3

#### (7.15.1.1) Greenhouse gas

Select from:

N2O

#### (7.15.1.2) Scope 1 emissions (metric tons of CO2e)

2412

#### (7.15.1.3) GWP Reference

Select from:

IPCC Fifth Assessment Report (AR5 – 100 year)

### Row 4

#### (7.15.1.1) Greenhouse gas

Select from:

SF6

#### (7.15.1.2) Scope 1 emissions (metric tons of CO2e)

6226

#### (7.15.1.3) GWP Reference

Select from:

IPCC Fifth Assessment Report (AR5 – 100 year)

[Add row]

**(7.15.3) Break down your total gross global Scope 1 emissions from electric utilities value chain activities by greenhouse gas type.**

**Fugitives**

**(7.15.3.1) Gross Scope 1 CO2 emissions (metric tons CO2)**

0

**(7.15.3.2) Gross Scope 1 methane emissions (metric tons CH4)**

0

**(7.15.3.3) Gross Scope 1 SF6 emissions (metric tons SF6)**

6226

**(7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)**

6226

**(7.15.3.5) Comment**

*Emissions arising from the use of sulphur hexafluoride (SF6) in thermal power stations, and transmission and distribution networks (used for conductivity in the switchgears and substations).*

**Combustion (Electric utilities)**

**(7.15.3.1) Gross Scope 1 CO2 emissions (metric tons CO2)**

4296938

**(7.15.3.2) Gross Scope 1 methane emissions (metric tons CH4)**

5173

### (7.15.3.3) Gross Scope 1 SF6 emissions (metric tons SF6)

0

### (7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)

4302111

### (7.15.3.5) Comment

*Emissions arising from the gas, oil and biomass consumed in SSE's thermal power generation plant (including power purchase agreements with 100% contractual arrangement) to generate electricity.*

### Combustion (Gas utilities)

### (7.15.3.1) Gross Scope 1 CO2 emissions (metric tons CO2)

0

### (7.15.3.2) Gross Scope 1 methane emissions (metric tons CH4)

0

### (7.15.3.3) Gross Scope 1 SF6 emissions (metric tons SF6)

0

### (7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)

0

### (7.15.3.5) Comment

*SSE does not own or operate any gas transmission or distribution infrastructure.*

### Combustion (Other)

### (7.15.3.1) Gross Scope 1 CO2 emissions (metric tons CO2)

27666

### (7.15.3.2) Gross Scope 1 methane emissions (metric tons CH4)

9

### (7.15.3.3) Gross Scope 1 SF6 emissions (metric tons SF6)

0

### (7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)

27674

### (7.15.3.5) Comment

*Emissions arising from the gas consumed by SSE's non-operational buildings (offices, depots, data centres and warehouses) to maintain building temperatures, gas oil used by fixed generators on islands and diesel used in mobile generators to generate electricity to maintain the distribution network and the petrol or diesel used by SSE's operational vehicles for business activities.*

### **Emissions not elsewhere classified**

### (7.15.3.1) Gross Scope 1 CO2 emissions (metric tons CO2)

0

### (7.15.3.2) Gross Scope 1 methane emissions (metric tons CH4)

0

### (7.15.3.3) Gross Scope 1 SF6 emissions (metric tons SF6)

0

### (7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)

2412

### (7.15.3.5) Comment

*Other greenhouse gas emissions (excluding carbon dioxide and methane) that arise from energy consumed in power generation stations – oil and gas consumed in SSE's thermal power generation plant (including Power Purchase Agreements) to generate electricity. This excludes biogenic emissions.*

*[Fixed row]*

### (7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)
Ireland	700568
United Kingdom of Great Britain and Northern Ireland	3637855

*[Fixed row]*

### (7.17.3) Break down your total gross global Scope 1 emissions by business activity.

#### Row 1

### (7.17.3.1) Activity

*Mobile plant - gas oil*

### (7.17.3.2) Scope 1 emissions (metric tons CO2e)

5214

## Row 2

### (7.17.3.1) Activity

*Operational vehicles and plant*

### (7.17.3.2) Scope 1 emissions (metric tons CO2e)

18345

## Row 3

### (7.17.3.1) Activity

*Fixed generation in distribution*

### (7.17.3.2) Scope 1 emissions (metric tons CO2e)

676

## Row 4

### (7.17.3.1) Activity

*Generation excluding biogenic emissions*

### (7.17.3.2) Scope 1 emissions (metric tons CO2e)

4304180

## Row 5

### (7.17.3.1) Activity

*Gas consumed in non-operational buildings*



**(7.17.3.2) Scope 1 emissions (metric tons CO2e)**

890

**Row 6**

**(7.17.3.1) Activity**

*SF6 for transmission, distribution and thermal*

**(7.17.3.2) Scope 1 emissions (metric tons CO2e)**

6226

**Row 7**

**(7.17.3.1) Activity**

*Time Chartered Vessels for SSE Renewables offshore wind farms*

**(7.17.3.2) Scope 1 emissions (metric tons CO2e)**

2892

*[Add row]*

**(7.19) Break down your organization’s total gross global Scope 1 emissions by sector production activity in metric tons CO2e.**

	Gross Scope 1 emissions, metric tons CO2e	Comment
Electric utility activities	4304180	Excludes biogenic emissions

[Fixed row]

**(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.**

### Consolidated accounting group

#### (7.22.4) Please explain

*Unless otherwise stated, the boundaries for all environmental reporting disclosed in the Annual Report and Sustainability Report include all activities over which SSE has operational control. SSE prepares its reporting of greenhouse gas and water performance measures using the reporting principles outlined by non-financial reporting guidance (specifically the UK Government’s environmental reporting guidelines (BEIS, March 2019)) and in the case of the GHG emissions performance measures, the Greenhouse Gas Protocol and ISO 14064-1:2018. Where relevant, the inventory is aligned with industry or sector best practice for emissions measurement and reporting.*

### All other entities

#### (7.22.4) Please explain

*Unless otherwise stated, the boundaries for all environmental reporting disclosed in the Annual Report and Sustainability Report include all activities over which SSE has operational control. All emissions arising from associates, joint ventures, and unconsolidated subsidiaries are reported in SSE’s scope 3 inventory.*

[Fixed row]

**(7.30) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired heat	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired steam	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired cooling	Select from: <input checked="" type="checkbox"/> No
Generation of electricity, heat, steam, or cooling	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

### (7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

#### Consumption of fuel (excluding feedstock)

##### (7.30.1.1) Heating value

Select from:

LHV (lower heating value)

##### (7.30.1.2) MWh from renewable sources

0

### (7.30.1.3) MWh from non-renewable sources

23142837

### (7.30.1.4) Total (renewable and non-renewable) MWh

23142837

## Consumption of purchased or acquired electricity

### (7.30.1.1) Heating value

Select from:

Unable to confirm heating value

### (7.30.1.2) MWh from renewable sources

97027

### (7.30.1.3) MWh from non-renewable sources

149535

### (7.30.1.4) Total (renewable and non-renewable) MWh

246562

## Consumption of purchased or acquired heat

### (7.30.1.1) Heating value

Select from:

Unable to confirm heating value

**(7.30.1.2) MWh from renewable sources**

0

**(7.30.1.3) MWh from non-renewable sources**

4865

**(7.30.1.4) Total (renewable and non-renewable) MWh**

4865

**Consumption of self-generated non-fuel renewable energy**

**(7.30.1.1) Heating value**

Select from:

Unable to confirm heating value

**(7.30.1.2) MWh from renewable sources**

0

**(7.30.1.4) Total (renewable and non-renewable) MWh**

0

**Total energy consumption**

**(7.30.1.1) Heating value**

Select from:

Unable to confirm heating value

**(7.30.1.2) MWh from renewable sources**

**(7.30.1.3) MWh from non-renewable sources**

23297237

**(7.30.1.4) Total (renewable and non-renewable) MWh**

23394264

*[Fixed row]***(7.30.6) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of fuel for the generation of heat	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of steam	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of cooling	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for co-generation or tri-generation	Select from: <input checked="" type="checkbox"/> No

*[Fixed row]***(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

## Sustainable biomass

### (7.30.7.1) Heating value

Select from:

Unable to confirm heating value

### (7.30.7.2) Total fuel MWh consumed by the organization

0

### (7.30.7.3) MWh fuel consumed for self-generation of electricity

0

### (7.30.7.4) MWh fuel consumed for self-generation of heat

0

### (7.30.7.8) Comment

N/A

## Other biomass

### (7.30.7.1) Heating value

Select from:

Unable to confirm heating value

### (7.30.7.2) Total fuel MWh consumed by the organization

0

### (7.30.7.3) MWh fuel consumed for self-generation of electricity

0

**(7.30.7.4) MWh fuel consumed for self-generation of heat**

0

**(7.30.7.8) Comment**

N/A

**Other renewable fuels (e.g. renewable hydrogen)**

**(7.30.7.1) Heating value**

Select from:

Unable to confirm heating value

**(7.30.7.2) Total fuel MWh consumed by the organization**

0

**(7.30.7.3) MWh fuel consumed for self-generation of electricity**

0

**(7.30.7.4) MWh fuel consumed for self-generation of heat**

0

**(7.30.7.8) Comment**

N/A

**Coal**

**(7.30.7.1) Heating value**



Select from:

Unable to confirm heating value

**(7.30.7.2) Total fuel MWh consumed by the organization**

0

**(7.30.7.3) MWh fuel consumed for self-generation of electricity**

0

**(7.30.7.4) MWh fuel consumed for self-generation of heat**

0

**(7.30.7.8) Comment**

N/A

**Oil**

**(7.30.7.1) Heating value**

Select from:

LHV

**(7.30.7.2) Total fuel MWh consumed by the organization**

326156

**(7.30.7.3) MWh fuel consumed for self-generation of electricity**

326156

**(7.30.7.4) MWh fuel consumed for self-generation of heat**

0

**(7.30.7.8) Comment**

N/A

**Gas**

**(7.30.7.1) Heating value**

Select from:

LHV

**(7.30.7.2) Total fuel MWh consumed by the organization**

22821546

**(7.30.7.3) MWh fuel consumed for self-generation of electricity**

22821546

**(7.30.7.4) MWh fuel consumed for self-generation of heat**

0

**(7.30.7.8) Comment**

N/A

**Other non-renewable fuels (e.g. non-renewable hydrogen)**

**(7.30.7.1) Heating value**

Select from:

Unable to confirm heating value

**(7.30.7.2) Total fuel MWh consumed by the organization**

0

**(7.30.7.3) MWh fuel consumed for self-generation of electricity**

0

**(7.30.7.4) MWh fuel consumed for self-generation of heat**

0

**(7.30.7.8) Comment**

N/A

**Total fuel**

**(7.30.7.1) Heating value**

Select from:

LHV

**(7.30.7.2) Total fuel MWh consumed by the organization**

23147702

**(7.30.7.3) MWh fuel consumed for self-generation of electricity**

23147702

**(7.30.7.4) MWh fuel consumed for self-generation of heat**

0

**(7.30.7.8) Comment**

N/A  
[Fixed row]

**(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.**

**Ireland**

**(7.30.16.1) Consumption of purchased electricity (MWh)**

922

**(7.30.16.2) Consumption of self-generated electricity (MWh)**

0

**(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)**

60

**(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)**

0

**(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)**

982.00

**United Kingdom of Great Britain and Northern Ireland**

**(7.30.16.1) Consumption of purchased electricity (MWh)**

245640

**(7.30.16.2) Consumption of self-generated electricity (MWh)**

0

**(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)**

4806

**(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)**

0

**(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)**

250446.00

[Fixed row]

**(7.33.1) Disclose the following information about your transmission and distribution business.**

**Row 1**

**(7.33.1.1) Country/area/region**

Select from:

United Kingdom of Great Britain and Northern Ireland

**(7.33.1.2) Voltage level**

Select from:

Distribution (low voltage)

**(7.33.1.3) Annual load (GWh)**

37931.04

**(7.33.1.4) Annual energy losses (% of annual load)**

**(7.33.1.5) Scope where emissions from energy losses are accounted for**

Select from:

 Scope 2 (location-based)**(7.33.1.6) Emissions from energy losses (metric tons CO2e)**

418317

**(7.33.1.7) Length of network (km)**

128858.3

**(7.33.1.8) Number of connections**

39292

**(7.33.1.9) Area covered (km<sup>2</sup>)**

79524.28

**(7.33.1.10) Comment**

*SSE is the owner of three economically regulated electricity network licensees that are jointly operated under the brand of Scottish and Southern Electricity Networks SSEN. The three networks are: 1. Scottish Hydro Electric Transmission plc which owns 75 of the high voltage network in the north of Scotland. 2. Scottish Hydro Electric Power Distribution plc which owns the low voltage network in the north of Scotland. 3. Southern Electric Power Distribution which owns the low voltage network in central southern England. This data refers to the totals for Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution Data can be provided for each license area and this can be found in regulatory reports for these businesses. Emissions from energy losses covers distribution losses - this is the electricity lost in SSEs distribution network in the north of Scotland SHEPD and southern central England SEPD transporting electricity to the customer. Number of connections details both the total number of connections (including unmetered) by DNO and by Third Parties on SSE's behalf. The total number comprises the split by License Area (SHEPD 6,079 and SEPD 33,213) as these are the splits reported to Ofgem. The total number of DNO connections is 23,106 with 5,960 in SHEPD and 17,146 in SEPD. The total number of connections by third parties is 16,186 with 119 in SHEPD and 16,067 in SEPD.*

**Row 3**

### (7.33.1.1) Country/area/region

Select from:

United Kingdom of Great Britain and Northern Ireland

### (7.33.1.2) Voltage level

Select from:

Transmission (high voltage)

### (7.33.1.3) Annual load (GWh)

17076.7

### (7.33.1.4) Annual energy losses (% of annual load)

2.92

### (7.33.1.5) Scope where emissions from energy losses are accounted for

Select from:

Scope 2 (location-based)

### (7.33.1.6) Emissions from energy losses (metric tons CO<sub>2</sub>e)

103123

### (7.33.1.7) Length of network (km)

5377

### (7.33.1.8) Number of connections

104

### (7.33.1.9) Area covered (km2)

57347.7

### (7.33.1.10) Comment

*SSE owns three economically regulated electricity network licensees. The three networks are: 1 Scottish Hydro Electric Transmission plc, which operates the high voltage electricity transmission network in the north of Scotland. SSE owns a 75% majority stake in SHET. 2 Scottish Hydro Electric Power Distribution plc which owns the low voltage network in the north of Scotland 3 Southern Electric Power Distribution which owns the low voltage network in central southern England The data in this row refers to Sottish Hydro Electricity Transmission Plc. Length of network is defined as the total route length. SSEs transmission losses are classified as scope 3 emissions and reported in question C65. These emissions are classified as Scope 3 because SHET is not the system operator and does not have operational control over the flow of electricity across its network.*

*[Add row]*

**(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

### Row 1

#### (7.45.1) Intensity figure

0.227

#### (7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

4807913

#### (7.45.3) Metric denominator

Select from:

megawatt hour generated (MWh)

#### (7.45.4) Metric denominator: Unit total

21163721



### (7.45.5) Scope 2 figure used

Select from:

- Location-based

### (7.45.6) % change from previous year

16

### (7.45.7) Direction of change

Select from:

- Decreased

### (7.45.8) Reasons for change

Select all that apply

- Other emissions reduction activities
- Change in output

### (7.45.9) Please explain

*In 2023/24, SSE's total carbon emissions consisted of 47% scope 1 emissions, 5% scope 2 emissions and 48% from scope 3 emissions. Overall, SSE's total reported greenhouse gas emissions fell by 18% between 2022/23 and 2023/24. The reduction in scope 1 and scope 2 emissions is the result of a slight increase in renewable generation and a decrease in thermal generation. Output from SSE's renewable generation portfolio increased slightly to 10.0TWh in 2023/24, from 9.7TWh the previous year, due to capacity additions such as Seagreen offshore wind farm which were partially offset by lower year-on-year wind speeds. Output from SSE's thermal generation decreased by 22% from the previous year, principally reflecting a normalisation of the market environment over the course of the year, and Tarbert oil-fired power ceased generation. The scope 1 carbon intensity of electricity generated has reduced by 33% compared to 2017/18 levels, to 205 CO2e/kWh. This is the lowest recorded by SSE, falling by 19% between 2022/23 and 2023/24.*

## Row 2

### (7.45.1) Intensity figure

459.77058

### (7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

4807913

### (7.45.3) Metric denominator

Select from:

unit total revenue

### (7.45.4) Metric denominator: Unit total

10457200000

### (7.45.5) Scope 2 figure used

Select from:

Location-based

### (7.45.6) % change from previous year

12

### (7.45.7) Direction of change

Select from:

Decreased

### (7.45.8) Reasons for change

Select all that apply

Other emissions reduction activities

Change in output

### (7.45.9) Please explain

In 2023/24, SSE's total carbon emissions consisted of 47% scope 1 emissions, 5% scope 2 emissions and 48% from scope 3 emissions. Overall, SSE's total reported greenhouse gas emissions fell by 18% between 2022/23 and 2023/24. The reduction in scope 1 and scope 2 emissions is the result of a slight increase in renewable generation and a decrease in thermal generation (including due to the closure of Tarbert oil-fired power). Output from SSE's renewable generation portfolio increased slightly to 10.0TWh in 2023/24, from 9.7TWh the previous year, due to capacity additions such as Seagreen offshore wind farm which were partially offset by lower year-on-year wind speeds. SSE's revenue decreased from 12,490.7m in 2022/23 to 10,457.2m in 2023/24. SSE's revenue decreased from 12,490.7m in 2022/23 to 10,457.2m in 2023/24.

### Row 3

#### (7.45.1) Intensity figure

346.117

#### (7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

4807913

#### (7.45.3) Metric denominator

Select from:

full time equivalent (FTE) employee

#### (7.45.4) Metric denominator: Unit total

13891

#### (7.45.5) Scope 2 figure used

Select from:

Location-based

#### (7.45.6) % change from previous year

35

#### (7.45.7) Direction of change

Select from:

Decreased

### (7.45.8) Reasons for change

Select all that apply

Other emissions reduction activities

Change in output

### (7.45.9) Please explain

*In 2023/24, SSE's total carbon emissions consisted of 47% scope 1 emissions, 5% scope 2 emissions and 48% from scope 3 emissions. Overall, SSE's total reported greenhouse gas emissions fell by 18% between 2022/23 and 2023/24. The reduction in scope 1 and scope 2 emissions is the result of a slight increase in renewable generation and a decrease in thermal generation (including due to the closure of Tarbert oil-fired power). Output from SSE's renewable generation portfolio increased slightly to 10.0TWh in 2023/24, from 9.7TWh the previous year, due to capacity additions such as Seagreen offshore wind farm which were partially offset by lower year-on-year wind speeds. SSE's FTE numbers increased from 12,180 in 2022/23 to 13,891 in 2023/24 as a result of the organic growth of the business. SSE's FTE numbers increased from 12,180 in 2022/23 to 13,891 in 2023/24 as a result of the organic growth of the business.*

[Add row]

**(7.46) For your electric utility activities, provide a breakdown of your Scope 1 emissions and emissions intensity relating to your total power plant capacity and generation during the reporting year by source.**

**Oil**

### (7.46.1) Absolute scope 1 emissions (metric tons CO2e)

89139

### (7.46.2) Emissions intensity based on gross or net electricity generation

Select from:

Gross

### (7.46.3) Scope 1 emissions intensity (Gross generation)

713.11

**(7.46.4) Scope 1 emissions intensity (Net generation)**

713.11

**Gas**

**(7.46.1) Absolute scope 1 emissions (metric tons CO2e)**

4201977

**(7.46.2) Emissions intensity based on gross or net electricity generation**

Select from:

Gross

**(7.46.3) Scope 1 emissions intensity (Gross generation)**

380.82

**(7.46.4) Scope 1 emissions intensity (Net generation)**

380.82

**Other biomass**

**(7.46.1) Absolute scope 1 emissions (metric tons CO2e)**

13064

**(7.46.2) Emissions intensity based on gross or net electricity generation**

Select from:

Gross

(7.46.3) Scope 1 emissions intensity (Gross generation)

167.49

(7.46.4) Scope 1 emissions intensity (Net generation)

167.49

**Hydropower**

(7.46.1) Absolute scope 1 emissions (metric tons CO<sub>2</sub>e)

0

(7.46.2) Emissions intensity based on gross or net electricity generation

Select from:

Gross

(7.46.3) Scope 1 emissions intensity (Gross generation)

0.00

(7.46.4) Scope 1 emissions intensity (Net generation)

0.00

**Wind**

(7.46.1) Absolute scope 1 emissions (metric tons CO<sub>2</sub>e)

0

(7.46.2) Emissions intensity based on gross or net electricity generation

Select from:

Gross

**(7.46.3) Scope 1 emissions intensity (Gross generation)**

0.00

**(7.46.4) Scope 1 emissions intensity (Net generation)**

0.00

**Total**

**(7.46.1) Absolute scope 1 emissions (metric tons CO2e)**

4304180

**(7.46.2) Emissions intensity based on gross or net electricity generation**

Select from:

Gross

**(7.46.3) Scope 1 emissions intensity (Gross generation)**

203.37

[Fixed row]

**(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.**

**Row 1**

**(7.53.1.1) Target reference number**

Select from:

Abs 2

### (7.53.1.2) Is this a science-based target?

Select from:

- Yes, and this target has been approved by the Science Based Targets initiative

### (7.53.1.3) Science Based Targets initiative official validation letter

*SSE Voluntary Update Decision Letter revised.pdf*

### (7.53.1.4) Target ambition

Select from:

- Well-below 2°C aligned

### (7.53.1.5) Date target was set

12/16/2021

### (7.53.1.6) Target coverage

Select from:

- Organization-wide

### (7.53.1.7) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO<sub>2</sub>)
- Methane (CH<sub>4</sub>)
- Nitrous oxide (N<sub>2</sub>O)

### (7.53.1.8) Scopes

Select all that apply

- Scope 3



### **(7.53.1.10) Scope 3 categories**

*Select all that apply*

Scope 3, Category 11 – Use of sold products

### **(7.53.1.11) End date of base year**

03/30/2018

### **(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)**

2538729

### **(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)**

2538729.000

### **(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

2538729.000

### **(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)**

100

### **(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

62

### **(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

62

**(7.53.1.54) End date of target**

05/30/2035

**(7.53.1.55) Targeted reduction from base year (%)**

50

**(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)**

1269364.500

**(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)**

2012028

**(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

2012028.000

**(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

2012028.000

**(7.53.1.78) Land-related emissions covered by target**

Select from:

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

**(7.53.1.79) % of target achieved relative to base year**

41.49

**(7.53.1.80) Target status in reporting year**

Select from:

Underway

### (7.53.1.82) Explain target coverage and identify any exclusions

*This target covers: The indirect emissions (scope 3) use of sold products which relates to the 'gas sold to customers by SSE' - (industrial and commercial business customers in the UK and Ireland and domestic customers in Northern Ireland and the Republic of Ireland) that is then used by our customers for heating and power purposes. This figure is calculated by taking the amount of gas sold (millions therms) converting it to kWh and then applying a carbon dioxide conversion factor provided by BEIS reporting guidelines.*

### (7.53.1.83) Target objective

*SSE has set a science-based target to reduce absolute greenhouse gas emissions from use of products sold by 50% by 2034 from a 2017/18 base year. The decarbonisation of heat is a key challenge in the transition to net zero. At present, SSE's scope 3 emissions are 48% of total scope 1, 2, and 3 emissions, and therefore a scope 3 target is required. SSE is involved in the sale and distribution of natural gas and so a scope 3 target for the use of sold products irrespective of the share of these emissions compared to the total scope 1, 2, and 3 emissions is applicable. SSE's gas sold target covers all the emissions in this category. The target also aligns to the 'well below 2 degrees' scenario and so is ambitious in its approach.*

### (7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

*Plan for achieving target: SSE understands that credible net zero targets must be backed up by a clear plan of actions that will be taken to achieve them. SSE's Net Zero Transition Plan was first published in March 2022 and updated in October 2022 in response to shareholder and wider stakeholder feedback. The updated Net Zero Transition Plan outlines SSE's net zero aligned targets and actions to reduce material GHG emissions across scopes 1, 2 and 3. SSE's Net Zero Transition Plan was designed to provide clarity for its stakeholders, outlining in detail 17 key actions it will take to ensure its net zero ambitions are met. The key actions focus primarily on addressing SSE's largest source of GHG emissions from electricity generation, alongside a plan to address remaining GHG emissions across all scopes. The key actions covering this target are: • Support customers to fuel switch and consume less gas. • Advocate for a pathway for decarbonised heat. Performance against the target: SSE's target is to reduce absolute GHG emissions from use of products sold by 50% by 2034 from a 2018 base year. This means that SSE's use of products sold is forecast to be around 1.3 million tonnes CO<sub>2</sub>e by 2030. SSE's Scope 3 GHG emissions decreased by 21% between 2017/18 and 2023/24. It is important to note that SSE does not expect the achievement of this target in 2034 to have followed a linear year-to-year reduction path. Market driven and weather-related fluctuations may mean there are some years in which emissions may increase. However, SSE fully expects to achieve its 2034 target and the long-term trend continues to be to move to lower carbon sources of heat during this time period. This target covers SSE's scope 3 emissions and is a science-based target, validated by the SBTi. SSE has a suite of targets which together meet the SBTi criteria.*

### (7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

No

## Row 2

### (7.53.1.1) Target reference number

Select from:

- Abs 1

### (7.53.1.2) Is this a science-based target?

Select from:

- Yes, and this target has been approved by the Science Based Targets initiative

### (7.53.1.3) Science Based Targets initiative official validation letter

*SSE Voluntary Update Decision Letter revised.pdf*

### (7.53.1.4) Target ambition

Select from:

- 1.5°C aligned

### (7.53.1.5) Date target was set

12/16/2021

### (7.53.1.6) Target coverage

Select from:

- Organization-wide

### (7.53.1.7) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO2)
- Methane (CH4)

- Nitrous oxide (N2O)
- Sulphur hexafluoride (SF6)

### (7.53.1.8) Scopes

Select all that apply

- Scope 1
- Scope 2

### (7.53.1.9) Scope 2 accounting method

Select from:

- Location-based

### (7.53.1.11) End date of base year

03/30/2018

### (7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

10154749

### (7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

907745

### (7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

### (7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

11062494.000

### (7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

**(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

100

**(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**(7.53.1.54) End date of target**

03/30/2031

**(7.53.1.55) Targeted reduction from base year (%)**

72.5

**(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)**

3042185.850

**(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)**

4338424

**(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)**

469489

**(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

4807913.000

**(7.53.1.78) Land-related emissions covered by target**

Select from:

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

### (7.53.1.79) % of target achieved relative to base year

77.98

### (7.53.1.80) Target status in reporting year

Select from:

Underway

### (7.53.1.82) Explain target coverage and identify any exclusions

*This target covers: Direct GHG emissions (scope 1): GHG emissions from the consumption of oil, gas and biomass in SSE's thermal generation plant (including Power Purchase Agreements) to generate electricity, gas consumption in buildings, network and company vehicle fuel (petrol, diesel or gas oil) consumed and fugitive emissions (use of sulphur hexafluoride (SF6) in the transmission and distribution networks for conductivity (used in the switchgears and substations)); and Indirect GHG emissions (scope 2): GHG emissions from electricity consumption in buildings, networks and thermal power stations as well as distribution losses (this is the electricity lost in SSE's distribution network in the north of Scotland (SHEPD) and southern central England (SEPD) transporting electricity to the customer). It is important to note that SSE does not expect the achievement of this target in 2030 to have followed a linear year-to-year reduction path. Market driven and weather-related fluctuations may mean there are some years in which emissions may increase. However, SSE fully expects to achieve its 2030 target and the long-term trend continues to be significant reduction in the absolute emissions from the electricity it generates. This target covers SSE's scope 1 and 2 emissions and is a science-based target, validated by the SBTi.*

### (7.53.1.83) Target objective

*SSE aims to achieve net zero across scope 1 and 2 greenhouse gas emissions by 2040 at the latest (subject to security of supply requirements). SSE will first and foremost, take action to reduce emissions as low as possible and its Net Zero Transition Plan sets out the key actions it is taking to achieve its targets to drive progress towards its net zero ambitions. This Plan is focused on actions to deliver the steep cuts needed in the medium term, on the pathway to net zero, and provides clarity for stakeholders around the elements within SSE's control. The updated plan outlines SSE's net zero aligned targets and describes 17 actions to reduce material greenhouse gas emissions across scopes 1, 2 and 3.*

### (7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

*Plan for achieving target: SSE understands that credible net zero targets must be backed up by a clear plan of actions that will be taken to achieve them. SSE's Net Zero Transition Plan was first published in March 2022 and updated in October 2022 in response to shareholder and wider stakeholder feedback. The updated Net Zero Transition Plan outlines SSE's net zero aligned targets and actions to reduce material GHG emissions across scopes 1, 2 and 3. SSE's Net Zero Transition Plan*

was designed to provide clarity for its stakeholders, outlining in detail 17 key actions it will take to ensure its net zero ambitions are met. The key actions focus primarily on addressing SSE's largest source of GHG emissions from electricity generation, alongside a plan to address remaining GHG emissions across all scopes. Some key actions covering this target include: Scope 1: • Reduce emissions from unabated gas generation. • Develop new low-carbon flexible generation • Build a renewable energy portfolio of 13GW of capacity by 2031 • Reduce SSEN's leakage and reliance on SF6 • Switch vehicle fleet to electric in line with EV100 commitment. • Reduce reliance on SSEN's Scottish Island backup diesel generation. Scope 2: • Reduce electrical losses from SSEN Distribution. • Deliver a net zero property estate. Performance against the target: SSE's target is to reduce Scope 1 and 2 GHG emissions by 72.5% by 2030, based on 2018 levels. In comparison to the baseline year of 2017/18, SSE's Scope 1 and 2 GHG emissions fell by 41%. The main contributing factors to this decrease included: • Emissions from electricity generation activities: emissions fell as a direct result of the decarbonisation of the fuels used to generate electricity. The main cause for the emissions decrease was the closure of Fiddler's Ferry. With the closure of its last remaining coal-fired power station, 2020/21 was the first year since 2005 that SSE's generation fleet contained no electricity output from coal. • Power Purchase Agreements expiring: SSE changed the way it accounts for the GHG emissions from its 50% owned Seabank gas-fired power station from 1 October 2021. Prior to this date SSE had operational control of the plant under a Power Purchase Agreement and as such 100% of emissions from the station were accounted for in scope 1 inventory. Following cessation of the agreement on 30 September 2021, 50% of its emissions (aligned with equity ownership) will be accounted for within scope 3.

### (7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

Yes

### Row 3

### (7.53.1.1) Target reference number

Select from:

Abs 3

### (7.53.1.2) Is this a science-based target?

Select from:

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

### (7.53.1.4) Target ambition

Select from:

1.5°C aligned



### (7.53.1.5) Date target was set

03/01/2022

### (7.53.1.6) Target coverage

Select from:

Organization-wide

### (7.53.1.7) Greenhouse gases covered by target

Select all that apply

Carbon dioxide (CO2)

Methane (CH4)

Nitrous oxide (N2O)

Sulphur hexafluoride (SF6)

### (7.53.1.8) Scopes

Select all that apply

Scope 1

Scope 2

Scope 3

### (7.53.1.9) Scope 2 accounting method

Select from:

Location-based

### (7.53.1.10) Scope 3 categories

Select all that apply

Scope 3, Category 15 – Investments  
Scope 1 or 2)

Scope 3, Category 3 – Fuel- and energy- related activities (not included in

- ☑ Scope 3, Category 6 – Business travel
- ☑ Scope 3, Category 11 – Use of sold products
- ☑ Scope 3, Category 4 – Upstream transportation and distribution
- ☑ Scope 3, Category 9 – Downstream transportation and distribution

#### **(7.53.1.11) End date of base year**

03/30/2018

#### **(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)**

10154749

#### **(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)**

907745

#### **(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)**

1433903

#### **(7.53.1.17) Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)**

10997

#### **(7.53.1.19) Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)**

8770

#### **(7.53.1.22) Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)**

110004

**(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)**

2538729

**(7.53.1.28) Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)**

325254

**(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)**

4427657.000

**(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

15490151.000

**(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

100

**(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

100

**(7.53.1.37) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

100

**(7.53.1.38) Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)**

100

**(7.53.1.40) Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)**

100

**(7.53.1.43) Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)**

100

**(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)**

100

**(7.53.1.49) Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)**

100

**(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

100

**(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**(7.53.1.54) End date of target**

**(7.53.1.55) Targeted reduction from base year (%)**

100

**(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)**

0.000

**(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)**

4338424

**(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)**

469489

**(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)**

713077

**(7.53.1.62) Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**

13940.45

**(7.53.1.64) Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)**

7831

**(7.53.1.67) Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**

109175

**(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)**

2012028

**(7.53.1.73) Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)**

1605341

**(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

4461392.450

**(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

9269305.450

**(7.53.1.78) Land-related emissions covered by target**

Select from:

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

**(7.53.1.79) % of target achieved relative to base year**

40.16

**(7.53.1.80) Target status in reporting year**

Select from:

Underway

**(7.53.1.82) Explain target coverage and identify any exclusions**

*SSE seeks to achieve net zero greenhouse gas emissions and its Net Zero Transition Plan sets out SSE's targets, actions and plans to achieve net zero. SSE subscribes to the definitions of net zero set out by the International Panel on Climate Change and the UK's Climate Change Committee. It aims to achieve net zero*

across scope 1 and 2 emissions by 2040 at the latest (subject to security of supply requirements) and for remaining scope 3 emissions by 2050 at the latest. Recognising the importance of independent third-party verification, and in support of these longer-term ambitions, SSE has set interim science-based carbon targets, approved by the Science Based Targets initiative (SBTi), aligned to the Paris Agreement and the SBTi's power sector 1.5C-aligned criteria.

### **(7.53.1.83) Target objective**

*In 2022, recognising the national and international importance of decarbonising the power sector as quickly as possible, SSE committed to achieve net zero across scope 1 and 2 emissions by 2040 at the latest and to reach net zero for all SSE's remaining scope 3 emissions by 2050. In the short to medium term, SSE has already set four interim science-based targets. Two of SSE's science-based carbon targets cover SSE's scope 1 greenhouse gas emissions. Its scope 1 and 2 targets are aligned with a 1.5C scenario.*

### **(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year**

*Plan for achieving target: SSE understands that credible net zero targets must be backed up by a clear plan of actions that will be taken to achieve them. SSE's Net Zero Transition Plan was first published in March 2022 and updated in October 2022 in response to shareholder and wider stakeholder feedback. The updated Net Zero Transition Plan outlines SSE's net zero aligned targets and actions to reduce material GHG emissions across scopes 1, 2 and 3. SSE's Net Zero Transition Plan was designed to provide clarity for its stakeholders, outlining in detail 17 key actions it will take to ensure its net zero ambitions are met. The key actions focus primarily on addressing SSE's largest source of GHG emissions from electricity generation, alongside a plan to address remaining GHG emissions across all scopes. Some key actions covering this target include: Scope 1: • Reduce emissions from unabated gas generation. • Develop new low-carbon flexible generation • Build a renewable energy portfolio of 13GW of capacity by 2031 • Reduce SSEN's leakage and reliance on SF6 • Switch vehicle fleet to electric in line with EV100 commitment. • Reduce reliance on SSEN's Scottish Island backup diesel generation. Scope 2: • Reduce electrical losses from SSEN Distribution. • Deliver a net zero property estate. Performance against the target: SSE's target is to reduce Scope 1 and 2 GHG emissions by 72.5% by 2030, based on 2018 levels. In comparison to the baseline year of 2017/18, SSE's Scope 1 and 2 GHG emissions fell by 41%. The main contributing factors to this decrease included: • Emissions from electricity generation activities: emissions fell as a direct result of the decarbonisation of the fuels used to generate electricity. The main cause for the emissions decrease was the closure of Fiddler's Ferry. With the closure of its last remaining coal-fired power station, 2020/21 was the first year since 2005 that SSE's generation fleet contained no electricity output from coal. • Power Purchase Agreements expiring: SSE changed the way it accounts for the GHG emissions from its 50% owned Seabank gas-fired power station from 1 October 2021. Prior to this date SSE had operational control of the plant under a Power Purchase Agreement and as such 100% of emissions from the station were accounted for in scope 1 inventory. Following cessation of the agreement on 30 September 2021, 50% of its emissions (aligned with equity ownership) will be accounted for within scope 3.*

### **(7.53.1.85) Target derived using a sectoral decarbonization approach**

Select from:

No

[Add row]

## **(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.**

## Row 1

### (7.53.2.1) Target reference number

Select from:

Int 1

### (7.53.2.2) Is this a science-based target?

Select from:

Yes, and this target has been approved by the Science Based Targets initiative

### (7.53.2.3) Science Based Targets initiative official validation letter

*SSE Voluntary Update Decision Letter revised.pdf*

### (7.53.2.4) Target ambition

Select from:

1.5°C aligned

### (7.53.2.5) Date target was set

12/06/2021

### (7.53.2.6) Target coverage

Select from:

Organization-wide

### (7.53.2.7) Greenhouse gases covered by target

Select all that apply

Carbon dioxide (CO2)

Methane (CH4)



- Nitrous oxide (N2O)
- Sulphur hexafluoride (SF6)

### (7.53.2.8) Scopes

Select all that apply

- Scope 1

### (7.53.2.11) Intensity metric

Select from:

- Metric tons CO2e per megawatt hour (MWh)

### (7.53.2.12) End date of base year

03/30/2018

### (7.53.2.13) Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

307

### (7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

307.0000000000

### (7.53.2.34) % of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

### (7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

100

### (7.53.2.55) End date of target

03/30/2031

**(7.53.2.56) Targeted reduction from base year (%)**

80

**(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)**

61.4000000000

**(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions**

72.5

**(7.53.2.60) Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)**

205

**(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)**

205.0000000000

**(7.53.2.81) Land-related emissions covered by target**

Select from:

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

**(7.53.2.82) % of target achieved relative to base year**

41.53

**(7.53.2.83) Target status in reporting year**

Select from:

Underway

**(7.53.2.85) Explain target coverage and identify any exclusions**

*This target covers SSE's carbon emissions that arise from the consumption of oil, gas and biomass in SSE's thermal generation plant (including Power Purchase Agreements). The intensity ratio covers the total output from SSE's thermal (oil and gas) and renewable (wind, both onshore and offshore, hydro including pumped storage and biomass) electricity generation portfolio. It is important to note that SSE does not expect the achievement of this target in 2030 to have followed a linear year-to-year reduction path. Market driven and weather related fluctuations may mean there are some years in which emissions may increase. However, SSE fully expects to achieve its 2030 target and the long-term trend continues to be significant reduction in the carbon intensity of the electricity it generates. This target covers SSE's scope 1 emissions and is a science-based target, validated by the SBTi.*

#### **(7.53.2.86) Target objective**

*Electricity generation is the largest contributor to SSE's direct climate impact and its focus is to transition to low-carbon generation, supporting the delivery of a net zero electricity system. SSE aims to achieve net zero across scope 1 and 2 greenhouse gas emissions by 2040 at the latest, and has set this science-based target, in addition to the Net Zero Transition Plan in order to deliver actions to meet these targets.*

#### **(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year**

*SSE's Net Zero Transition Plan was first published in March 2022 and updated in October 2022 in response to shareholder and wider stakeholder feedback. The updated Net Zero Transition Plan outlines SSE's net zero aligned targets and actions to reduce material GHG emissions across scopes 1, 2 and 3. SSE's Net Zero Transition Plan was designed to provide clarity for its stakeholders, outlining in detail 17 key actions it will take to ensure its net zero ambitions are met. The key actions focus primarily on addressing SSE's largest source of GHG emissions from electricity generation, alongside a plan to address remaining GHG emissions across all scopes. The key actions covering this target are: Scope 1: • Reduce emissions from unabated gas generation. • Develop new low-carbon flexible generation. • Build a renewable energy portfolio of 13GW of capacity by 2031. In 2023/24, the carbon intensity of SSE's scope 1 emissions decreased to 205gCO<sub>2</sub>e/kWh in comparison to 254gCO<sub>2</sub>e/kWh in 2022/23. The scope 1 carbon intensity of electricity generated has reduced by 33% compared to 2017/18 levels. This is the lowest recorded by SSE, falling by 19% between 2022/23 and 2023/24. The reduction in the carbon intensity of electricity generated during 2023/24 is the result of a slight increase in renewable generation and a decrease in thermal generation. Output from SSE's renewable generation portfolio (including pumped storage and biomass, and excluding constrained off wind in GB) increased slightly to 10.0TWh in 2023/24, from 9.7TWh the previous year, due to capacity additions such as Seagreen offshore wind farm which were partially offset by lower year-on-year wind speeds. Output from SSE's thermal generation decreased by 22% from the previous year, principally reflecting a normalisation of the market environment over the course of the year, and Tarbert oil-fired power station ceased generation.*

#### **(7.53.2.88) Target derived using a sectoral decarbonization approach**

Select from:

Yes

[Add row]

#### **(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.**

## Row 1

### (7.54.1.1) Target reference number

Select from:

Low 1

### (7.54.1.2) Date target was set

01/07/2019

### (7.54.1.3) Target coverage

Select from:

Organization-wide

### (7.54.1.4) Target type: energy carrier

Select from:

Electricity

### (7.54.1.5) Target type: activity

Select from:

Consumption

### (7.54.1.6) Target type: energy source

Select from:

Renewable energy source(s) only

### (7.54.1.7) End date of base year

03/30/2018

**(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)**

0

**(7.54.1.9) % share of low-carbon or renewable energy in base year**

0

**(7.54.1.10) End date of target**

03/31/2024

**(7.54.1.11) % share of low-carbon or renewable energy at end date of target**

100

**(7.54.1.12) % share of low-carbon or renewable energy in reporting year**

100

**(7.54.1.13) % of target achieved relative to base year**

100.00

**(7.54.1.14) Target status in reporting year**

Select from:

Underway

**(7.54.1.16) Is this target part of an emissions target?**

*This target is part of a wider objective for SSE, which aims to reach net zero emissions by 2035 across its building and operational estate. Whilst SSE works towards reducing energy use and carbon emissions, it will buy 100% of electricity from a renewable source. Additionally, SSE will install energy efficiency measures at its properties alongside monitoring equipment to reduce energy and carbon; and install micro generation technologies to reduce electrical consumption where viable.*

**(7.54.1.17) Is this target part of an overarching initiative?**

Select all that apply

RE100

### **(7.54.1.19) Explain target coverage and identify any exclusions**

*While the Climate Groups RE100 is targeted at non-renewable energy providers SSE has joined in spirit and as of 31 March 2024 all of the electricity that SSE purchased for its facility managed non-operational estate was from renewable sources backed by renewable guarantees of origin REGO certificates.*

### **(7.54.1.20) Target objective**

*This target is part of the RE100 initiative. RE100 members commit to sourcing 100% of their electricity consumption from renewable sources by a specified target year. This pledge drives businesses to prioritise the purchase of renewable electricity in their operations, significantly reducing their carbon footprint. By bringing together a large number of influential companies committed to 100% renewable electricity, RE100 creates a strong demand signal to the market. This, in turn, encourages investment in renewable energy infrastructure and technologies, helping to scale up renewable electricity production globally.*

### **(7.54.1.21) Plan for achieving target, and progress made to the end of the reporting year**

*Plan for achieving target: SSE understands that credible net zero targets must be backed up by a clear plan of actions that will be taken to achieve them. In March 2022, SSE published its Net Zero Transition Plan (and later revised in October 2022) which details the targets and actions SSE intends to take to achieve its net zero ambitions. SSE's Net Zero Transition Plan was designed to provide this clarity for its stakeholders, outlining in detail 17 key actions it will take to ensure its net zero ambitions are met. One of these key actions is to deliver a net zero property estate. To do this SSE will install energy efficiency measures to its properties alongside monitoring equipment to reduce energy and carbon; and install micro generation technologies to reduce electrical consumption where viable. Whilst SSE works towards reducing energy use and carbon emissions, it will buy 100% of electricity from a renewable source. SSE purchased 100% of its electricity for use in its facility managed offices from renewable sources, backed by renewable guarantees.*

*[Add row]*

## **(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.**

### **Row 1**

#### **(7.54.2.1) Target reference number**

Select from:

Oth 1

### (7.54.2.2) Date target was set

01/07/2019

### (7.54.2.3) Target coverage

Select from:

Organization-wide

### (7.54.2.4) Target type: absolute or intensity

Select from:

Absolute

### (7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

**Energy productivity**

Other, energy productivity, please specify :£/GJ

### (7.54.2.7) End date of base year

03/30/2011

### (7.54.2.8) Figure or percentage in base year

47.15

### (7.54.2.9) End date of target

03/30/2021

### (7.54.2.10) Figure or percentage at end of date of target

94.3

#### (7.54.2.11) Figure or percentage in reporting year

200.36

#### (7.54.2.12) % of target achieved relative to base year

324.9416755037

#### (7.54.2.13) Target status in reporting year

Select from:

Underway

#### (7.54.2.15) Is this target part of an emissions target?

*In 2019 SSE joined the Climate Groups initiative to encourage more businesses to improve their energy productivity through their pledge the EP100.*

#### (7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

EP100

#### (7.54.2.18) Please explain target coverage and identify any exclusions

*SSE has pledged to double its energy productivity in its offices, depots, warehouses and data centres by 2030. To ensure the success of this pledge, SSE has also invested significantly in its property portfolio, consolidating multiple non-operational sites after a series of asset disposals, and providing modern buildings which use energy more efficiently.*

#### (7.54.2.19) Target objective

*Companies joining EP100 commit to doubling their energy productivity within a specific timeframe, typically by 2030. This means they aim to generate more economic output per unit of energy used, thereby reducing their overall energy consumption relative to their economic activity. This not only helps companies reduce costs and increase competitiveness but also contributes to global efforts to reduce energy consumption and greenhouse gas emissions, supporting the transition to net zero.*

#### (7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year



From April 1st, 2022, a new carbon emissions target was reported to align with the ambition of achieving a net zero non-operational buildings estate by 2035. Performance is measured going forward against a revised annual reduction target of 7.19%. SSE reports that its non-operational estate net zero target is 2.4% ahead of target at the date of the CDP report submission. Performance of an existing carbon emissions target had exceeded expectations. 2021/22 performance for all SSE non-operational buildings (Offices, Depots, Warehouses and Data Centres carbon emissions) was 47.42% ahead of the 5% 3-year target reduction on a 2017/18 baseline. Therefore, the new net zero ambition was considered appropriate to introduce. Latest data confirms that 100% of electricity supplied to SSE's facility managed offices and depot sites is sourced from renewable generation. The EP100 pledge remains well ahead of target. During 2023/24, energy efficient investments included building energy management systems (BEMS) upgrades at five office sites, the installation of LED lighting at facility managed and depot sites and investments in energy efficient air conditioning including the installation of energy efficient air source heat pumps and new chillers utilising low global warming potential (GWP) and zero ozone depletion potential (ODP) refrigerant gases. Measures included a 750,000 investment at SSE's Perth headquarters for upgraded energy efficient LED lighting and air conditioning systems; a 200,00 investment in a new energy efficient chiller at SSE's Havant site; investment in solar PV generation at Inverness and Isle of Wight office and depot sites; and BEMS upgrades totalling 120,000.

## Row 2

### (7.54.2.1) Target reference number

Select from:

Oth 2

### (7.54.2.2) Date target was set

01/07/2019

### (7.54.2.3) Target coverage

Select from:

Organization-wide

### (7.54.2.4) Target type: absolute or intensity

Select from:

Absolute

### (7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

## Low-carbon vehicles

Percentage of battery electric vehicles in company fleet

### (7.54.2.7) End date of base year

12/31/2018

### (7.54.2.8) Figure or percentage in base year

0.48

### (7.54.2.9) End date of target

12/31/2030

### (7.54.2.10) Figure or percentage at end of date of target

100

### (7.54.2.11) Figure or percentage in reporting year

35

### (7.54.2.12) % of target achieved relative to base year

34.6864951768

### (7.54.2.13) Target status in reporting year

Select from:

Underway

### (7.54.2.15) Is this target part of an emissions target?

*In July 2019 SSE joined the Climate Groups EV100 initiative and committed to transitioning its vehicle fleet. In joining the EV100 SSE has committed that by 2030 it will switch all its vehicles up to 3.5 tonnes and 50% of its vehicles up to 7.5 tonnes to zero emissions models, install electric charge points at its sites and where possible install electric charge points for drivers of commercial vehicles at their homes. SSEN Distribution also has an ambitious commitment for 80% of its vehicles up to 3.5 tonnes to be EV by end of RIIO-ED2 (2028), and 100% by 2030.*

#### **(7.54.2.16) Is this target part of an overarching initiative?**

Select all that apply

EV100

#### **(7.54.2.18) Please explain target coverage and identify any exclusions**

*In July 2019, SSE made a commitment to decarbonise its vehicle fleet by joining the Climate Group's EV100 initiative. This global campaign encourages companies to accelerate the transition to electric vehicles (EVs) as part of a broader strategy to reduce emissions and contribute to climate goals. By participating in EV100, SSE pledged to transform its vehicle fleet to zero-emission alternatives, reinforcing its commitment to achieving net zero emissions. As part of its commitment to EV100, SSE has set ambitious targets for 2030. SSE has committed to transitioning its fleet to zero-emission technologies. Specifically, the target aim is to convert 100% of vehicles up to 3.5 tonnes to zero emissions models by 2030, along with 50% of vehicles in the 3.5 to 7.5-tonne category. To support this transition, SSE is investing in the installation of charging infrastructure across its operations. This includes both workplace charging solutions and home-based options for its employees, ensuring that the SSE fleet can remain fully operational while embracing cleaner technologies. It is important to note that this commitment is designed to be flexible and pragmatic, acknowledging that the availability of suitable products and technology can vary. SSE will implement electric, plug-in hybrid, and alternatively fuelled vehicles wherever "realistically feasible" to ensure that the Company maintains operational effectiveness while meeting its climate-related goals.*

#### **(7.54.2.19) Target objective**

*SSE understands that credible net zero targets must be backed up by a clear plan of actions that will be taken to achieve them. In March 2022, SSE published its net zero ambitions. SSE's Net Zero Transition Plan was designed to provide this clarity for its stakeholder, outlining in detail 17 key actions it will take to ensure its net zero ambitions are met. One of these key actions is to switch its vehicle fleet to zero emissions in line with the EV 100 commitment. In addition to the EV100 commitment, in June 2020 SSE launched a low emissions company car scheme for employees. It was revised in August 2023 to increase the range of EVs on offer and has led to a significant increase in the uptake of electric and low-emission vehicles by employees through the scheme.*

#### **(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year**

*Since joining The Climate Group's EV100 initiative in 2019, SSE has committed to transitioning its fleet to electric by 2030 and installing charging points at its sites. By the end of March 2024, 66% of SSE's car fleet was fully electric, increasing from 57% the previous year. Including Plug-in Hybrids (PHEVs), low-emission vehicles now comprise 83.5% of SSE's fleet, up from 73% the previous year. This expansion has reduced the average CO2 emissions across SSE's car fleet from 106g CO2 /km in 2020 to 24g CO2 /km in 2024. SSE has expanded its fully electric commercial van fleet since joining EV100. In 2023/24, SSE's commercial vehicle fleet has 46 fully electric vans, with an additional three on order. SSE continues to trial all low-emission and fully electric vans that enter the market, aiming to increase volumes as suitable vehicles become available to meet operational needs. SSE has continued to grow and improve its electric vehicle (EV) charging infrastructure. Over 2023/24,*

installations increased to 472 from 398 the previous year, including 367 fast and three ultra-rapid charge points. The upgrade of first generation 7kW charge points to smart 7kW or 22kW chargers has also begun across the estate. With many of SSE's assets being in remote locations, SSE's operational vehicles must be able to operate to high standards in these challenging environments. A number of SSE's Business Units have been trialling electric vans to understand how they perform in these conditions. In June 2023, SSE Renewables successfully trialled the Munro 4x4 EV at the Clyde Wind Farm and following enhancements to the vehicle, further trials are planned for 2024/25. SSE Renewables is also trialling a Spartan Motors 4x4 utility vehicle at Coire Glas. SSE only provides home charging units for its commercial drivers moving to EV. However, it does advise all employees how to get one installed at their home and offers discounts and interest free payment plans to support installations. Employees can also charge at the workplace. Each commercial driver also has an EV charge card to access the charging points and is billed actual cost back to the business units, SSE aims to provide at least 700 workplace EV charging opportunities to meet EV 100 commitments.

### Row 3

#### (7.54.2.1) Target reference number

Select from:

Oth 3

#### (7.54.2.2) Date target was set

06/16/2020

#### (7.54.2.3) Target coverage

Select from:

Organization-wide

#### (7.54.2.4) Target type: absolute or intensity

Select from:

Absolute

#### (7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

##### Engagement with suppliers

Percentage of suppliers (by procurement spend) with a science-based target

#### (7.54.2.7) End date of base year

03/30/2020

#### (7.54.2.8) Figure or percentage in base year

4

#### (7.54.2.9) End date of target

03/30/2025

#### (7.54.2.10) Figure or percentage at end of date of target

50

#### (7.54.2.11) Figure or percentage in reporting year

51

#### (7.54.2.12) % of target achieved relative to base year

102.1739130435

#### (7.54.2.13) Target status in reporting year

Select from:

Revised

#### (7.54.2.14) Explain the reasons for the revision, replacement, or retirement of the target

*SSE will now only consider suppliers that have set their own science-based targets only as meeting the criteria for this target, rather than also considering companies that have committed to set a science-based target. SSE first met its SBTi-verified supplier engagement target in 2022/23 and began tracking the proportion of suppliers that are translating their commitments to science-based targets into hard targets verified by SBTi. While overall performance remained consistent with last year at 51% of suppliers by spend having set, or committed to set a science-based target, within this SSE is seeing more supplier commitments come to fruition. At 31 March 2024, 42% of SSE's supply chain by spend has verified science-based targets, and a further 9% have made the commitment to have verified targets in due*

course, compared to 34% and 17% respectively in 2022/23. SSE will continue to track supplier performance in this area. With SSE's supply chain spend increasing significantly between 2022/23 and 2023/24, this 51% of suppliers by spend also represents increased activity.

#### **(7.54.2.15) Is this target part of an emissions target?**

*This target covers SSEs scope 3 emissions and is a science-based target validated by the SBTi. SSE has a suite of targets which together meet the SBTi criteria.*

#### **(7.54.2.16) Is this target part of an overarching initiative?**

*Select all that apply*

Science Based Targets initiative – approved supplier engagement target

#### **(7.54.2.17) Science Based Targets initiative official validation letter**

*SSE Voluntary Update Decision Letter revised.pdf*

#### **(7.54.2.18) Please explain target coverage and identify any exclusions**

*SSE's scope 3 emissions are 40% or more of total scope 1, 2, and 3 emissions, and therefore a scope 3 target is required when setting SBTi-validated emissions reduction targets. SSE's engagement target covers the suppliers that are in the top 50% by spend of SSE's total procurement spend. For its SBTi-validated supply chain target, SSE reported that 4% of suppliers had set SBTs in the base year of 2019/20. At 31 March 2024, 42% of SSE's suppliers (by value) had set their own science-based targets through the SBTi with a further 9% committed to setting one. SSE will now only consider suppliers that have set their own science-based targets only as meeting the criteria for this target.*

#### **(7.54.2.19) Target objective**

*The primary objective is to reduce greenhouse emissions across the entire value chain, including scope 3 emissions, which are often the most significant and challenging to address. By setting this target, SSE is encouraging its suppliers to measure, manage, and reduce their emissions. Addressing supply chain emissions is crucial for SSE to meet its ambitious climate targets, as it accounts for a significant share of its total emissions. By implementing this target, SSE is encouraging its suppliers to adopt more sustainable practices, which in turn contributes to its goal of achieving net zero emissions across its value chain by 2050.*

#### **(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year**

*Plan for achieving target: SSE understands that credible net zero targets must be backed up by a clear plan of actions that will be taken to achieve them. In March 2022, SSE published its Net Zero Transition Plan which details the targets and actions SSE intends to take to achieve its net zero ambitions. SSE's Net Zero Transition Plan was designed to provide this clarity for its stakeholders, outlining in detail 17 key actions it will take to ensure its net zero ambitions are met. Two of these key actions were in relation to its supplier engagement target. SSE is committed to:*

- Establish a framework for supplier collaboration on net zero action; and
-

Partner with the CDP supply chain engagement programme. To achieve this objective: • SSE's Sustainable Procurement Code outlines the expectation on suppliers to have a net zero carbon reduction strategy with an associated commitment or target that is aligned with climate science; • Workshops are being held with key suppliers to facilitate dialogue and knowledge sharing around the setting of science-based carbon targets and the challenges and opportunities presented for various industries; • SSE is working with CDP Supply Chain to deliver webinars around carbon reporting and science-based target setting; and • Tools and techniques are provided through the Supply Chain Sustainability School partnership that supports suppliers to understand and set net zero carbon reduction strategies. SSE has been a member of CDP Supply Chain since 2018, which allows it to request key suppliers to report environmental data through CDP's questionnaires. Over 2023/24, SSE worked with CDP to improve its climate-related supply chain engagement through the CDP Supply Chain module. In 2023/24, 248 of SSE's suppliers, representing 77% of SSE's supply chain spend, disclosed information through CDP Supply Chain – up from 112 and 65% respectively the previous year. In March 2024, SSE was awarded an 'A' for its CDP 2023 Supplier Engagement Rating, which assessed how effectively companies are engaging their suppliers on climate change. With SSE entering a new partnership with EcoVadis, going forward this platform will be the main tool SSE will use to engage suppliers on carbon and monitor performance.

[Add row]

### **(7.54.3) Provide details of your net-zero target(s).**

#### **Row 1**

##### **(7.54.3.1) Target reference number**

Select from:

NZ1

##### **(7.54.3.2) Date target was set**

03/01/2022

##### **(7.54.3.3) Target Coverage**

Select from:

Organization-wide

##### **(7.54.3.4) Targets linked to this net zero target**

Select all that apply

Abs1

Abs2

Int1

### (7.54.3.5) End date of target for achieving net zero

03/31/2041

### (7.54.3.6) Is this a science-based target?

Select from:

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

### (7.54.3.8) Scopes

Select all that apply

Scope 1

Scope 2

Scope 3

### (7.54.3.9) Greenhouse gases covered by target

Select all that apply

Carbon dioxide (CO2)

Methane (CH4)

Nitrous oxide (N2O)

Sulphur hexafluoride (SF6)

### (7.54.3.10) Explain target coverage and identify any exclusions

*SSE seeks to achieve net zero greenhouse gas emissions and its Net Zero Transition Plan sets out SSE's targets, actions and plans to achieve net zero. SSE subscribes to the definitions of net zero set out by the International Panel on Climate Change and the UK's Climate Change Committee. It aims to achieve net zero across scope 1 and 2 emissions by 2040 at the latest (subject to security of supply requirements) and for remaining scope 3 emissions by 2050 at the latest.*



Recognising the importance of independent third-party verification, and in support of these longer-term ambitions, SSE has set interim science-based carbon targets, approved by the Science Based Targets initiative (SBTi), aligned to the Paris Agreement and the SBTi's power sector 1.5C-aligned criteria.

#### **(7.54.3.11) Target objective**

*In 2022, recognising the national and international importance of decarbonising the power sector as quickly as possible, SSE committed to achieve net zero across scope 1 and 2 emissions by 2040 at the latest and to reach net zero for all SSE's remaining scope 3 emissions by 2050. In the short to medium term, SSE has already set four interim science-based targets. Two of SSE's science-based carbon targets cover SSE's scope 1 greenhouse gas emissions. Its scope 1 and 2 targets are aligned with a 1.5C scenario.*

#### **(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?**

Select from:

Yes

#### **(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?**

Select from:

No, and we do not plan to within the next two years

#### **(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?**

Select all that apply

Yes, we plan to purchase and cancel carbon credits for neutralization at the end of the target

#### **(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target**

*While SSE seeks to achieve net zero emissions across its scope 1 and 2 emissions by 2040 at the latest, it is understood that negative emissions technology may be required to neutralise the remaining, residual emissions associated with electricity generation. The reduction of greenhouse gas emissions associated with unabated gas generation is the most important action in achieving net zero. Notwithstanding the primary importance of focusing on the reduction of unabated emissions, SSE will start to explore options for the mid-2030s for the neutralisation of its residual scope 1 emissions, and will be guided by the best available science and independent frameworks available, including the GHG Protocol and the Science Based Targets Initiative as well as energy policy frameworks in the UK and Ireland.*

#### **(7.54.3.17) Target status in reporting year**

Select from:

Underway

### (7.54.3.19) Process for reviewing target

The SBTi have developed the first global standard for net zero businesses. In the longer term, SSE are monitoring the requirements for an SBTi approved net zero science-based target and will review the mechanisms put in place to neutralise the emissions that are currently unfeasible to be eliminated. SSE reviews progress against its SBTi-verified carbon targets annually.

[Add row]

**(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	17	<i>*Numeric input</i>
To be implemented	11	143104
Implementation commenced	9	424490
Implemented	1	143
Not to be implemented	0	<i>*Numeric input</i>

[Fixed row]

**(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.**

**Row 1**

### (7.55.2.1) Initiative category & Initiative type

## Energy efficiency in buildings

Lighting

### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

143

### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

*Select all that apply*

- Scope 1
- Scope 2 (location-based)
- Scope 2 (market-based)
- Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

### (7.55.2.4) Voluntary/Mandatory

*Select from:*

- Voluntary

### (7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

150000

### (7.55.2.6) Investment required (unit currency – as specified in C0.4)

1120000

### (7.55.2.7) Payback period

*Select from:*

- 4-10 years

### (7.55.2.8) Estimated lifetime of the initiative

Select from:

21-30 years

### (7.55.2.9) Comment

*SSE seeks to cut carbon from its non-operational buildings through a combination of investment in physical measures, improved building user engagement and behaviour change. SSE runs its 'Better Off' behavioural change programme to engage employees on energy efficiency activities. To complement these activities energy efficiency and building renewable generation project investments have totalled 14.0m since 2010/11. Efficiency investments in 2023/24 included a 750,000 investment at SSE's Perth headquarters for upgraded energy efficient LED lighting and air conditioning systems; a 200,00 investment in a new energy efficient chiller at SSE's Havant site; investment in solar PV generation at Inverness and Isle of Wight office and depot sites; and BEMS upgrades totalling 120,000. Plans for 2025/26 include a continued roll out of building energy management system upgrades and the development of business cases for new local based solar PV generation at several office and warehouse distribution sites. These planned proposals and future efficiency investment plans that will contribute towards a Net Zero estate by 2035 are incorporated into the SSE Group Energy Savings Opportunities Scheme submissions.*

[Add row]

## (7.55.3) What methods do you use to drive investment in emissions reduction activities?

### Row 1

#### (7.55.3.1) Method

Select from:

Employee engagement

#### (7.55.3.2) Comment

*Actively listening to the employee voice supports an evidence-based approach to improving the employee experience. Every year, employees have the opportunity to share their views in an all-employee survey. An in-depth survey takes place every two years and a shorter 'pulse' survey on alternate years. Through these surveys, SSE measures a number of key engagement indicators which combine to produce its Sustainable Engagement Score – a widely used metric – giving SSE a comparable and meaningful data point to track closely over time. In 2023, the Sustainable Engagement Score was 85% – up from 84% in 2022. 88% of employees provided feedback which is the highest response rate in recent years, and is viewed as a positive considering the significant number of new employees. In addition to the annual all-employee survey, SSE also measures engagement at key stages in the employee lifecycle through a six-monthly check-in survey targeting recent recruits and through exit surveys for leavers. Analysis of all three sources of employee feedback has enabled SSE to identify three core pillars upon which its approach to employee engagement is based: Strategic Engagement, Cultural Engagement and Ways of Working. These pillars represent the most important factors which influence employee engagement across all aspects of working life, from the tone and strategy set by senior leaders, the behaviours and standards employees expect of a safe and ethical employer, down to the day-to-day working arrangements and relationships which shape the employee experience.*

## Row 2

### (7.55.3.1) Method

Select from:

- Compliance with regulatory requirements/standards

### (7.55.3.2) Comment

*Examples include Contracts for Difference, meeting UK EU ETS allocations and Electricity Market Reform requirements. For example the result of 2023 UK Contracts for Difference auction marked a good auction year for SSE Renewables. In the GB capacity auctions 46 units across 35 sites provisionally secured contracts for 1.1GW of hydro, pumped-storage, battery storage and onshore wind energy. This followed 605MW of onshore wind capacity secured in the earlier Contracts for Difference Allocation Round 5 (AR5), and Yellow River winning a contract in the third RESS process. As a generator of electricity, SSE is subject to national and international policies that impact the price of carbon, which means the price of carbon is an explicit consideration in investment decisions. SSE's generation activities in Ireland are subject to the EU Emissions Trading System (ETS). SSE's generation activities in the UK operated under the EU Emissions Trading Scheme (EU ETS) until 1 January 2021, when a new UK Emissions Trading Scheme (UK ETS) carbon pricing system came into operation to replace the EU ETS in the UK, following Brexit. The UK ETS is a cap-and-trade emissions scheme, similar in design and aims of the EU ETS. SSE welcomed the establishing a UK Emissions Trading System (ETS) and has called upon the UK and the European Union to agree a link between the UK ETS and EU ETS as soon as possible in order to benefit from a wide ranging, liquid and mature carbon market.*

## Row 3

### (7.55.3.1) Method

Select from:

- Dedicated budget for low-carbon product R&D

### (7.55.3.2) Comment

*SSE's approach to innovation empowers Business Units to pursue innovation priorities, while being guided by Groupwide strategic vision and direction, helping to build institutional knowledge for net zero energy systems that benefit society. The Group-wide strategy is set by an internal Innovation Advisory Council (IAC), established in early 2024, which serves to identify promising new technologies relevant to clean energy and as a forum for new innovation horizons. SSE's innovation strategy is founded on four enabling pillars (Partnering for innovation, Innovation through deployment, Talent and Digitalisation). This overall approach to innovation supports SSE to create new markets, enhance efficiency and performance and mitigate potential risks when delivering new net zero solutions. It also supports SSE to foster a culture of innovation that helps develop and attract future talent for the business. Over 2023/24, three of SSEN Transmission innovation projects focused on enabling future offshore renewables were successful in securing funding from Ofgem's Strategic Innovation Fund (SIF) – a fund designed to drive innovation projects to create the future energy networks for net zero. In July 2023, the Network DC and INCENTIVE projects were successful funding for final phase funding for the*

development of full-scale demonstrator projects. Network DC: Circuit breakers, which already exist on the onshore alternating current network, minimise the impact of faults, allowing power to keep flowing elsewhere on the network. The Network DC project aims to advance the readiness of Direct Current Circuit Breakers (DCCBs) for implementation on the GB system, which are needed to enable the development of offshore DC networks to allow the delivery of offshore wind at scale.

*INCENTIVE: Facilitating the rapid roll-out of intermittent offshore wind generation requires addressing grid balancing and stability challenges, without which the GB grid could experience issues such as increasing the likelihood of blackouts and maintaining reliance on fossil fuel generators. INCENTIVE will explore new solutions demonstrating the use of innovative voltage, current and frequency control technologies coupled with energy storage at the point of onshore connection of offshore wind farms, to allow offshore wind farms to stabilise the onshore grid.*

## Row 4

### (7.55.3.1) Method

Select from:

- Partnering with governments on technology development

### (7.55.3.2) Comment

*SSE aims to work constructively with governments and regulators to help deliver net zero, whilst ensuring the energy system works in the interest of energy customers. SSE's activities are influenced by international and national agreements on climate change, and sustainability issues are increasingly included in regulatory and legislative requirements. In Ireland, progressive government policies are in place to support energy efficiency measures for domestic customers. In support of this, SSE Airtricity delivered 2,700 rooftop solar installations alongside its partner Activ8 and almost 1,000 EV chargers over 2023/24. SSE Airtricity was recognised for its project with Dun Laoghaire Rathdown County Council to retrofit upgrades to 100 residential units and a daycare centre. An innovative aspect of this retrofit was the installation of a cascading district heating system, the first of its kind in Ireland, which allowed the residential units to be heated by lower capacity heat pumps. The upgrades have provided a reduction in calculated energy usage of approximately 80% on the pre-energy usage in the development and have improved comfort and living conditions for the residents at the complex. More recently, in May 2024, SSE Enterprise announced a partnership signed with Newcastle City Council aimed at advancing decarbonisation, innovation and job creation initiatives across the city. Newcastle is at the forefront of the green industrial revolution and this partnership will help them accelerate the delivery of Newcastle's Net Zero Action Plan and foster a green skills workforce of the future.*

## Row 5

### (7.55.3.1) Method

Select from:

- Dedicated budget for energy efficiency

### (7.55.3.2) Comment

SSE has an annual budget for energy efficiency investments in larger projects within its wider property budget. SSE also has a separate budget for smaller scale energy efficiency improvement works which is used following onsite energy audits. SSE acts to reduce energy use and thereby cut carbon from its assets through a combination of physical improvements and building user engagement. For example, from April 1st, 2022, a new carbon emissions target was reported to align with the ambition of achieving a net zero non-operational buildings estate by 2035. SSE seeks to cut carbon from its offices and depots through a combination of investment in physical measures and building user engagement through its 'Better Off' behaviour change campaign. SSE seeks to cut carbon from its non-operational buildings through a combination of investment in physical measures, improved building user engagement and behaviour change. SSE runs its 'Better Off' behavioural change programme to engage employees on energy efficiency activities. To complement these activities energy efficiency and building renewable generation project investments have totalled 14.0m since 2010/11. Efficiency investments in 2023/24 included a 750,000 investment at SSE's Perth headquarters for upgraded energy efficient LED lighting and air conditioning systems; a 200,00 investment in a new energy efficient chiller at SSE's Havant site; investment in solar PV generation at Inverness and Isle of Wight office and depot sites; and BEMS upgrades totalling 120,000. Plans for 2025/26 include a continued roll out of building energy management system upgrades and the development of business cases for new local based solar PV generation at several office and warehouse distribution sites. These planned proposals and future efficiency investment plans that will contribute towards a Net Zero estate by 2035 are incorporated into the SSE Group Energy Savings Opportunities Scheme submissions.

[Add row]

## **(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.**

### **Row 1**

#### **(7.74.1.1) Level of aggregation**

Select from:

- Group of products or services

#### **(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon**

Select from:

- The EU Taxonomy for environmentally sustainable economic activities

#### **(7.74.1.3) Type of product(s) or service(s)**

**Power**

- Other, please specify :SSE Renewables

#### (7.74.1.4) Description of product(s) or service(s)

To voluntarily provide stakeholders with an indication of the scale of SSE's green economic activities, SSE has taken a best-efforts approach to consider the alignment of its 2023/24 activity to the EU taxonomy. Key strategic activities (i.e. onshore wind, offshore wind, transmission, distribution) from SSE's reportable segments were assessed against the technical screening criteria. Taxonomy eligible and aligned activities in 2023/24 are from SSE's onshore and offshore wind generation, hydro (run of river and pumped storage as well as its networks transmission and distribution activities. Core to SSE's business strategy, is growth in the development of additional renewable energy generation to support the low-carbon transition. SSE's renewable generation capacity was 4,457MW in 2023/24 compared to 3,915MW in 2022/23, with a further 2.8GW of renewable capacity in construction at 31 March 2024. Progress was made on key projects in 2023/24, including Seagreen formally entering into commercial operations in October 2023 and all monopiles and transition pieces having been installed at Dogger Bank A, with inter-array cable installation also well progressed. Output from SSE's renewable generation portfolio (inc. pumped storage and biomass) increased slightly to 10.0TWh in 2023/24, from 9.7TWh the previous year. This was driven by increased output from the operational turbines at Seagreen offshore wind farm.

#### (7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

No

#### (7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

3.2

### Row 2

#### (7.74.1.1) Level of aggregation

Select from:

Group of products or services

#### (7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

The EU Taxonomy for environmentally sustainable economic activities

#### (7.74.1.3) Type of product(s) or service(s)



## Power

Other, please specify :SSEN Transmission and SSEN Distribution

### (7.74.1.4) Description of product(s) or service(s)

*To voluntarily provide stakeholders with an indication of the scale of SSE's green economic activities, SSE has taken a best-efforts approach to consider the alignment of its 2023/24 activity to the EU taxonomy. Key strategic activities (i.e. onshore wind, offshore wind, transmission, distribution) from SSE's reportable segments were assessed against the technical screening criteria. Taxonomy eligible and aligned activities in 2023/24 are from SSE's onshore and offshore wind generation, hydro (run of river and pumped storage as well as its networks transmission and distribution activities. SSE's networks businesses support low carbon energy infrastructure in Great Britain. In total, including that connected at a distribution level, SSE had at 31 March 2024 over 9.3GW of renewable generation capacity connected to its electricity transmission network, up from 9.2GW in 2022/23. This reduces third party scope 2 emissions as it supports the decarbonisation of electricity generation, and the carbon emissions associated with grid electricity mix. The emissions saved by third parties are related to the scope 2 emissions. The amount of electricity consumed by a customer will be reduced as a result of a reduction in the carbon emission conversion factor which will be lowered because of a higher proportion of renewable electricity generation in the grid.*

### (7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

No

### (7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

18.1

## Row 3

### (7.74.1.1) Level of aggregation

Select from:

Group of products or services

### (7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

The EU Taxonomy for environmentally sustainable economic activities

### (7.74.1.3) Type of product(s) or service(s)

#### Power

Other, please specify :Energy Portfolio Management

### (7.74.1.4) Description of product(s) or service(s)

*To voluntarily provide stakeholders with an indication of the scale of SSE's green economic activities, SSE has taken a best-efforts approach to consider the alignment of its 2023/24 activity to the EU taxonomy. Key strategic activities (i.e. onshore wind, offshore wind, transmission, distribution) from SSE's reportable segments were assessed against the technical screening criteria. Through Energy Markets, SSE trades commodities for each business unit – ensuring the Group has the energy supplies it requires to meet the needs of customers; procuring the fuel required by the generation plants and selling the power output from its wind farm, hydro and thermal assets. The revenues associates with providing a route to market for SSE Renewables in included as a taxonomy-aligned activity. The reason that SSE's taxonomy-eligible activity appears low in relation to its revenue, is primarily due to Energy Markets trading activity and the sale of power to end customers, both of which are high volumes, with pass through costs and lower margins than in larger businesses such as renewables generation and networks businesses. SSE believes that revenue is a poor measure in assessing its economic activity and that the most appropriate measures of its taxonomy-eligible economic activity are in relation to its capital investment and its operating profit.*

### (7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

No

### (7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

10

[Add row]

### (7.79.1) Provide details of the project-based carbon credits canceled by your organization in the reporting year.

#### Row 1

### (7.79.1.1) Project type

Select from:

Other, please specify :Clean Drinking Water

### (7.79.1.2) Type of mitigation activity

Select from:

Emissions reduction

### (7.79.1.3) Project description

*SSE purchased credits from the Zambia Western Province Safe Water Project (GS7591 VPA 37 Zambia Western Province Safe Water Project - GS11010). The credits were purchased from Carbon Footprint Ltd and are verified by Gold Standard. The project will support the provision of safe water to hundreds of households within the Western Province of Zambia. By providing safe water, the project will ensure that households consume less firewood during the process of water purification and as a result, there shall be a reduction of carbon dioxide emissions from the combustion process. The number of purchased project-based carbon credits relates to the 2022/23 financial year. SSE voluntarily purchases credits to provide 100% certified renewable gas and carbon-neutral gas to its SSE Green Gas customers. This offering provides customers with 25% certified renewable gas and 75% carbon-neutral gas backed by carbon offsets. SSE also pledges to plant one tree in the UK for every SSE Green Gas customer. The number of project-based carbon credits required for 2023/24 is under review. SSE must ensure that all billed consumption data is accurate for SSE Green Gas customers before purchasing credits.*

### (7.79.1.4) Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

3913

### (7.79.1.5) Purpose of cancelation

Select from:

Voluntary offsetting

### (7.79.1.6) Are you able to report the vintage of the credits at cancelation?

Select from:

Yes

### (7.79.1.7) Vintage of credits at cancelation

2021

### (7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:

Purchased

### (7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

Gold Standard

### (7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

Other, please specify :The Gold Standard considers projects in Least Developed Countries (LDCs) to be automatically additional. Since the project is in Zambia, an LDC, it is deemed additional.

### (7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

Monitoring and compensation

### (7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

Activity-shifting

### (7.79.1.13) Provide details of other issues the selected program requires projects to address

*Reversal risk (monitoring and compensation) - The project design document (PDD) outlines a monitoring plan to track the usage and functionality of the boreholes, ensuring that the emission reductions are maintained. If there are any issues or malfunctions with the boreholes, they will be repaired or replaced to ensure the project's continued success in reducing emissions. Potential source of leakage (activity-shifting) - The PDD mentions the potential for leakage if households continue to use wood-burning stoves for cooking, even with access to clean water. To address this, the project includes education programs on the benefits of clean water and hygiene, encouraging a shift away from wood-burning practices. Other issues the selected program requires projects to address: Safeguarding Principles - The Gold Standard requires projects to assess and mitigate potential negative impacts on various social and environmental safeguards, including gender equality, community health and safety, and corruption. The project includes measures to address these issues, such as promoting gender equality in decision-making, implementing hygiene campaigns, and establishing grievance mechanisms. Sustainable Development Goals (SDGs) - The Gold Standard encourages projects to contribute to the*

SDGs. This project specifically addresses SDG 3 (Good Health and Well-being), SDG 5 (Gender Equality), SDG 6 (Clean Water and Sanitation), and SDG 13 (Climate Action). The project design document outlines how the project will monitor and quantify its contribution to these goals.

#### **(7.79.1.14) Please explain**

*SSE's Energy Customer Solutions (ECS) sustainability team worked in combination with the SSE Business Energy (BE) green tariff product owners to review and purchase the carbon credits. The ECS sustainability team completed a carbon credit process review considering the business unit criteria, the existing carbon credit purchase obligations within BE, as well as utilising the core SSE Group's sustainability team's recommendations. The outcome was a carbon credit white paper which included a carbon credit selection methodology. Selection and due diligence were primarily desk-based research with some advice from third party providers before the final project selection was made. The research included examining five examples of carbon offset project types: renewable energy, forestry (deforestation prevention and afforestation), water boreholes, and cookstoves. Each project type is evaluated based on its environmental benefits, social impacts, and economic advantages, as well as potential challenges such as leakage, additionality, permanence, co-benefits vs. trade-offs, and social equity concerns. The paper also reviews the standards and guidelines that are used to measure, regulate, and verify carbon offset projects, such as the Verified Carbon Standard (VCS), the Gold Standard, and the Clean Development Mechanism (CDM) and recommends Gold Standard projects. Considering the research and BE's criteria the ultimate recommendation for carbon credit purchases was the Zambia Western Province Safe Water Project.*

*[Add row]*

## C8. Environmental performance - Forests

### (8.1) Are there any exclusions from your disclosure of forests-related data?

	Exclusion from disclosure
Timber products	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

### (8.1.1) Provide details on these exclusions.

#### Timber products

##### (8.1.1.1) Exclusion

Select from:

Business activities

##### (8.1.1.2) Description of exclusion

*This disclosure excludes any joint ventures in which SSE does not have operational control. For a full list of SSE's subsidiaries, partnerships, joint associates, please refer to pages 284 to 296 of SSE's Annual Report 2024.*

##### (8.1.1.3) Value chain stage

Select from:

Direct operations

#### (8.1.1.4) Reason for exclusion

Select from:

- Other, please specify :SSE does not have operational control.

#### (8.1.1.8) Indicate if you are providing the commodity volume that is being excluded from your disclosure of forests-related data

Select from:

- No, the volume excluded is unknown

#### (8.1.1.10) Please explain

*Environment data is covered by Joint Ventures in other regulatory and annual reporting communications. With regards to the timber products covered in this questionnaire, SSE has no joint ventures in its electricity distribution business (SSEN Distribution). SSE's JV activities have minimal forest-related products or risks and are therefore excluded.*

### Timber products

#### (8.1.1.1) Exclusion

Select from:

- Geographical area

#### (8.1.1.2) Description of exclusion

*SSE Renewables' international activities in Asia-Pacific, Europe, and North America are excluded from this disclosure. Minimal forest-related products are used in these activities and they are deemed immaterial, and are therefore excluded.*

#### (8.1.1.3) Value chain stage

Select from:

- Direct operations

#### (8.1.1.4) Reason for exclusion

Select from:

Other, please specify :Consumption of forest-related products in these geographies are deemed immaterial and are therefore excluded.

### (8.1.1.8) Indicate if you are providing the commodity volume that is being excluded from your disclosure of forests-related data

Select from:

No, the volume excluded is unknown

### (8.1.1.10) Please explain

*There are minimal forest-related products used and are therefore excluded.*

[Add row]

## (8.2) Provide a breakdown of your disclosure volume per commodity.

	Volume type
Timber products	<i>Select all that apply</i> <input checked="" type="checkbox"/> Sourced

[Fixed row]

## (8.5) Provide details on the origins of your sourced volumes.

### Timber products

#### (8.5.1) Country/area of origin

Select from:



- Norway

### (8.5.2) First level administrative division

Select from:

- States/equivalent jurisdictions

### (8.5.3) Specify the states or equivalent jurisdictions

*The current supplier of SSEN's overhead line poles obtains their poles from forests as close to their production plants as possible. In Norway, the wood raw material is sourced from the counties of Akershus, Buskerud, Innlandet, Telemark, Vestfold and Vestaland. The supplier has long-term customer relationships in raw material sourcing with local sawmills. This keeps the raw material transport distances shorter.*

### (8.5.5) Source

Select all that apply

- Contracted suppliers (processors)
- Contracted suppliers (manufacturers)

### (8.5.7) Please explain

*The current supplier of SSEN's overhead line poles obtains their poles from forests in Finland and Norway. This covers all of the wooden overhead line poles procured by SSE. The forests are certified by the PEFC (Programme for the Endorsement of Forest Certification). This accreditation is similar to the Forest Stewardship Council (FSC) and seeks to protect forests by promoting sustainable forest management through certification.*

## Timber products

### (8.5.1) Country/area of origin

Select from:

- Finland

### (8.5.2) First level administrative division

Select from:

- States/equivalent jurisdictions

### (8.5.3) Specify the states or equivalent jurisdictions

*The current supplier of SSEN's overhead line poles obtains their poles from forests as close to their production plants as possible. In Finland, their wood sourcing activities are focused on the North Karelia, North Savo and Kainuu regions. The current supplier's own wood sourcing experts are in charge of wood sourcing operations.*

### (8.5.5) Source

*Select all that apply*

- Contracted suppliers (processors)
- Contracted suppliers (manufacturers)

### (8.5.7) Please explain

*The current supplier of SSEN's overhead line poles obtains their poles from forests in Finland and Norway. This covers all of the wooden overhead line poles procured by SSE. The forests are certified by the PEFC (Programme for the Endorsement of Forest Certification). This accreditation is similar to the Forest Stewardship Council (FSC) and seeks to protect forests by promoting sustainable forest management through certification.*

*[Add row]*

## **(8.7) Did your organization have a no-deforestation or no-conversion target, or any other targets for sustainable production/ sourcing of your disclosed commodities, active in the reporting year?**

### **Timber products**

#### **(8.7.1) Active no-deforestation or no-conversion target**

*Select from:*

- Yes, we have a no-deforestation target

#### **(8.7.2) No-deforestation or no-conversion target coverage**

*Select from:*

Organization-wide (direct operations only)

### **(8.7.5) Other active targets related to this commodity, including any which contribute to your no-deforestation or no-conversion target**

Select from:

No, and we do not plan to have other targets related to this commodity in the next two years

### **(8.7.6) Primary reason for not having other active targets in the reporting year**

Select from:

Not an immediate strategic priority

### **(8.7.7) Explain why you did not have other active targets in the reporting year**

*SSE already targets 'no net loss' in biodiversity on onshore Large Capital Projects consented from 2023 and 'net gain' in biodiversity on those consented from 2025 onwards. To support these Group-wide targets, one of SSE's Business Units, SSEN Transmission, has also set further no-deforestation and no-conversion commitments. SSEN Transmission will continue to follow the mitigation hierarchy for irreplaceable habitat like ancient woodland and peatland, avoiding impacting such habitats wherever possible, and restoring these vital habitats across Scotland. Further, a compensatory planting program has been established in collaboration with the Argyll Conservation Trust to deliver no net loss of woodland, by replacing every tree removed by transmission construction and maintenance activities.  
[Fixed row]*

### **(8.7.1) Provide details on your no-deforestation or no-conversion target that was active during the reporting year.**

#### **Timber products**

#### **(8.7.1.1) No-deforestation or no-conversion target**

Select from:

No-deforestation

#### **(8.7.1.2) Your organization's definition of "no-deforestation" or "no-conversion"**

In early 2024, SSE set a new commitment for woodland conservation, that all onshore large capital projects consented from 1 April 2024 onwards will achieve no net loss of native woodland. This Policy objective will be tracked and reported annually, and the results will be disclosed in the SSE Sustainability Report.

### (8.7.1.3) Cutoff date

Select from:

No cutoff date

### (8.7.1.6) Target date for achieving no-deforestation or no-conversion

Select from:

2024

[Add row]

**(8.8) Indicate if your organization has a traceability system to determine the origins of your sourced volumes and provide details of the methods and tools used.**

## Timber products

### (8.8.1) Traceability system

Select from:

Yes

### (8.8.2) Methods/tools used in traceability system

Select all that apply

Supplier engagement/communication

### (8.8.3) Description of methods/tools used in traceability system

SSE undertakes supplier due diligence, undertaking appropriate enquiries into suppliers with the purpose of identifying, assessing and mitigating risks associated with entering into a contract with them. This covers: Anti-financial crime, financial stability, and ethical and sustainability. SSE also conducts biennial 'Health Checks' on its suppliers with greater than 2,000,000 spend per annum, across these three key areas identified. The ethical and sustainability risk assessment specifically covers

consideration of environmental issues which, depending on the product being procured, will cover forest-related risks. SSE procures timber-related commodities across its business. One specific use of timber is in the wooden poles that are used in SSE's networks business. These wooden poles provide the structure to support the overhead electricity cables in the high and low voltage transmission and distribution networks. For the supply of timber related products, some areas of the business require the timber purchased to meet specified standards. For instance, SSE's Networks business has specifications in place for procurement of wooden poles. The terms used in this specification are those quoted in ENA TS 43-88 and BS EN 14229:2010. All suppliers considered for supply are required to demonstrate certification in ISO 9001 and ISO14001. The current supplier of SSE's overhead line poles obtains their poles from Forests in Finland and Norway. The forests are certified by the PEFC (Programme for the Endorsement of Forest Certification). This accreditation is similar to the Forest Stewardship Council (FSC).  
[Fixed row]

### **(8.8.1) Provide details of the point to which your organization can trace its sourced volumes.**

#### **Timber products**

##### **(8.8.1.1) % of sourced volume traceable to production unit**

0

##### **(8.8.1.2) % of sourced volume traceable to sourcing area and not to production unit**

0

##### **(8.8.1.3) % sourced volume traceable to country/area of origin and not to sourcing area or production unit**

100

##### **(8.8.1.4) % of sourced volume traceable to other point (i.e., processing facility/first importer) not in the country/area of origin**

0

##### **(8.8.1.5) % of sourced volume from unknown origin**

0

##### **(8.8.1.6) % of sourced volume reported**

100.00  
[Fixed row]

**(8.9) Provide details of your organization's assessment of the deforestation-free (DF) or deforestation- and conversion-free (DCF) status of its disclosed commodities.**

### Timber products

#### **(8.9.1) DF/DCF status assessed for this commodity**

Select from:

Yes, deforestation- and conversion-free (DCF) status assessed

#### **(8.9.2) % of disclosure volume determined as DF/DCF in the reporting year**

100

#### **(8.9.3) % of disclosure volume determined as DF/DCF through a third-party certification scheme providing full DF/DCF assurance**

0

#### **(8.9.4) % of disclosure volume determined as DF/DCF through monitoring of production unit**

0

#### **(8.9.5) % of disclosure volume determined as DF/DCF through monitoring of sourcing area**

0

#### **(8.9.6) Is a proportion of your disclosure volume certified through a scheme not providing full DF/DCF assurance?**

Select from:

Yes

[Fixed row]

## **(8.9.2) Provide details of third-party certification schemes not providing full DF/DCF assurance.**

### **Timber products**

#### **(8.9.2.1) Third-party certification scheme not providing full DF/DCF assurance**

##### **Chain-of-custody certification**

PEFC Chain-of-Custody (any type)

#### **(8.9.2.2) % of disclosure volume certified through scheme not providing full DF/DCF assurance**

100

#### **(8.9.2.3) Additional control methods in place to determine DF/DCF status of volumes certified through scheme not providing full DF/DCF assurance**

Select all that apply

No

#### **(8.9.2.4) Comment**

*SSEN Distribution uses wooden poles in its electricity network to support the overhead lines to distribute energy to its customers. SSEN has specifications in place for procurement of wooden poles. The terms used in this specification are those quoted in ENA TS 43-88 and BS EN 14229:2010. All suppliers considered for supply are required to demonstrate certification in ISO 9001 and ISO 14001. The current supplier of SSEN's overhead line poles obtains their poles from forests in Finland and Norway. The forests are certified by the PEFC (Programme for the Endorsement of Forest Certification). This accreditation is similar to the Forest Stewardship Council (FSC) and seeks to protect forests by promoting sustainable forest management through certification. SSE's Sustainable Procurement Code outlines expectations for suppliers around responsible sourcing and resource consumption. The supplier guidance document that is provided alongside the Code outlines clear expectations for timber: 'All timber and timber products should be sourced from legal and sustainable sources, certified under the Forest Stewardship Council ("FSC") or Programme for the Endorsement of Forest Certification ("PEFC")'. The sustainable procurement code and the guidance document state that they outline expectations of the suppliers and their supply chains.*

#### **(8.9.2.5) Certification documentation**

**(8.10) Indicate whether you have monitored or estimated the deforestation and conversion of other natural ecosystems footprint for your disclosed commodities.**

**Timber products**

**(8.10.1) Monitoring or estimating your deforestation and conversion footprint**

Select from:

- No, and we do not plan to monitor or estimate our deforestation and conversion footprint in the next two years

**(8.10.2) Primary reason for not monitoring or estimating deforestation and conversion footprint**

Select from:

- Not an immediate strategic priority

**(8.10.3) Explain why you do not monitor or estimate your deforestation and conversion footprint**

*SSE actively manages its environmental footprint and takes careful consideration of forest-related issues in its activities. However, SSE has undertaken a double materiality assessment, a concept which acknowledges that a company should report simultaneously on sustainability matters that are material in influencing business value and material to the environment and society, with support from an independent professional services firm. The objective was to confirm the ESG issues most material to SSE, both in terms of their impact on the business and the impact of the business on each issue. The assessment identified 21 ESG issues material and highlighted five highly material issues for SSE, alongside three areas of opportunity. These issues were: 1. Carbon emissions. 2. Sustainable energy generation. 3. Affordable and reliable energy. 4. Supply chain management. 5. Skilled workforce. The five highly material issues were identified as having the likelihood of and magnitude of potential financial/reputational impacts higher than those posed by the deforestation and conversion of other natural ecosystems as a result of the timber products that SSE purchases. As such, monitoring or estimating the deforestation and conversion of other natural ecosystems is not an immediate strategic priority for SSE.*

[Fixed row]

**(8.12) Indicate if certification details are available for the commodity volumes sold to requesting CDP Supply Chain members.**



	Third-party certification scheme adopted	Certification details are available for the volumes sold to any requesting CDP Supply Chain members
Timber products	<i>Select from:</i> <input checked="" type="checkbox"/> Yes	<i>Select from:</i> <input checked="" type="checkbox"/> We do not supply requesting members with goods and services containing this commodity

[Fixed row]

### **(8.13) Does your organization calculate the GHG emission reductions and/or removals from land use management and land use change that have occurred in your direct operations and/or upstream value chain?**

#### **Timber products**

##### **(8.13.1) GHG emissions reductions and removals from land use management and land use change calculated**

*Select from:*

No, and do not plan to do so in the next two years

##### **(8.13.2) Primary reason your organization does not calculate GHG emissions reductions and removals from land use management and land use change**

*Select from:*

No standardized procedure

##### **(8.13.3) Explain why your organization does not calculate GHG emissions reductions and removals from land use management and land use change**

*SSE does not currently calculate greenhouse gas emissions arising from land use change and land management. The GHG Protocol is developing new Land Sector and Removals Guidance. This new guidance is currently in the pilot testing and review phase and will be finalised and published in 2024. Once the GHG Protocol guidance is published, SSE will consider its emissions impacts from land use change and land management. However, it is likely that the initial focus of this work will*

concentrate on quantifying SSE's emissions impacts from direct land use change due to its construction activities rather than the emissions associated with the land use change and land management from the sourcing of timber products in its upstream value chain.

[Fixed row]

**(8.14) Indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards, and provide details.**

**(8.14.1) Assess legal compliance with forest regulations**

Select from:

No, and we do not plan to within the next two years

**(8.14.5) Please explain**

As a minimum, SSE expects all suppliers and contractors to comply with local laws and regulations. SSE does not have a formal a system to control, monitor, or verify its own compliance or its supplier's compliance with forest regulations and/or mandatory standards. However, SSE's Sustainable Procurement Code: Supplier Guidance document states that all timber and timber products on SSE sites should be sourced from legal and sustainable sources, certified under the Forest Stewardship Council ("FSC") or Programme for the Endorsement of Forest Certification ("PEFC").

[Fixed row]

**(8.15) Do you engage in landscape (including jurisdictional) initiatives to progress shared sustainable land use goals?**

	<b>Engagement in landscape/jurisdictional initiatives</b>
	Select from: <input checked="" type="checkbox"/> Yes, we engage in landscape/jurisdictional initiatives

[Fixed row]

## **(8.15.1) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.**

### **(8.15.1.1) Criteria for prioritizing landscapes/jurisdictions for engagement**

*Select all that apply*

- Response to regulation
- Response to voluntary sectoral agreement
- Organization has operational presence in area
- Opportunity to protect and restore natural ecosystems
- Ability to contribute to/ build on existing landscape/jurisdictional initiatives
- Risk of deforestation, forests/land degradation, or conversion of other natural ecosystems
- Recognized as priority landscape by credible multi-stakeholder groups or industry platforms

### **(8.15.1.2) Explain your process for prioritizing landscapes/jurisdictions for engagement**

*As part of its obligation to conduct Environmental Impact Assessments in all the jurisdictions under which the company operates, SSE undertakes detailed Environmental Impact Assessments (EIA) for large projects and completes an environmental assessment for projects where an EIA is not a statutory requirement. The four stages of the mitigation hierarchy – avoid, minimize, restore and offset – are embedded into the principles of Environmental Impact Assessment. Where projects are expected to have significant impacts on biodiversity, SSE strives to offset these impacts through actions such as developing Habitat Management Plans for renewable developments in the EIA stage, or funding conservation activity conducted by other groups. SSE also provides mitigation measures as part of planning proposals for all construction projects. Development in sensitive locations is often necessary to secure energy supplies for a net zero world and each location brings a unique set of circumstances to oversee. While every effort is made to carefully manage any risks or impacts to the environment, invariably situations arise, that need to be addressed to safely remedy any incidents. During construction of major projects, SSE adopts detailed measures to mitigate adverse environmental impacts, often under the guidance of a professional ecologist. These include implementation of relevant Species Protection Plans and Habitat Management Plans, that allow SSE to progress construction while protecting sensitive species. Furthermore, monitoring the impacts of operational assets on nature is vital to improve mitigation measures and address evidence gaps. Where SSE has an existing and proposed operational presence within an area, it actively contributes to policy consultations and research into its valuable habitats and species. SSE prioritises research and partnerships in the landscapes where it is known its operations will have an environmental impact. An example includes establishing a partnership with the Orkney Skate Trust to develop a deeper understanding of the marine environment, and the ways in which the unique wildlife that exists there can be protected and enhanced while delivering subsea cables offshore that connect Scotland's remote islands to the GB grid.*

*[Fixed row]*

**(8.15.2) Provide details of your engagement with landscape/jurisdictional initiatives to sustainable land use during the reporting year.**

**Row 1**

**(8.15.2.1) Landscape/jurisdiction ID**

Select from:

LJ1

**(8.15.2.2) Name of initiative**

*SSE Renewables Peatland Restoration*

**(8.15.2.3) Country/area**

Select from:

United Kingdom of Great Britain and Northern Ireland

**(8.15.2.4) Name of landscape or jurisdiction area**

*Scotland and Ireland, specifically areas where SSE operate within areas of peatland.*

**(8.15.2.6) Indicate if you can provide the size of the area covered by the initiative**

Select from:

Yes

**(8.15.2.7) Area covered by the initiative (ha)**

1114

**(8.15.2.8) Type of engagement**

Select all that apply

Convener: Leads or facilitates the design, set-up, and high-level management of the initiative

Funder: Provides full or partial financial resources

### (8.15.2.9) Engagement start year

2007

### (8.15.2.10) Engagement end year

*Select from:*

Not defined

### (8.15.2.12) Landscape goals supported by engagement

#### **Environmental**

Biodiversity protected and/or restored

Improved rate of carbon sequestration (e.g., through restoration)

Natural ecosystems conserved and/or restored

Reduced emissions from land use change and/or agricultural production

### (8.15.2.13) Organization actions supporting initiative

#### **Participate in planning and multi-stakeholder alignment**

Collaborate on management/land use planning in the landscape/jurisdiction

#### **Build community and multi-stakeholder capacities**

Promote and implement climate change adaptation and mitigation activities

### (8.15.2.14) Type of partners engaged in the initiative design and implementation

*Select all that apply*

Private sector

### **(8.15.2.15) Description of engagement**

*SSE Renewables actively manages peatland across several operational wind farm sites and their associated Habitat Management Plan (HMP) areas in Scotland. In recent years there have been major declines in the extent of blanket bog habitat in the UK, principally due to afforestation, drainage, burning and overgrazing. Blanket bog habitats need to be in good health to function as a net sink carbon store instead of as a source of atmospheric carbon which is what happens if the peat is degraded. Local Planning Authorities require an Environmental Impact Assessments (EIA) to be conducted where SSE's projects are likely to have significant effect on the environment. SSE will prepare an EIA Report containing the environmental information required by the EIA Regulations, covering a range of topics including Ecology and Nature Conservation, Hydrology, Hydrogeology and Geology and Ornithology amongst others. The Local Planning Authorities must be satisfied that SSE provides mitigation measures as part of planning proposals for all construction projects. SSE works with expert implementation partners on specific projects. To date, SSE Renewables has undertaken 1,114ha of open hill restoration. An example is at Dunmaglass Wind Farm (joint venture between SSE Renewables (50.1%) and Greencoat UK Wind Plc (49.9%)) where a key aim of the Nature Conservation Management Plan (NCMP) is to restore and enhance areas of blanket bog across the site. Work to date has focused on restoring circa 25 hectares of peatland utilising specialist, skilled contractors employing innovative reprofiling and restoration techniques. At each stage in the process, these works have been undertaken collaboratively with the Dunmaglass Estate who have also contributed their own funding to enable additional areas of peatland to be restored. There are varying types of peatland erosion on site, and this requires a variety of restoration techniques to be employed including hag re-profiling and cross-tracking. The success of these restoration techniques will be assessed in line with a commitment to long-term habitat monitoring for the operational lifespan of the site. In addition, SSE Renewables is actively investigating additional monitoring opportunities for blanket bog restoration across operational assets to better understand how to maximise the value of these projects and contribute to delivering positive effects for biodiversity.*

### **(8.15.2.16) Collective monitoring framework used to measure progress towards landscape goals and actions**

Select from:

Yes, progress is monitored using an internally defined framework

### **(8.15.2.17) State the achievements of your engagement so far and how progress is monitored**

*SSE has restored 1,114ha of open hill to peatland to date, with a pipeline of 1,000ha of peatland restoration due to be completed in the next 3-5 years.*

### **(8.15.2.18) Claims made**

Select from:

No, we are not making any claims, and we do not plan to within the next two years

## **Row 2**

### **(8.15.2.1) Landscape/jurisdiction ID**

Select from:

LJ2

### (8.15.2.2) Name of initiative

*Seagrass Restoration*

### (8.15.2.3) Country/area

Select from:

United Kingdom of Great Britain and Northern Ireland

### (8.15.2.4) Name of landscape or jurisdiction area

*Coastlines around the north of Scotland (coastlines within SSEN Distribution's licence area).*

### (8.15.2.6) Indicate if you can provide the size of the area covered by the initiative

Select from:

Yes

### (8.15.2.7) Area covered by the initiative (ha)

14

### (8.15.2.8) Type of engagement

Select all that apply

Funder: Provides full or partial financial resources

### (8.15.2.9) Engagement start year

2024

### (8.15.2.10) Engagement end year

Select from:

- Please specify :2028

### (8.15.2.11) Estimated investment over the project period

2000000

### (8.15.2.12) Landscape goals supported by engagement

#### Environmental

- Biodiversity protected and/or restored
- Improved community resilience from climate adaptation plans or mitigation efforts
- Improved rate of carbon sequestration (e.g., through restoration)

### (8.15.2.13) Organization actions supporting initiative

#### Build community and multi-stakeholder capacities

- Promote and implement climate change adaptation and mitigation activities

#### Enhance government and capacity

- Support local governments (or equivalent) to enhance landscape governance structure, and provide them with resources to develop and implement sustainable landscape policies and/or management plan

### (8.15.2.14) Type of partners engaged in the initiative design and implementation

*Select all that apply*

- National government
- NGO and/or civil society
- Private sector

### (8.15.2.15) Description of engagement

*Scottish and Southern Electricity Networks (SSEN), the Distribution Network Operator for the north of Scotland and central southern England, is partnering with NatureScot's to restore nature in Scotland's seas through a 2m seagrass planting programme. This innovative nature finance initiative between the Scottish Marine*



*Environmental Enhancement Fund (SMEEF) and SSEN was launched on World Seagrass Day. The partnership with SSEN went through a bespoke due diligence process to underpin confidence in the programme and build in ethical considerations. Scottish seas are a special place for marine habitats like seagrass, with its coast stretching 18,000 km and containing 8,000 species or more. Seagrass beds have another great advantage: they lock away carbon both in leaves and roots and through stabilising sediment, making them great natural solutions to help tackle the climate crisis as well as reducing biodiversity loss. They can also improve water quality, reduce contamination in seafood, and act as the first line of defence along coasts by reducing wave energy, protecting people from the increasing risk of flooding and storms. But seagrasses have been declining globally since the 1930s, with estimates that 7% of seagrass meadows are being lost each year. This exciting initiative will see at least 14ha of seagrass planted in Scottish coastal waters.*

#### **(8.15.2.16) Collective monitoring framework used to measure progress towards landscape goals and actions**

Select from:

- No, but we are planning to monitor progress in the next two years

#### **(8.15.2.18) Claims made**

Select from:

- No, we are not making any claims, and we do not plan to within the next two years

### **Row 3**

#### **(8.15.2.1) Landscape/jurisdiction ID**

Select from:

- LJ3

#### **(8.15.2.2) Name of initiative**

*Projects for Nature (SSEN Distribution).*

#### **(8.15.2.3) Country/area**

Select from:

- United Kingdom of Great Britain and Northern Ireland

#### **(8.15.2.4) Name of landscape or jurisdiction area**

**(8.15.2.6) Indicate if you can provide the size of the area covered by the initiative**

Select from:

Yes

**(8.15.2.7) Area covered by the initiative (ha)**

35

**(8.15.2.8) Type of engagement**

Select all that apply

Funder: Provides full or partial financial resources

**(8.15.2.9) Engagement start year**

2024

**(8.15.2.10) Engagement end year**

Select from:

Not defined

**(8.15.2.11) Estimated investment over the project period**

250000

**(8.15.2.12) Landscape goals supported by engagement**

**Environmental**

- Avoided deforestation/conversion of other natural ecosystems and/or decreased degradation rate
- Biodiversity protected and/or restored
- Improved rate of carbon sequestration (e.g., through restoration)

### (8.15.2.13) Organization actions supporting initiative

#### Enhance government and capacity

- Support local governments (or equivalent) to enhance landscape governance structure, and provide them with resources to develop and implement sustainable landscape policies and/or management plan

### (8.15.2.14) Type of partners engaged in the initiative design and implementation

Select all that apply

- National government
- NGO and/or civil society
- Private sector

### (8.15.2.15) Description of engagement

*Scottish and Southern Electricity Networks (SSEN), the Distribution Network Operator for the north of Scotland and central southern England, is a founding partner and the first utility company to support the Projects for Nature platform. The platform brings together the expertise of businesses, environmental NGOs, and the UK Government along with its expert environmental bodies. It showcases nature projects that have been assessed by the Department for Environment, Food and Rural Affairs (DEFRA), Natural England, and the Environment Agency, and aims to make it simpler for businesses to get involved in nature recovery. SSEN has announced two projects that will benefit from almost 250,000 of funding, one being the regeneration of 24 hectares of woodland within the Northern Fields at Heal in Somerset, which is the Heal Rewilding charity's first site.*

### (8.15.2.16) Collective monitoring framework used to measure progress towards landscape goals and actions

Select from:

- No, but we are planning to monitor progress in the next two years

### (8.15.2.18) Claims made

Select from:

- No, we are not making any claims, and we do not plan to within the next two years

[Add row]

**(8.15.3) For each of your disclosed commodities, provide details on the disclosure volume from each of the landscapes/jurisdictions you engage in.**

**Row 1**

**(8.15.3.1) Landscape/jurisdiction ID**

*Select from:*

LJ1

**(8.15.3.2) Does any of your produced and/or sourced commodity volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume?**

*Select from:*

No, we do not produce/source from this landscape/jurisdiction

*[Add row]*

**(8.17.1) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).**

**Row 1**

**(8.17.1.1) Project reference**

*Select from:*

Project 1

**(8.17.1.2) Project type**

*Select from:*

Peatland protection and restoration

### (8.17.1.3) Expected benefits of project

Select all that apply

- Improvement to soil health
- Increase in carbon sequestration
- Reduce/halt biodiversity loss
- Restoration of natural ecosystem(s)

### (8.17.1.4) Is this project originating any carbon credits?

Select from:

- No

### (8.17.1.5) Description of project

*SSE Renewables actively manages peatland across ten operational wind farm sites and their associated Habitat Management Plan (HMP) areas in Scotland. In recent years there have been major declines in the extent of blanket bog habitat in the UK, principally due to afforestation, drainage, burning and overgrazing. Peat is the largest terrestrial carbon store in the UK and approximately 4.5 billion tonnes of carbon are stored in Scotland's peatlands. Blanket bog habitats need to be in good health to function as a net sink carbon store instead of as a source of atmospheric carbon which is what happens if the peat is degraded. Local Planning Authorities require an Environmental Impact Assessments (EIA) to be conducted where SSE's projects are likely to have significant effect on the environment. SSE will prepare an EIA Report containing the environmental information required by the EIA Regulations, covering a range of topics including Ecology and Nature Conservation, Hydrology, Hydrogeology and Geology and Ornithology amongst others. SSE works with expert implementation partners on specific projects. An example is at Dunmaglass Wind Farm (joint venture between SSE Renewables (50.1%) and Greencoat UK Wind Plc (49.9%)) where a key aim of the Nature Conservation Management Plan (NCMP) is to restore and enhance areas of blanket bog across the site. Work to date has focused on restoring circa 25 hectares of peatland utilising specialist, skilled contractors employing innovative reprofiling and restoration techniques. At each stage in the process, these works have been undertaken collaboratively with the Dunmaglass Estate who have also contributed their own funding to enable additional areas of peatland to be restored. There are varying types of peatland erosion on site, and this requires a variety of restoration techniques to be employed including hag re-profiling and cross-tracking. The success of these restoration techniques will be assessed in line with a commitment to long-term habitat monitoring for the operational lifespan of the site. In addition, SSE Renewables is actively investigating additional monitoring opportunities for blanket bog restoration across operational assets to better understand how to maximise the value of these projects and contribute to delivering positive effects for biodiversity.*

### (8.17.1.6) Where is the project taking place in relation to your value chain?

Select all that apply

- Project based in area with direct operations

### (8.17.1.7) Start year

2007

### (8.17.1.8) Target year

Select from:

Indefinitely

### (8.17.1.9) Project area to date (Hectares)

25

### (8.17.1.10) Project area in the target year (Hectares)

25

### (8.17.1.11) Country/Area

Select from:

United Kingdom of Great Britain and Northern Ireland

### (8.17.1.12) Latitude

57.2772

### (8.17.1.13) Longitude

-4.2636

### (8.17.1.14) Monitoring frequency

Select from:

Six-monthly or more frequently

### (8.17.1.16) For which of your expected benefits are you monitoring progress?

Select all that apply

- Improvement to soil health
- Increase in carbon sequestration
- Reduce/halt biodiversity loss
- Restoration of natural ecosystem(s)

### (8.17.1.17) Please explain

*In recent years there have been major declines in the extent of blanket bog habitat in the UK, principally due to afforestation, drainage, burning and overgrazing. Peat is the largest terrestrial carbon store in the UK and approximately 4.5 billion tonnes of carbon are stored in Scotland's peatlands. Blanket bog habitats need to be in good health to function as a net sink carbon store instead of as a source of atmospheric carbon which is what happens if the peat is degraded. Peat is also important for water management, as peat can hold up to 20 times its own weight in water and therefore contribute to the regulation of flooding.*

## Row 2

### (8.17.1.1) Project reference

Select from:

- Project 2

### (8.17.1.2) Project type

Select from:

- Peatland protection and restoration

### (8.17.1.3) Expected benefits of project

Select all that apply

- Improvement to soil health
- Increase in carbon sequestration
- Reduce/halt biodiversity loss
- Restoration of natural ecosystem(s)

#### (8.17.1.4) Is this project originating any carbon credits?

Select from:

No

#### (8.17.1.5) Description of project

*SSE Renewables actively manages peatland across ten operational wind farm sites and their associated Habitat Management Plan (HMP) areas in Scotland. In recent years there have been major declines in the extent of blanket bog habitat in the UK, principally due to afforestation, drainage, burning and overgrazing. Peat is the largest terrestrial carbon store in the UK and approximately 4.5 billion tonnes of carbon are stored in Scotland's peatlands. Blanket bog habitats need to be in good health to function as a net sink carbon store instead of as a source of atmospheric carbon which is what happens if the peat is degraded. Local Planning Authorities require an Environmental Impact Assessments (EIA) to be conducted where SSE's projects are likely to have significant effect on the environment. SSE will prepare an EIA Report containing the environmental information required by the EIA Regulations, covering a range of topics including Ecology and Nature Conservation, Hydrology, Hydrogeology and Geology and Ornithology amongst others. In 2024, upon competition, Viking Wind Farm will be the UK's largest onshore wind farm in terms of annual electricity output, playing a crucial role in contributing towards the UK and Scotland's net zero targets by powering over 500,000 homes. As well as minimising environmental impacts in line with SSE Renewables' usual environment management framework, SSE Renewables is committed to making positive contributions to habitat restoration. Much of the Viking Wind Farm is located on heavily eroding peat therefore the Habitat Management Plan for Viking Wind Farm will seek to restore approximately 260 hectares of severely degraded peatland. The aim is to re-establish vegetation cover on areas of bare peat and to raise water levels. This enables restoration of the habitat and provides conditions for the peatland to sustain itself – ultimately achieving bog creation condition in the long term. Using existing turves and peatland features, the area has been successfully rewetted, leading to the formation of pools that did not exist previously. Peatland restoration will continue during the operational phase and be monitored and managed across the lifetime of the wind farm ensuring the longevity of measures implemented.*

#### (8.17.1.6) Where is the project taking place in relation to your value chain?

Select all that apply

Project based in area with direct operations

#### (8.17.1.7) Start year

2023

#### (8.17.1.8) Target year

Select from:

Indefinitely



### (8.17.1.9) Project area to date (Hectares)

260

### (8.17.1.10) Project area in the target year (Hectares)

260

### (8.17.1.11) Country/Area

Select from:

United Kingdom of Great Britain and Northern Ireland

### (8.17.1.12) Latitude

60.264

### (8.17.1.13) Longitude

-1.247

### (8.17.1.14) Monitoring frequency

Select from:

Six-monthly or more frequently

### (8.17.1.16) For which of your expected benefits are you monitoring progress?

Select all that apply

Improvement to soil health

Increase in carbon sequestration

Reduce/halt biodiversity loss

Restoration of natural ecosystem(s)

### (8.17.1.17) Please explain

*In recent years there have been major declines in the extent of blanket bog habitat in the UK, principally due to afforestation, drainage, burning and overgrazing. Peat is the largest terrestrial carbon store in the UK and approximately 4.5 billion tonnes of carbon are stored in Scotland's peatlands. Blanket bog habitats need to be in good health to function as a net sink carbon store instead of as a source of atmospheric carbon which is what happens if the peat is degraded. Peat is also important for water management, as peat can hold up to 20 times its own weight in water and therefore contribute to the regulation of flooding.*

*[Add row]*

## C9. Environmental performance - Water security

### (9.1.1) Provide details on these exclusions.

#### Row 1

##### (9.1.1.1) Exclusion

Select from:

Facilities

##### (9.1.1.2) Description of exclusion

*SSE excludes the water performance metrics from its thermal power stations that it does not have operational control. This applies to the Seabank, Saltend and Indian Queens power stations, therefore they are excluded from the reporting boundary.*

##### (9.1.1.3) Reason for exclusion

Select from:

Other, please specify :Facilities are outside of SSE's direct operational control.

##### (9.1.1.7) Percentage of water volume the exclusion represents

Select from:

Unknown

##### (9.1.1.8) Please explain

*SSE has excluded any joint ventures in which it does not have operational control. SSE has excluded any joint ventures where SSE has an equity ownership of less than 50%. For a full list of SSE's subsidiaries, partnerships, joint associates, please refer to pages 284 to 296 of SSE's Annual Report 2024. All joint ventures where SSE does not have operational control have been excluded from SSE's water reporting. This applies to the Seabank, Saltend and Indian Queens power stations, therefore they are excluded from the reporting boundary. This also applied to Neos Networks. In the year ending 31 March 2019, the SSE Group disposed of 50% of its stake in Neos Networks Limited (formerly SSE Telecommunications Limited). SSE retains a 50% joint venture investment in Neos Networks Limited, but the Group does not have operational control over the activities undertaken by the company.*

## Row 2

### (9.1.1.1) Exclusion

Select from:

- Specific groups, businesses, or organizations

### (9.1.1.2) Description of exclusion

*The data for water withdrawal, discharge and consumption detailed in this disclosure excludes data for SSE's suppliers.*

### (9.1.1.3) Reason for exclusion

Select from:

- Data is not available

### (9.1.1.4) Primary reason why data is not available

Select from:

- Challenges associated with data collection and/or quality

### (9.1.1.7) Percentage of water volume the exclusion represents

Select from:

- Unknown

### (9.1.1.8) Please explain

*Collecting accurate and consistent data from SSE's supply chain is difficult. In the short to medium-term, SSE's Procurement team will be exploring different methods to start collecting water related information from SSE's supply chain.*

## Row 3

### (9.1.1.1) Exclusion

Select from:

Facilities

### (9.1.1.2) Description of exclusion

*SSE has excluded power stations where the Company does not have operational control but does have a Power Purchase Agreement (PPA) in place. For example, this includes water withdrawal, discharge and consumption data at the Marchwood power station.*

### (9.1.1.3) Reason for exclusion

Select from:

Other, please specify :SSE has excluded power stations where the Company does not have operational control but does have a Power Purchase Agreement (PPA) in place. For example, this includes water withdrawal, discharge and consumption data at the Marchwood power station.

### (9.1.1.7) Percentage of water volume the exclusion represents

Select from:

Unknown

### (9.1.1.8) Please explain

*SSE excludes the water performance metrics from its thermal power stations that it does not have operational control and power stations which SSE has 100% power purchase agreements. SSE also excludes water consumption from smaller non-operational sites that are not managed by its facility management team.*

## Row 4

### (9.1.1.1) Exclusion

Select from:

Country/geographical area

### (9.1.1.2) Description of exclusion

*Water withdrawal, consumed and discharged from SSE Renewables' international activities in Asia-Pacific, Europe, and North America.*

### (9.1.1.3) Reason for exclusion

Select from:

Other, please specify :Any activities representing under 1% of the total performance metric (i.e. total total water abstracted) are considered de-minimis by SSE.

### (9.1.1.7) Percentage of water volume the exclusion represents

Select from:

Less than 1%

### (9.1.1.8) Please explain

*SSE has recently extended its renewables expansion to carefully selected international markets including East Asia, Europe, and North America. The activities involve onshore and offshore wind project development opportunities in these markets. SSE's activities overseas cover employees based at small offices working on renewable energy development opportunities. Overseas operations are considered de-minimis as water withdrawal, consumed and discharged from SSE Renewables' international activities fall under SSE's materiality threshold for inclusion at 1% of total SSE Group water withdrawal, consumption and discharge. Approximately 40 employees were on-boarded from SGRE in 2021/22, representing a fraction of the SSE Group total FTEs.*

[Add row]

## (9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

### Water withdrawals – total volumes

#### (9.2.1) % of sites/facilities/operations

Select from:

76-99

#### (9.2.2) Frequency of measurement

Select from:

Continuously

### (9.2.3) Method of measurement

*Hydro – Telemetry system. Thermal – combination of calculation by pump run hours and pump flow factors or flow metering.*

### (9.2.4) Please explain

*Hydro and thermal generation activities contribute over 99% of SSE's total water withdrawals in terms of total volumes. These withdrawals are therefore business critical and monitored closely for operational and regulatory purposes. The continuous measurement is carried out via instrumentation at each hydro site that monitors water levels, valve/gate positions, flowrates, turbine generation and transmits this data to SSE's 24-hour control room. SSE's Thermal power stations monitor, measure and report water aspects to the appropriate regulators against specific environmental permits/licenses and their requirements. Across these sites, withdrawals are continuously monitored, either by a function of pump running hours multiplied by flow factors or through flow meters. The coverage is based on the number of sites where the measurement and monitoring of water withdrawal volume is relevant. These are SSE's Hydro power stations and Thermal power stations.*

## Water withdrawals – volumes by source

### (9.2.1) % of sites/facilities/operations

Select from:

76-99

### (9.2.2) Frequency of measurement

Select from:

Continuously

### (9.2.3) Method of measurement

*Hydro – Telemetry system. Thermal – combination of calculation by pump run hours and pump flow factors or flow metering.*

### (9.2.4) Please explain

*Hydro and thermal generation activities contribute over 99% of SSE's total water withdrawals in terms of volumes by source. This data is gathered and monitored for both regulatory and operational purposes. The coverage is based on the number of sites where the measurement and monitoring of water withdrawal volume by source is relevant. These are SSE's Hydro power stations and Thermal power stations. Hydro - The continuous measurement is carried out via instrumentation at each hydro site that monitors water levels, valve / gate positions, flowrates, turbine generation, etc. and transmits this data to SSE's 24-hour control room.*

## Water withdrawals quality

### (9.2.1) % of sites/facilities/operations

Select from:

76-99

### (9.2.2) Frequency of measurement

Select from:

Other, please specify :Periodic as required for process purposes.

### (9.2.3) Method of measurement

*Hydro - Samples taken to third-party lab. Testing of water coming into plant (not at every site). This is typically where a private drinking water supply is needed at remote locations. Thermal - By independent UKAS Accredited laboratories*

### (9.2.4) Please explain

*Hydro and thermal generation activities contribute over 99% of SSE's total water withdrawals in terms of quality. This data is similarly gathered for regulatory and operational purposes. The coverage is based on the number of sites where the measurement and monitoring of water withdrawal quality is relevant. These are SSE's Hydro power stations and Thermal power stations. Where water is used on site as a private drinking / washing water supply for staff then SSE routinely monitor the incoming water quality to ensure it is within the specification of the water treatment plant for that location. Samples are taken and analysed by third party laboratory service providers for this purpose. The local council may also take samples for independent lab testing as they have legal responsibility to regulate all private (i.e. non-Scottish Water) water supplies in Scotland.*

## Water discharges – total volumes

### (9.2.1) % of sites/facilities/operations

Select from:

76-99

### (9.2.2) Frequency of measurement

Select from:



Continuously

### (9.2.3) Method of measurement

*Hydro – Telemetry system. Thermal – combination of calculation by pump run hours and pump flow factors or flow metering*

### (9.2.4) Please explain

*Hydro and thermal generation activities contribute over 99% of SSE's total water discharges in terms of total volumes. These activities are business critical and therefore the data is gathered and monitored for regulatory and operational purposes. The coverage is based on the number of sites where the measurement and monitoring of water discharge volumes is relevant. These are SSE's Hydro power stations and Thermal power stations. The continuous measurement is carried out via instrumentation at each hydro site that monitors water levels, valve / gate positions, flowrates, turbine generation, etc. and transmits this data to SSE's 24-hour control room.*

## Water discharges – volumes by destination

### (9.2.1) % of sites/facilities/operations

Select from:

76-99

### (9.2.2) Frequency of measurement

Select from:

Continuously

### (9.2.3) Method of measurement

*Hydro – Telemetry system. Thermal – combination of calculation by pump run hours and pump flow factors or flow metering*

### (9.2.4) Please explain

*Hydro and thermal generation activities contribute over 99% of SSE's total water discharges in terms of volumes by destination. This data is gathered for regulatory and operational purposes. The coverage is based on the number of sites where the measurement and monitoring of water discharge volumes by destination are relevant. These are SSE's Hydro power stations and Thermal power stations. The continuous measurement is carried out via instrumentation at each hydro site that monitors water levels, valve / gate positions, flowrates, turbine generation, etc. and transmits this data to SSE's 24-hour control room.*

## Water discharges – volumes by treatment method

### (9.2.1) % of sites/facilities/operations

Select from:

76-99

### (9.2.2) Frequency of measurement

Select from:

Continuously

### (9.2.3) Method of measurement

*Hydro – not applicable. Thermal – combination of calculation by pump run hours and pump flow factors or flow metering*

### (9.2.4) Please explain

*Thermal power stations monitor, measure and report water aspects to the Regulators against specific environmental permits and this may include in some jurisdictions water discharge volumes by treatment method. The coverage is based on the number of sites where the measurement and monitoring of water discharges by treatment are relevant. This is based on the number Thermal power stations only. SSE's hydro-electric generation stations use freshwater to generate electricity. Water passes through turbines and is returned to the environment almost immediately. Since there is no change to the water that is returned to the environment, this parameter is not relevant to these operations.*

## Water discharge quality – by standard effluent parameters

### (9.2.1) % of sites/facilities/operations

Select from:

76-99

### (9.2.2) Frequency of measurement

Select from:

Monthly

### (9.2.3) Method of measurement

*Hydro – not applicable. Thermal – some quality parameters are analysed by third party accredited laboratories based on regular samples (e.g. monthly) and some are typically continuously monitored by on-site instrumentation e.g. pH and chlorine.*

### (9.2.4) Please explain

*Thermal power stations monitor, measure and report water aspects to the Regulators against specific environmental permits and this may include water discharge quality (by standard effluent parameters). The coverage is based on the number of sites where the measurement and monitoring of water discharges quality by standard effluent parameters are relevant. This is based on the number of SSE's Thermal power stations only. SSE's hydro-electric generation stations use freshwater to generate electricity. Water passes through turbines and is returned to the environment almost immediately. Since there is no change to the water that is returned to the environment, this water discharge quality by standard effluent parameter is not relevant to these operations.*

## Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

### (9.2.1) % of sites/facilities/operations

Select from:

Not relevant

### (9.2.4) Please explain

*Hydro - Oil used to lubricate turbines could potentially leak into the water course, but SSE has mitigations plans in place to stop such pollutants from entering the water that runs through its hydro assets. Volumes of oil used in stations by operational plant are monitored to identify and repair any cause of oil loss. Thermal - No on-site sources of the specific parameters identified in this question. The monitoring plan for discharges from SSE's Power Stations is determined and agreed with the relevant environmental regulator based upon the activities / risks at the stations. SSE has therefore considered that this is the set of 'standard effluent parameters' identified in the question above.*

## Water discharge quality – temperature

### (9.2.1) % of sites/facilities/operations

Select from:

76-99

### (9.2.2) Frequency of measurement

Select from:

Continuously

### (9.2.3) Method of measurement

*Temperature instrument / probe.*

### (9.2.4) Please explain

*Thermal power stations monitor, measure and report water aspects to the Regulators against specific environmental permits and this may include water discharge quality in terms of temperature. The coverage is based on the number of sites where the measurement and monitoring of water discharge temperature is relevant. This is based on the number of SSE's Thermal power stations only. SSE's hydro-electric generation stations use freshwater to generate electricity. Water passes through turbines and is returned to the environment almost immediately. Since there is no significant temperature change as part of the hydropower operation, this water quality temperature parameter is not relevant to these operations.*

## Water consumption – total volume

### (9.2.1) % of sites/facilities/operations

Select from:

76-99

### (9.2.2) Frequency of measurement

Select from:

Continuously

### (9.2.3) Method of measurement

*Hydro – not applicable. Thermal – combination of calculation by pump run hours and pump flow factors or flow metering.*

### (9.2.4) Please explain

*The water that is consumed by SSE is used for cooling and as process water in SSE's thermal power stations and in SSE's non-operational buildings for amenities. SSE's thermal generation activities contribute over 96% of total water in terms of consumption with the remainder consumed by SSE's property portfolio. This is business critical activity, therefore, data is gathered for both regulatory and operational purposes. The coverage is based on the number of sites where the*

measurement and monitoring of total water consumption volumes is relevant. This is based on the number Thermal power stations and non-operational sites (offices, data centres, depots and warehouses). SSE's hydro-electric generation stations use freshwater to generate electricity. Water passes through turbines and is returned to the environment almost immediately. Since there is no water consumption as a part of hydropower operations this water consumption by total volume parameter is not relevant for these operations

## Water recycled/reused

### (9.2.1) % of sites/facilities/operations

Select from:

76-99

### (9.2.2) Frequency of measurement

Select from:

Continuously

### (9.2.3) Method of measurement

Hydro - Telemetry system

### (9.2.4) Please explain

Hydro and thermal generation activities contribute 99% of total water recycled/reused. Data is gathered for regulatory/operational purposes (e.g. for optimising efficiencies) as it's business critical. Water passing through one hydro facility is immediately returned to the environment and typically recycled through a further 3-4 hydropower facilities in a cascade model. Therefore, the bulk of this water is recycled without compromising quality. SSE operates one pump storage scheme (Foyers) where water that is pumped from the lower reservoir to the upper reservoir is subsequently re-used for generation as it returns to the lower reservoir. Thermal power stations - water used within steam cycles is continuously reused, with a certain level of loss/bleed to maintain water quality. Sites with certain types of cooling systems recirculate water to minimise need for abstraction. As this re-use is inherent in the system design the quantity of reuse isn't monitored as it's a continuous process.

## The provision of fully-functioning, safely managed WASH services to all workers

### (9.2.1) % of sites/facilities/operations

Select from:

76-99

## (9.2.2) Frequency of measurement

Select from:

Monthly

## (9.2.3) Method of measurement

*Hydro – not applicable. Thermal - Combination of meter readings and flow meters*

## (9.2.4) Please explain

*The water that is consumed by SSE for WASH purposes is in SSE's non-operational buildings for amenities. This data is gathered for internal monitoring and measurement purposes to support efficiency activities and programmes. The coverage is based on the number of full-time employees.*

*[Fixed row]*

## (9.2.1) For your hydropower operations, what proportion of the following water aspects are regularly measured and monitored?

### Fulfilment of downstream environmental flows

## (9.2.1.1) % of sites/facilities/operations measured and monitored

Select from:

100%

## (9.2.1.2) Please explain

*SSE's heritage has its foundations in the largescale development of hydroelectricity in the north of Scotland in the 1930s and 1970s with some a small number of sites added in the late 1990s and early 2000s. The requirement for environmental flows for these schemes, particularly as relevant to the successful migration and spawning of salmon, were very well developed for the time and have been added to and modified over the years based on practical experience and, more recently, changes in legislation. SSE works closely with regulators, environmental organisations, fishery interests and local communities to ensure that its hydro-electricity operations have minimal adverse impacts on these stakeholders, biodiversity and the environment. SSE monitors all abstractions (based on the volume of water passing through its turbines), compensation and freshet flows and report these to the Regulator, the Scottish Environment Protection Agency (SEPA), on an annual*

basis or as requested. Environmental flows are defined as conditions in the operating licence issued by SEPA. There is a legally defined process for SEPA to vary these flows if this is necessary to protect the environment.

## Sediment loading

### (9.2.1.1) % of sites/facilities/operations measured and monitored

Select from:

100%

### (9.2.1.2) Please explain

*There is no impact to sediment loading from SSE's hydro operations in normal operating conditions; during maintenance, non-routine overhauls and other non-routine activities sediment loading is monitored. For these activities, SSE has emergency response and containment processes in place to manage any impacts from these activities. Normal and ongoing management of sediment to maintain river continuity is undertaken using methods agreed with SEPA. SSE is in the process of developing specific sediment management plans for particularly environmentally sensitive locations.*

## Other, please specify

### (9.2.1.1) % of sites/facilities/operations measured and monitored

Select from:

100%

### (9.2.1.2) Please explain

*SSE's hydro power stations operate in the north of Scotland in freshwater catchments. Salmon and sea trout return to breed in the rivers every year. To safeguard the fish stocks fish ladders and fish screens help the adult fish return upstream to breeding grounds and for juvenile smolts to return to the sea. SSE closely monitors the operation of these fish passes and fish screens. SSE's responsibilities to operate and maintain fish passes and screens date back to the original Acts of Parliament that were passed between the 1920s and the 1970s. These responsibilities are now covered by conditions of the operating licences issued by SEPA. Fish counters have been installed on most of the major fish passes since the 1950s and are still operated and maintained by SSE. The count data, and the software SSE has developed to manage and view the data, is made freely available to SEPA and the local District Salmon Fishery Boards. SSE also supports many projects to capture, tag and release salmon and sea trout smolts heading out to sea as part of research and fishery management improvement projects. SSE uses AI technology, which consists of cameras that gather footage and automatically detect and count the salmon, enabling the collection of valuable and accurate data for monitoring.*

[Fixed row]

**(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?**

### **Total withdrawals**

#### **(9.2.2.1) Volume (megaliters/year)**

23135235

#### **(9.2.2.2) Comparison with previous reporting year**

Select from:

About the same

#### **(9.2.2.3) Primary reason for comparison with previous reporting year**

Select from:

Other, please specify :Slight decrease in rainfall passing through SSE's hydro sites.

#### **(9.2.2.4) Five-year forecast**

Select from:

Unknown

#### **(9.2.2.5) Primary reason for forecast**

Select from:

Unknown

#### **(9.2.2.6) Please explain**

*SSE depends on water in various ways across its operations, from cooling and process use in electricity generation to an amenity in buildings. SSE seeks to use water in a sustainable way. In terms of water use, SSE's hydro-electric generation stations use freshwater to generate electricity in their operations. The water passes through turbines to generate electricity and is returned to the environment almost immediately and therefore the impact on the freshwater sources is minimal. In 2023/24, total water abstracted by SSE slightly decreased to 23,135 million m3 from 23,354 million m3 the previous year. The vast majority (97%) of water abstracted*



*in 2023/24 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. Around 3% of total water abstracted by SSE in 2023/24 was used in its thermal generation operations. For thermal generation water is used for cooling and as process water in a variety of operations. Water abstraction and return for thermal generation reflects the overall output of the power station as well as the type of cooling water system used by the power station. Total water abstracted from SSE's thermal power stations fell between 2022/23 and 2023/24 predominantly due to a 22% reduction in thermal generation output. SSE's total water abstracted excluding hydro operations decreased by 18% between 2022/23 and 2023/24 for this reason.*

## **Total discharges**

### **(9.2.2.1) Volume (megaliters/year)**

23132873

### **(9.2.2.2) Comparison with previous reporting year**

Select from:

About the same

### **(9.2.2.3) Primary reason for comparison with previous reporting year**

Select from:

Increase/decrease in business activity

### **(9.2.2.4) Five-year forecast**

Select from:

Unknown

### **(9.2.2.5) Primary reason for forecast**

Select from:

Unknown

### **(9.2.2.6) Please explain**

Similar to water abstraction, SSE's water discharges are from across its operations, from cooling and process use of water in electricity generation to amenity in buildings. SSE's hydro generation activities contribute to the majority of water returned to the environment - the water passes through turbines to generate electricity and is returned almost immediately to the freshwater environment. In 2023/24, total water discharged by SSE slightly decreased to 23,133 million m3 from 23,353 million m3 the previous year. The slight reduction in water discharged was largely due to a reduction in water passing through SSE's hydro-electric generation plant as a result of lower levels of rainfall compared to the previous year. For SSE's thermal generation operations, the water returned mirrors the water abstracted trend. 3% of total water returned in 2023/24 was from SSE's thermal generation operations. For thermal generation water is used for cooling and as process water in a variety of operations. Water abstraction and return for thermal generation generally reflects the overall output of the power station and the type of water system used by the power station. Total water abstracted and discharged from SSE's thermal power stations fell between 2022/23 and 2023/24 predominantly due to a 22% reduction in thermal generation output. SSE expects the quantity and efficiency of hydro water withdrawal to continue to be significant as hydro and other renewable technologies are key to its net zero transition plans by 2040. The forecast for water withdrawals and discharges is dependent on rainfall making a 5-year forecast unknown.

## Total consumption

### (9.2.2.1) Volume (megaliters/year)

2445

### (9.2.2.2) Comparison with previous reporting year

Select from:

Much higher

### (9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

### (9.2.2.4) Five-year forecast

Select from:

Unknown

### (9.2.2.5) Primary reason for forecast

Select from:

Unknown

#### (9.2.2.6) Please explain

*The water that is consumed by SSE is used primarily as cooling and process water in SSE's thermal power stations and some is used in SSE's non-operational buildings for amenities. In 2023/24, SSE consumed 2.4 million m3, accounting for 0.01% of the total water withdrawals in that period. Water consumed increased by 71% between 2022/23 and 2023/24. This is due to a higher proportion of generation output from thermal power stations that use cooling towers, which recirculate water. While these power stations are more efficient and abstract less water than plant that uses once-through cooling systems, they consume more water due to evaporative losses as part of the cooling process. Total water consumed is calculated using UK Government (DESNZ) reporting standards. For water consumed it is the amount of water that is abstracted less the amount of water returned to the environment. Water is used for four main purposes: to cool generation plant (in thermal operations); as process water for a variety of operations (thermal generation operations); as a source of energy in hydro generation schemes; and for amenities in offices and buildings. The total water consumed reflects the 'volume of water used by the business to conduct its operations'. The forecast for total water consumption is dependent on market conditions and plant availability, which dictates which power stations run as well as generation total output.*

[Fixed row]

**(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.**

#### (9.2.4.1) Withdrawals are from areas with water stress

Select from:

Yes

#### (9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

1813

#### (9.2.4.3) Comparison with previous reporting year

Select from:

About the same

#### (9.2.4.4) Primary reason for comparison with previous reporting year

Select from:

- Increase/decrease in business activity

#### (9.2.4.5) Five-year forecast

Select from:

- Unknown

#### (9.2.4.6) Primary reason for forecast

Select from:

- Other, please specify :Dependant on market conditions and plant availability, which dictates which power stations run as well as generation total output.

#### (9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

0.01

#### (9.2.4.8) Identification tool

Select all that apply

- WRI Aqueduct

#### (9.2.4.9) Please explain

*Hydro and thermal generation activities contribute over 99% of SSE's total water withdrawals in terms of quantity. This data is gathered for regulatory and operational purposes as it is business critical. In SSE's thermal power stations water is primarily used for cooling and as process water. Individual installations monitor, measure and report water aspects to the Regulators in accordance with specific environmental permits or licences. In Ireland, none of SSE's thermal power stations have been identified as being located in areas of water stress under the EU Water Framework Directive in Ireland (e.g. River Abstraction pressures). Furthermore, all thermal stations in Ireland and in Scotland are located in the Low Baseline Water Stress category using the WRI Aqueduct tool. In England under the WRI Aqueduct tool baseline water stress classification scheme the majority of our thermal power stations are located in the low-medium category. SSE Thermal operated power station Burghfield, and SSE Enterprise operated power station Slough, are located in 'high' risk categories using the WRI Aqueduct tool. Some Thermal sites are in regions identified under the Environment Agency's 'Water Stressed Areas' 2021 classification, while designed for water supply company classification we have used it as an indicator of English regions of water stress. The following stations are in regions supplied by water companies classified as 'water stressed': Keadby 1 and 2 Power Stations, Medway Power Station, Chickerell & Burghfield (embedded) Power Stations and Marchwood Power Station (a Joint Venture). To set this in context, the largest use of water at power stations is for cooling water. Two of these stations are air cooled (Chickerell & Burghfield (embedded) Power Stations) so have minimal cooling water use, three stations (Keadby 1 Power Station, Medway Power Station and Marchwood Power Station) abstract cooling water from tidal estuaries so are a low risk to fresh water supplies / base river flows. Only one station abstracts water from a non-tidal / fresh water source – Keadby 2, this abstraction has been granted*

by the Environment Agency based on no significant impact to water resources. All our thermal stations operate within the strict bounds of water abstraction licences issued by the Environment Agency which are subject to periodic review based on Water Resources Management Plans and water resource availability. For SSE's hydro generation, there is no direct classification by SEPA in Scotland for water stressed areas. For water bodies affected by SSE hydro operations these are classified by SEPA under the European Water Framework Directive (WrFD) for quality, ecology and hydrology. SSE uses the Aquator tool to analyse hydrology and other hydro operational metrics to ensure water resources are efficiently managed within the constraints of the system (for instance: in terms of rainfall, reservoir inflows, snowmelt, storage, power station availability and efficiency). Following SSE's reduction in water abstraction on the River Garry and its tributaries to meet the WrFD requirements under SEPA's second River Basin Management Plan (RBMP), SSE continues to engage with SEPA on a small number of minor water bodies under potential consideration for the third RBMP to identify and agree what, if any, operational changes may be necessary to meet WrFD requirements in the future. Additionally, the WRI Aqueduct tool demonstrates that Scotland, where SSE's hydro operations are located, are in the lowest category of risk.

[Fixed row]

## **(9.2.7) Provide total water withdrawal data by source.**

### **Fresh surface water, including rainwater, water from wetlands, rivers, and lakes**

#### **(9.2.7.1) Relevance**

Select from:

Relevant

#### **(9.2.7.2) Volume (megaliters/year)**

22540980

#### **(9.2.7.3) Comparison with previous reporting year**

Select from:

About the same

#### **(9.2.7.4) Primary reason for comparison with previous reporting year**

Select from:

Increase/decrease in business activity

#### **(9.2.7.5) Please explain**

SSE's hydro generation assets (97% of total water withdrawn) abstract water from freshwater lochs which is returned almost immediately to the environment. Hydro generation output remained similar to previous year, resulting in similar volumes of water being abstracted. Thresholds between periods: 'much higher/ lower' involve a 'increase/ decrease of 10% or greater'; 'higher/lower' '3%- 9% change'. The 'stayed the same' category is '0%-2% change'. SSE calculates the water withdrawn using UK Government (BEIS) reporting standards. Data is independently assured by professional services firm PwC. Volume of water abstracted by hydro plant is measured via telemetry and for thermal plant is measured through flow meters.

## Brackish surface water/Seawater

### (9.2.7.1) Relevance

Select from:

Relevant

### (9.2.7.2) Volume (megaliters/year)

592399

### (9.2.7.3) Comparison with previous reporting year

Select from:

Much lower

### (9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

### (9.2.7.5) Please explain

Brackish water / seawater is withdrawn for SSE's thermal generation assets: Keadby 1, Peterhead, Medway, Lerwick and Great Island. The overall output of the power station and the cooling system used by the generators would have the most influence on the water withdrawals from brackish water. Less water was abstracted from brackish water / seawater due to combination of a reduction in thermal generation between 22/23 and 23/24, and a change in generation mix (Keadby 2 become operational) across power stations with different cooling systems (i.e. increase in use of hybrid cooling towers that abstract less water vs that of once through cooling systems). Thresholds between periods: 'much higher/ lower' involve a 'increase/ decrease of 10% or greater'; 'higher/lower' '3%- 9% change'. The 'stayed the same' category is '0%-2% change'. Water abstracted is measured with flow meters. Water volumes are calculated using UK Government (BEIS) reporting standards. PwC assure the data.

## Groundwater – renewable

### (9.2.7.1) Relevance

Select from:

Relevant

### (9.2.7.2) Volume (megaliters/year)

1812.48

### (9.2.7.3) Comparison with previous reporting year

Select from:

Lower

### (9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

### (9.2.7.5) Please explain

*Water withdrawn from groundwater is for Rhode and Slough power stations. The water withdrawn is influenced by output and the type of cooling water system used. Water withdrawn is measured using flow meters. In addition, SSE's Slough Heat and Power biomass power station abstracts water from renewable groundwater for use in its power station and for supply to SSE's private water supply business which serves around 600 large and small business customers. Between 2022/23 and 2023/24 there was an increase in the water withdrawn from groundwater and this was primarily due to an increase in water withdrawn to supply SSE's private water supply customers in Slough. Thresholds between periods: 'much higher/ lower' involve a 'increase/ decrease of 10% or greater'; 'higher/lower' '3%- 9% change'. The 'stayed the same' category is '0%-2% change'. SSE calculates the water withdrawn, consumed /returned using UK Government (BEIS) reporting standards. Data is independently assured by PwC.*

## Groundwater – non-renewable

### (9.2.7.1) Relevance

Select from:

Not relevant

#### (9.2.7.5) Please explain

*SSE does not withdraw water from non-renewable groundwater sources.*

### Produced/Entrained water

#### (9.2.7.1) Relevance

Select from:

Not relevant

#### (9.2.7.5) Please explain

*SSE does not withdraw water from produced/entrained water sources. SSE does not have any oil and gas extraction operations.*

### Third party sources

#### (9.2.7.1) Relevance

Select from:

Relevant

#### (9.2.7.2) Volume (megaliters/year)

3.07

#### (9.2.7.3) Comparison with previous reporting year

Select from:

Much lower

#### (9.2.7.4) Primary reason for comparison with previous reporting year



Select from:

- Increase/decrease in business activity

### (9.2.7.5) Please explain

*Tawnaghmore, Chickereil and Burghfield thermal generation assets withdraw water from third-party sources. Withdrawal volumes are influenced by the overall output of the power stations, which decreased in 2023/24. SSE monitors water use in these power stations through meter readings and flow meters. Thresholds between periods: 'much higher/ lower' involve a 'increase/ decrease of 10% or greater'; 'higher/lower' '3%- 9% change'. The 'stayed the same' category is '0%-2% change'. [Fixed row]*

### (9.2.8) Provide total water discharge data by destination.

#### Fresh surface water

#### (9.2.8.1) Relevance

Select from:

- Relevant

#### (9.2.8.2) Volume (megaliters/year)

22538625

#### (9.2.8.3) Comparison with previous reporting year

Select from:

- About the same

#### (9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

- Other, please specify :Hydro generation output similar to previous year, resulting in similar volume of water passing through hydro plant year on year.

#### (9.2.8.5) Please explain

Water discharges to fresh water sources is undertaken by SSE's hydro generation assets, and a few of its thermal generation assets discharge water to rivers. Over 97% of SSE's total water returned to the environment is by its hydro generation assets. Water discharged to fresh surface water decreased slightly by 0.4% between 2022/23 and 2023/24. The slight fall in discharge volumes to fresh surface water was due to a reduction in water passing through SSE's hydro generation facilities as a result of lower levels of rainfall compared to the previous year. Thresholds between years: 'much higher/ lower' involve a 'increase/ decrease of 10% or greater'; 'higher/lower' '3%-9% change'; 'stayed the same' is '0%-2% change'. SSE calculates the water returned using UK Government (DESNZ) reporting standards. Data is assured by PwC. Water passing through hydro turbines is measured via telemetry and discharges by thermal plant through flow meters.

## Brackish surface water/seawater

### (9.2.8.1) Relevance

Select from:

Relevant

### (9.2.8.2) Volume (megaliters/year)

587469

### (9.2.8.3) Comparison with previous reporting year

Select from:

Much lower

### (9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

### (9.2.8.5) Please explain

SSE's Keadby 1, Keadby 2, Peterhead, Medway, Lerwick, Great Island and Tarbert power stations discharge to brackish waters. The overall output of the power station and the cooling system used by the generators would have the most influence on the water withdrawals from brackish water. In 2023/24 SSE's output from its thermal generation plant decreased by 22% compared to 2022.23 and this resulted in a corresponding decrease in water withdrawn and discharged. Water abstracted is measured with flow meters. Water volumes are calculated using UK Government (DESNZ) reporting standards and PwC assure the data.

## Groundwater

### (9.2.8.1) Relevance

Select from:

Not relevant

### (9.2.8.5) Please explain

*SSE's policy is to meet all regulatory requirements. Environmental regulations that govern SSE's operations do not allow for discharge to groundwater. Therefore, this is not applicable.*

## Third-party destinations

### (9.2.8.1) Relevance

Select from:

Relevant

### (9.2.8.2) Volume (megaliters/year)

1563

### (9.2.8.3) Comparison with previous reporting year

Select from:

Lower

### (9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

### (9.2.8.5) Please explain

*Water discharged to third-party destinations is from SSE's Burghfield, Chickerell, Rhode, Tawnaghmore and Slough power stations. Water discharged to third-party destination decreased by 9% between 2022/23 and 2023/24 reflecting a significant decrease in output at these sites compared to 2022/23.*

[Fixed row]

**(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.**

### **Tertiary treatment**

#### **(9.2.9.1) Relevance of treatment level to discharge**

Select from:

Not relevant

#### **(9.2.9.6) Please explain**

*SSE's thermal power stations previously treated some process and cooling waters using tertiary treatment methods prior to discharge back to source. The closure of the Fiddlers Ferry power station in 2020 meant that SSE no longer required any Tertiary treatment of Flue Gas Desulfurization (FGD) wastewater.*

### **Secondary treatment**

#### **(9.2.9.1) Relevance of treatment level to discharge**

Select from:

Relevant

#### **(9.2.9.2) Volume (megaliters/year)**

17.2

#### **(9.2.9.3) Comparison of treated volume with previous reporting year**

Select from:

Higher

#### **(9.2.9.4) Primary reason for comparison with previous reporting year**

Select from:

Other, please specify :The slight increase from the previous year is a result of including the SSE Thermal Gas Storage sites at Aldbrough and Atwick which were not previously included.

#### (9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

Less than 1%

#### (9.2.9.6) Please explain

*SSE's thermal power stations treat some process and cooling waters using secondary treatment methods prior to discharge back to source. The slight increase from the previous year is a result of including the SSE Thermal Gas Storage sites at Aldbrough and Atwick which were not previously included.*

### Primary treatment only

#### (9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

#### (9.2.9.2) Volume (megaliters/year)

15.2

#### (9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

Much lower

#### (9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

### (9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

- Less than 1%

### (9.2.9.6) Please explain

*SSE's thermal power stations treat some process and cooling waters using primary treatment methods prior to discharge back to source. The volume of water discharged following primary treatment reduced significantly in 2023/24 compared to the previous year. This can be attributed to the closure of Tarbert in 2023, and lower generation output at other sites. Some SSE Hydros have very small-scale private drinking water supplies (typically package membrane treatment) and discharges (septic tanks) related to staff welfare services at remote sites. Most of these sites are not permanently staffed but facilities are provided for visiting staff when carrying out standard maintenance routines.*

### Discharge to the natural environment without treatment

#### (9.2.9.1) Relevance of treatment level to discharge

Select from:

- Relevant

#### (9.2.9.2) Volume (megaliters/year)

23131268

#### (9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

- Much lower

#### (9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

- Increase/decrease in business activity

### (9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

91-99

### (9.2.9.6) Please explain

Over 97% of the total water abstracted by SSE in 2023/24 was used in its hydro generation operations, and therefore was returned to the environment almost immediately, meaning there is no change of state and that no treatment is required. In 2023/24 SSE abstracted 23.1 billion m<sup>3</sup> of water compared to 23.4 billion m<sup>3</sup> in 2022/23. Over 97% of the total water abstracted by SSE was used in its hydro generation operations. The slight reduction in water abstracted was largely due to a reduction in water passing through SSE's hydro-electric generation plant as a result of lower levels of rainfall compared to the previous year. For thermal generation water is used for cooling and as process water in a variety of operations. The majority of water abstracted and returned for thermal generation is used for cooling purposes. Cooling processes can include recirculatory systems which reuse the water or once through direct cooling systems. Both systems use the water to cool and therefore there is minimal change in the water quality between abstraction and its return to the natural environment, so no further treatment is required. For some thermal process the water abstracted is treated before discharged back to source (as described above). The volume of water discharged to the natural environment without treatment reduced significantly in 2023/24 compared to the previous year. This can be attributed to the closure of Tarbert in 2023, and overall lower generation output across SSE Thermal sites. SSE's Keadby 1, Peterhead, Medway, Lerwick, Great Island and Tarbert power stations discharge to brackish or sea waters.

### Discharge to a third party without treatment

#### (9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

#### (9.2.9.2) Volume (megaliters/year)

37.4

#### (9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

Higher

#### (9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

- Increase/decrease in business activity

#### (9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

- Less than 1%

#### (9.2.9.6) Please explain

*Water is discharged to third-party destinations from SSE Thermal's non-operational Burghfield and Chickerell power stations. Water discharged to third-party destinations decreased in 2023/24 and can be attributed to a decrease in running hours and overall production. Water discharged to third party destinations without treatment from SSE Thermal's operated sites predominantly reflects data from Keadby where there was an increase in 2023/24, attributed to increased site occupancy.*

#### Other

#### (9.2.9.1) Relevance of treatment level to discharge

Select from:

- Relevant

#### (9.2.9.2) Volume (megaliters/year)

0.72

#### (9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

- This is our first year of measurement

#### (9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

- Facility expansion



### (9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

Less than 1%

### (9.2.9.6) Please explain

*SSE Thermal's Keadby site collects waste liquid streams that are removed from site for disposal by specialist contractors. These waste liquid streams contain a mix of water and other liquid waste substances such as oil and ammonia. SSE Thermal's Gas Storage sites at Aldbrough and Atwick collect foul water from temporary cabins and plant wash-water that is uplifted for off-site treatment and disposal.*

*[Fixed row]*

## (9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

### Direct operations

#### (9.3.1) Identification of facilities in the value chain stage

Select from:

No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, but we are planning to do so in the next 2 years

#### (9.3.4) Please explain

*SSE has not yet identified facilities in its direct operations with water-related dependencies, impacts, risks, and opportunities. However, in early 2024, SSE took initial steps towards aligning its nature-related disclosures to the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations. SSE worked with third party specialists to prepare for SSE's nature-related disclosures by applying the 'Locate' and 'Evaluate' phases of TNFD's Locate, Evaluate, Assess and Prepare (LEAP) approach, to a defined scope. The Locate phase has identified where and how SSE's direct operations interact with surrounding nature, for example, biodiversity importance, ecosystem delivery and water risk, utilising national datasets. The Evaluate phase analysed the nine technology types, as well as 21 pilot assets to identify SSE's nature-related impacts and dependencies; the most material of which are currently being consolidated at the Group level. Future phases of this work will work towards applying the "Assess" and "Prepare" phases of the LEAP framework as well as exploring potential synergies between SSE's mandatory TCFD disclosure and its voluntary TNFD aligned work.*

### Upstream value chain

### (9.3.1) Identification of facilities in the value chain stage

Select from:

No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, and are not planning to do so in the next 2 years

### (9.3.4) Please explain

*SSE has not yet identified facilities in its upstream value chain with water-related dependencies, impacts, risks, and opportunities. Within the next two years, further assessments concerning SSE's dependencies, impacts, risks and opportunities will focus on how SSE's direct operations interact with surrounding nature, for example, biodiversity importance, ecosystem delivery and water risk, utilising national datasets.*

*[Fixed row]*

**(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.**

**Row 2**

#### (9.3.1.1) Facility reference number

Select from:

Facility 1

#### (9.3.1.2) Facility name (optional)

*Hydro generation Scotland SSE's hydroelectric power stations are located across Scotland. Pitlochry is one of the key sites for hydro power at SSE and the longitude and latitude is taken from this point.*

#### (9.3.1.7) Country/Area & River basin

**Afghanistan**

Other, please specify :River catchments Scotland

### (9.3.1.10) Located in area with water stress

Select from:

No

### (9.3.1.11) Primary power generation source for your electricity generation at this facility

Select from:

Hydropower

## Row 3

### (9.3.1.1) Facility reference number

Select from:

Facility 3

### (9.3.1.2) Facility name (optional)

*Non-operational buildings SSE is headquartered in Perth, Scotland.*

### (9.3.1.7) Country/Area & River basin

**Afghanistan**

Other, please specify :River catchments England and Scotland

### (9.3.1.10) Located in area with water stress

Select from:

No

### (9.3.1.11) Primary power generation source for your electricity generation at this facility

Select from:

Not applicable

#### Row 4

##### (9.3.1.1) Facility reference number

Select from:

Facility 2

##### (9.3.1.2) Facility name (optional)

*Thermal generation SSE's thermal power stations are situated across different locations in the UK. Keadby power station in North Lincolnshire is one of SSE's power station assets and the longitude and latitude is taken from this point.*

##### (9.3.1.7) Country/Area & River basin

**Afghanistan**

Other, please specify :River catchments of England and Scotland

##### (9.3.1.10) Located in area with water stress

Select from:

No

##### (9.3.1.11) Primary power generation source for your electricity generation at this facility

Select from:

Gas

[Add row]

**(9.5) Provide a figure for your organization's total water withdrawal efficiency.**

### (9.5.1) Revenue (currency)

10457200000

### (9.5.2) Total water withdrawal efficiency

452.00

### (9.5.3) Anticipated forward trend

*SSE Thermal is investing in CCS and hydrogen technologies, and it is expected that water withdrawal volumes and efficiencies will change in this time. SSE's largest activities by revenue are trading and energy supply, both of which are high volume, low margin activities. SSE's largest businesses by profit and capex are typically renewables and networks. SSE believes that revenue is a poor measure of its economic activity and estimating forward trends for revenue is difficult.*  
[Fixed row]

### (9.7.1) Provide the following intensity information associated with your electricity generation activities.

#### Row 1

#### (9.7.1.1) Water intensity value (m3/denominator)

0.05

#### (9.7.1.2) Numerator: water aspect

Select from:

Other, please specify :Water abstracted by Thermal assets

#### (9.7.1.3) Denominator

Select from:

MWh

#### (9.7.1.4) Comparison with previous reporting year

Select from:

Higher

### (9.7.1.5) Please explain

SSE uses water intensity to inform water optimisation strategies in its thermal generation plant as well as for regulatory resource efficiency metrics reporting purposes. For thermal generation water is used for cooling and as process water. Water abstraction and return for thermal generation reflects the overall output of the power station as well as the type of water system used by the power station. The water withdrawal intensity value increased primarily because thermal water abstracted fell by 18% between 2022/23 and 2023/24, whilst the thermal output decreased by 22% during the same period. This is due to an increased proportion of output from stations that use water in a system that has only one water use cycle (called a 'once through cooling water system'). The water withdrawn intensity increased from 0.051 megalitres/MWh to 0.053 megalitres/MWh during the two periods (water withdrawn intensity is calculated using total water abstracted - thermal (megalitres) against total thermal generation output (MWh)).

## Row 2

### (9.7.1.1) Water intensity value (m3/denominator)

0.05

### (9.7.1.2) Numerator: water aspect

Select from:

Other, please specify :Total water returned by Thermal assets

### (9.7.1.3) Denominator

Select from:

MWh

### (9.7.1.4) Comparison with previous reporting year

Select from:

Higher

### (9.7.1.5) Please explain

*For thermal generation, water is used for cooling and as process water. Water abstraction and return for thermal generation reflects the overall output as well as the type of water system used by the power station. The water returned intensity value increased primarily because thermal water abstracted fell by 18% between 2022/23 and 2023/24, whilst the thermal output decreased by 22% during the same period. This is due to an increased proportion of output from stations that use water in a system that has only one water use cycle (called a 'once through cooling water system'). Total water returned by Thermal assets intensity is calculated using total water returned - thermal (megalitres) against total thermal generation output (MWh).*

### Row 3

#### (9.7.1.1) Water intensity value (m3/denominator)

0.01

#### (9.7.1.2) Numerator: water aspect

Select from:

Other, please specify :Total water consumed by Thermal assets

#### (9.7.1.3) Denominator

Select from:

MWh

#### (9.7.1.4) Comparison with previous reporting year

Select from:

Much higher

#### (9.7.1.5) Please explain

*SSE uses water intensity to inform water optimisation strategies in its thermal generation plant as well as for regulatory resource efficiency metrics reporting purposes. For thermal plants water is used for cooling and as process water. Water is treated onsite if required before returning it to source in accordance with specific environmental permits. For thermal generation, water is used for cooling and as process water. Water abstraction and return for thermal generation reflects the type of water system used by the power station. The increase in water consumption was primarily as a result of Keadby 2 becoming operational during 2023/24, with the new power stations using recirculatory cooling systems with evaporative losses. Total water consumed by Thermal assets intensity is calculated using total water consumed - thermal (megalitres) against total thermal generation output (MWh).*

[Add row]

**(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?**

	Products contain hazardous substances	Comment
	Select from: <input checked="" type="checkbox"/> No	SSE's products (i.e. electricity and gas sold) do not contain substances classified as hazardous by a regulatory authority.

[Fixed row]

**(9.14) Do you classify any of your current products and/or services as low water impact?**

**(9.14.1) Products and/or services classified as low water impact**

Select from:

No, and we do not plan to address this within the next two years

**(9.14.3) Primary reason for not classifying any of your current products and/or services as low water impact**

Select from:

Important but not an immediate business priority

**(9.14.4) Please explain**

*The vast majority (97%) of water abstracted in 2023/24 was used in SSE's hydro generation operations. 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. Despite this minimal environmental impact overall, SSE works closely with regulators, environmental organisations and the local community to ensure that its hydro-electricity operations have minimal adverse impacts on these stakeholders, biodiversity and the environment. SSE monitors all abstractions (based on the volume of water*



passing through its turbines), compensation and freshet flows and report these to the Regulator, the Scottish Environment Protection Agency (SEPA), on an annual basis or as requested.

[Fixed row]

**(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.**

	Target set in this category
Water pollution	<i>Select from:</i> <input checked="" type="checkbox"/> No, but we plan to within the next two years
Water withdrawals	<i>Select from:</i> <input checked="" type="checkbox"/> No, but we plan to within the next two years
Water, Sanitation, and Hygiene (WASH) services	<i>Select from:</i> <input checked="" type="checkbox"/> No, and we do not plan to within the next two years
Other	<i>Select from:</i> <input checked="" type="checkbox"/> No, and we do not plan to within the next two years

[Fixed row]

**(9.15.3) Why do you not have water-related target(s) and what are your plans to develop these in the future?**

**(9.15.3.1) Primary reason**

*Select from:*

- We are planning to introduce a target within the next two years

### **(9.15.3.2) Please explain**

*SSE has an existing water withdrawal target that is in the process of being reviewed. Additionally, SSE sets environmental incident targets which incorporate water pollution. However, SSE does not currently set individual water pollution targets. SSE collects water pollution data and will look to set specific water targets in the future. SSE does not set targets relating to Water, Sanitation, and Hygiene (WASH) services. All SSE employees have access to safely managed drinking water, sanitation services and hand-washing facilities.*

*[Fixed row]*

## C10. Environmental performance - Plastics

(10.1) Do you have plastics-related targets, and if so what type?

	Targets in place
	<i>Select from:</i> <input checked="" type="checkbox"/> No, and we do not plan to within the next two years

[Fixed row]

## C11. Environmental performance - Biodiversity

### (11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

#### (11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

- Yes, we are taking actions to progress our biodiversity-related commitments

#### (11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

- Law & policy
- Species management
- Education & awareness
- Land/water protection
- Land/water management
- Livelihood, economic & other incentives

[Fixed row]

### (11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
	<p>Select from:</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Yes, we use indicators</li> </ul>	<p>Select all that apply</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> State and benefit indicators</li> </ul>

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
		<input checked="" type="checkbox"/> Pressure indicators <input checked="" type="checkbox"/> Response indicators

[Fixed row]

## (11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

### Legally protected areas

#### (11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

Data not available

#### (11.4.2) Comment

*In early 2024, SSE worked with third party specialists to prepare for SSE's nature-related disclosures by applying the 'Locate' and 'Evaluate' phases of TNFD's Locate, Evaluate, Assess and Prepare (LEAP) approach, to a defined scope. SSE identified 125 direct operational assets across the UK and Ireland, considering the most material business operations, leveraging the 'Exploring Natural Capital Opportunities, Risks and Exposure' (ENCORE) nature materiality screening tool. The Locate phase, through GIS analysis of asset locations, site boundaries and appropriate Zones of Influence has identified where and how SSE's direct operational in scope assets interact with sensitive locations in proximity, utilising national datasets across UK and Ireland. Examples of the GIS data sets utilised for analysis are; for biodiversity importance: SSI, SAC, SPA, Ramsar, SAC, MPA etc; Ecosystem service delivery importance: National Parks, Areas of Outstanding National Beauty, National Heritage Areas etc; Water Risk; and Ecosystem integrity: Biodiversity Intactness Index. Whilst this work was commenced during the 2023/24 reporting year, the results of the assessment will not be completed and published until 2025.*

### UNESCO World Heritage sites

**(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity**

Select from:

Not assessed

**(11.4.2) Comment**

*Not considered within the scope of SSE's Locate, Evaluate, Assess and Prepare (LEAP) approach.*

**UNESCO Man and the Biosphere Reserves**

**(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity**

Select from:

Not assessed

**(11.4.2) Comment**

*Not considered within the scope of SSE's Locate, Evaluate, Assess and Prepare (LEAP) approach.*

**Ramsar sites**

**(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity**

Select from:

Data not available

**(11.4.2) Comment**

*In early 2024, SSE worked with third party specialists to prepare for SSE's nature-related disclosures by applying the 'Locate' and 'Evaluate' phases of TNFD's Locate, Evaluate, Assess and Prepare (LEAP) approach, to a defined scope. SSE identified 125 direct operational assets across the UK and Ireland, considering the*

most material business operations, leveraging the 'Exploring Natural Capital Opportunities, Risks and Exposure' (ENCORE) nature materiality screening tool. The Locate phase, through GIS analysis of asset locations, site boundaries and appropriate Zones of Influence has identified where and how SSE's direct operational in scope assets interact with sensitive locations in proximity, utilising national datasets across UK and Ireland. Examples of the GIS data sets utilised for analysis are; for biodiversity importance: SSI, SAC, SPA, Ramsar, SAC, MPA etc; Ecosystem service delivery importance: National Parks, Areas of Outstanding National Beauty, National Heritage Areas etc; Water Risk; and Ecosystem integrity: Biodiversity Intactness Index. Whilst this work was commenced during the 2023/24 reporting year, the results of the assessment will not be completed and published until 2025.

## Key Biodiversity Areas

### (11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

Data not available

### (11.4.2) Comment

In early 2024, SSE worked with third party specialists to prepare for SSE's nature-related disclosures by applying the 'Locate' and 'Evaluate' phases of TNFD's Locate, Evaluate, Assess and Prepare (LEAP) approach, to a defined scope. SSE identified 125 direct operational assets across the UK and Ireland, considering the most material business operations, leveraging the 'Exploring Natural Capital Opportunities, Risks and Exposure' (ENCORE) nature materiality screening tool. The Locate phase, through GIS analysis of asset locations, site boundaries and appropriate Zones of Influence has identified where and how SSE's direct operational in scope assets interact with sensitive locations in proximity, utilising national datasets across UK and Ireland. Examples of the GIS data sets utilised for analysis are; for biodiversity importance: SSI, SAC, SPA, Ramsar, SAC, MPA etc; Ecosystem service delivery importance: National Parks, Areas of Outstanding National Beauty, National Heritage Areas etc; Water Risk; and Ecosystem integrity: Biodiversity Intactness Index. Whilst this work was commenced during the 2023/24 reporting year, the results of the assessment will not be completed and published until 2025.

## Other areas important for biodiversity

### (11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

Data not available

### (11.4.2) Comment

*In early 2024, SSE worked with third party specialists to prepare for SSE's nature-related disclosures by applying the 'Locate' and 'Evaluate' phases of TNFD's Locate, Evaluate, Assess and Prepare (LEAP) approach, to a defined scope. SSE identified 125 direct operational assets across the UK and Ireland, considering the most material business operations, leveraging the 'Exploring Natural Capital Opportunities, Risks and Exposure' (ENCORE) nature materiality screening tool. The Locate phase, through GIS analysis of asset locations, site boundaries and appropriate Zones of Influence has identified where and how SSE's direct operational in scope assets interact with sensitive locations in proximity, utilising national datasets across UK and Ireland. Examples of the GIS data sets utilised for analysis are; for biodiversity importance: SSI, SAC, SPA, Ramsar, SAC, MPA etc; Ecosystem service delivery importance: National Parks, Areas of Outstanding National Beauty, National Heritage Areas etc; Water Risk; and Ecosystem integrity: Biodiversity Intactness Index. Whilst this work was commenced during the 2023/24 reporting year, the results of the assessment will not be completed and published until 2025.*

*[Fixed row]*



## C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

### Row 1

#### (13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

Climate change

#### (13.1.1.2) Disclosure module and data verified and/or assured

##### Environmental performance – Climate change

Other data point in module 7, please specify :Scope 1 GHG emissions intensity of electricity generated.

#### (13.1.1.3) Verification/assurance standard

## General standards

- ISAE 3000
- ISAE 3410, Assurance Engagements on Greenhouse Gas Statements

### (13.1.1.4) Further details of the third-party verification/assurance process

*PwC assure SSE's scope 1 emissions intensity as part of the annual assurance process.*

### (13.1.1.5) Attach verification/assurance evidence/report (optional)

*SSE plc - 2023\_24 - Public Opinion - Long Form Assurance Opinion Draft V4.pdf*

## Row 2

### (13.1.1.1) Environmental issue for which data has been verified and/or assured

*Select all that apply*

- Water

### (13.1.1.2) Disclosure module and data verified and/or assured

#### Environmental performance – Water security

- Water consumption– total volume
- Water discharges– total volumes
- Water withdrawals– total volumes

### (13.1.1.3) Verification/assurance standard

#### General standards

- ASAE 3000

### (13.1.1.4) Further details of the third-party verification/assurance process

*PwC assure SSE's total water abstracted, total water consumed and total water returned in m3 as part of the annual assurance process.*

### **(13.1.1.5) Attach verification/assurance evidence/report (optional)**

*Signed PwC assurance report\_GHG and water 2024.pdf*

*[Add row]*

**(13.3) Provide the following information for the person that has signed off (approved) your CDP response.**

#### **(13.3.1) Job title**

*Chief Financial Officer*

#### **(13.3.2) Corresponding job category**

*Select from:*

Chief Financial Officer (CFO)

*[Fixed row]*