

# Group Sustainability Policy

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## Policy statement

As a leading energy company SSE will support the transition to a net zero world in a sustainable way seeking to create value, simultaneously, for both shareholders and society.

## Policy purpose

This policy ensures that SSE's actions and decisions are sustainable, both in its direct operations and its value chain, for the long term success of the Company.

This policy is owned by the Chief Sustainability Officer and is one of a suite of group-level policies that promote a healthy business culture, guide decisions and actions as expected by the company's stakeholders, and make SSE a sustainable company that people want to invest in, buy from, work for and partner with for the long term.



**Rachel McEwen**

Chief Sustainability Officer



**Alistair Phillips-Davies**

Chief Executive Officer



## POLICY PRINCIPLES

The following principles highlight how we expect the policy statement to be achieved, and should be used to guide behaviours, decision making and action:

Sustainability at SSE's Core	<ul style="list-style-type: none"> <li>• Sustainability is core to SSE's vision, purpose and strategy. SSE seeks to create a just transition to net zero and, in doing so, creating and sharing value with its stakeholders and wider society.</li> <li>• Sustainability is a long-standing core value at SSE, defined as "We do the right thing for people and the planet".</li> </ul>
Sustainable Decision-Making	<ul style="list-style-type: none"> <li>• SSE is committed to ensuring that the actions and decisions associated with its business are sustainable, balancing the long-term economic, social and environmental impacts of its activities. This is achieved by embedding sustainability into strategic decision making with governance that ensures deliberate and regular assessment of sustainability risks and opportunities.</li> </ul>
Materiality	<ul style="list-style-type: none"> <li>• SSE follows the principle of double materiality when determining the relevance and significance of sustainability-related issues to its business. This means it considers issues which have a financial impact on the business, as well as the impacts its business activities have on stakeholders and the wider environment.</li> <li>• SSE and its Business Units regularly identify their most material sustainability impacts to ensure the company sets relevant and ambitious goals and targets. To identify these material impacts SSE, and its Business Units engage constructively and continuously with key stakeholders.</li> </ul>
Working with Stakeholders	<ul style="list-style-type: none"> <li>• SSE's well-established approach to sustainability is underpinned by robust stakeholder relationships.</li> <li>• SSE constructively engages with its defined key stakeholder groups (as defined within SSE's Annual Report) to ensure decisions and actions reflect stakeholder perspectives. In doing so, it seeks to create value for shareholders and society in a sustainable way.</li> <li>• SSE's approach to community investment funds is governed by a Statement of Principles. These high-level group-wide commitments, approved by the Board, outline how SSE operates community investment funds as it seeks to share economic value with the communities in which it operates.</li> </ul>

	<ul style="list-style-type: none"> <li>Recognising that supply chain partners have a critical role in supporting the achievement of SSE's sustainability objectives, SSE seeks to work collaboratively in the pursuit of sustainable social, environmental and economic outcomes.</li> </ul>
Frameworks and Standards	<ul style="list-style-type: none"> <li>SSE has aligned its Group strategy and supporting business strategies with the UN's Sustainable Development Goals which it believes provides the blueprint for how businesses can contribute to global sustainable development.</li> <li>Furthermore, the UN Sustainable Development Goals provide the inspiration for the framework to embed sustainability within Large Capital Projects.</li> <li>SSE voluntarily aligns the disclosure of its sustainability impacts to internationally recognised frameworks, including the UN Global Compact, Global Reporting Initiative and SASB Standards.</li> <li>SSE discloses its sustainability impacts in line with the applicable regulatory requirements in the countries in which it operates. It will work constructively with government, regulators, and other stakeholders, to prepare for any future sustainability-related reporting requirements.</li> </ul>
2030 Goals	<ul style="list-style-type: none"> <li>SSE has four core 2030 business goals which are directly aligned to the UN's Sustainable Development Goals and linked to executive remuneration outcomes. These 2030 Goals address the challenge of climate change at their heart, whilst ensuring this is done in a socially just way.           <ul style="list-style-type: none"> <li>Cut carbon intensity by 80% (aligned to SDG 13: Climate Action)</li> <li>Increase renewable energy output fivefold (aligned to SDG 7: Affordable and Clean Energy)</li> <li>Enable low-carbon generation and demand (aligned to SDG 9: Industry, Innovation and Infrastructure)</li> <li>Champion a fair and just energy transition (aligned to SDG 8: Decent Work and Economic Growth)</li> </ul> </li> </ul>
Disclosure	<ul style="list-style-type: none"> <li>SSE believes that the identification, quantification and disclosure of material sustainability impacts is a powerful driver of performance improvement. Therefore, SSE is committed to comprehensive, open and transparent disclosure of its sustainability impacts to allow its stakeholders to meaningfully assess its performance.</li> </ul>

- SSE publicly publishes detailed information on its sustainability policies, practice and performance in its Annual Report and Sustainability Report each year.



## ROLES AND RESPONSIBILITIES

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

**SSE's Board** is responsible for setting the overall strategic direction and reviews performance. In decision making and the implementation of the Sustainability Policy and strategies, the Board is supported by SSE's Group Executive Committee and the Group Sustainability Directorate, led by the Chief Sustainability Officer. The Board is advised on matters relating to safety, sustainability, health and environment by the **Safety, Sustainability, Health and Environment Advisory Committee (SSHEAC)**. The SSHEAC specifically has oversight of SSE's overall performance in ESG ratings and reviews.

It is the responsibility of the **Business Units** to engage with their key stakeholders to understand their material environmental, economic and social impacts. Business Units may build sustainability teams to guide decision making within the Business Unit.

**Managers** are responsible for making sure that their teams and colleagues understand and meet the principles of this policy.

**All employees** are expected to understand what sustainability means and how they can contribute to greater sustainable decisions and actions within their business. Both managers and other employees must ensure they comply with supporting procedures as well as completing any relevant training and conduct their business in line with the sustainability core value.

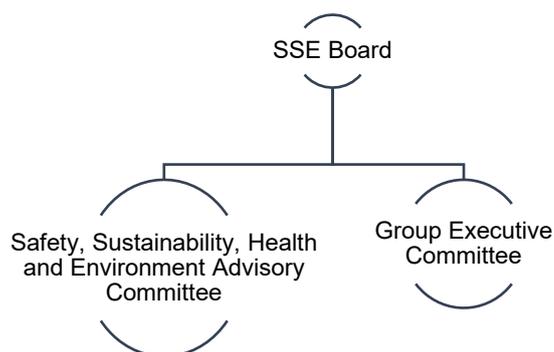
The **Chief Sustainability Officer** is responsible for providing sustainability-related support to SSE businesses and for reporting SSE's approach and performance around sustainability to stakeholders.



## GOVERNANCE

The **SSE plc Board** and **Group Executive Committee** are responsible for the oversight for this policy including the approval of any changes to the policy. This policy is reviewed annually as part of an evaluation process.

Actions and decisions that do not align with the principles in this policy are reviewed and where appropriate opportunities for improvement are actioned.



## TRAINING

Sustainability incorporates a wide range of environmental, economic and social issues, and therefore subject specific training is provided through relevant business units and various subject matter experts.



## SPEAKING UP

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

- Phone:
  - UK - 0800 915 1571
  - Ireland - 1800 812 740
  - All other countries +44 800 915 1571. If you are more comfortable speaking in your own language, an independent telephone interpreter will be made available.
- Email: [sse@safecall.co.uk](mailto:sse@safecall.co.uk)
- [www.safecall.co.uk/report](http://www.safecall.co.uk/report)

*Any wrongdoing brought to light through the Whistleblowing Policy will result in internal disciplinary procedures, possible dismissal and criminal prosecution of individuals involved.*



## SUPPORTING DOCUMENTS

Rules, standards and procedures govern and guide our responsible and sustainable approach to our actions and decisions. Sustainability considerations are integrated throughout SSE's Group policies, particularly below policies:

- PO-GRP-007 [Group Environment Policy](#)
- PO-GRP-001 [Group Climate Change Policy](#)
- PO-GRP-009 [Group Human Rights Policy](#)
- PO-GRP-013 [Group Procurement Policy](#)
- PO-GRP-019 [Group Large Capital Project Policy](#)

Further information can also be found at [sse.com/sustainability](https://sse.com/sustainability).



## DEFINITIONS

**Sustainability:** SSE recognises the Bruntland definition of sustainable development where “*development meets the needs of the present without compromising the ability of future generations to meet their own needs.*” That means, in the context of SSE's business activities that we must balance environmental, economic and social impacts in a way that does not impact the ability of future generations to meet their needs.

**UN's Sustainable Development Goals:** 17 Global Goals adopted by all United Nations Member States in 2015, aimed at ending extreme poverty, inequality and climate change by 2030.

**Just transition:** A just transition seeks to reach net zero in the fairest way possible for working people, consumers and their communities, ensuring that the benefits of climate action are shared widely whilst preventing an unfair burden of the costs on those with the least.

**UN Global Compact:** the world's largest corporate sustainability initiative encouraging businesses to implement ten universal principles on environment, human rights, labour and anti-corruption.

**Global Reporting Initiative standards:** universal reporting standards that help businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues.

**SASB Standards:** standards maintained by the Value Reporting Foundation that guide the disclosure of financially material sustainability information by companies to their investors.