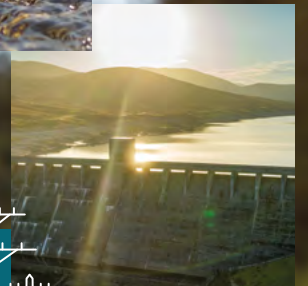




# Powering an inclusive world of energy

SSE plc Inclusion & Diversity Report 2024





# About SSE

SSE is a UK-listed energy company, a leading generator of renewable electricity and one of the largest electricity network companies in the UK. SSE develops, builds, operates and invests in low-carbon electricity infrastructure in support of the transition to net zero. This includes onshore and offshore wind, hydro power, electricity transmission and distribution grids, and efficient gas-fired generation, alongside providing energy products and services for businesses. SSE has interests across Great Britain and Northern Ireland, Republic of Ireland, Japan, Spain, Portugal, Denmark and Poland. For more detail about SSE's strategy and its business activities, see [sse.com](https://www.sse.com).

## About this report

Reflecting a strategic focus on inclusion and diversity across the business and supply chain, SSE annually publishes an Inclusion and Diversity Report, providing comprehensive information on SSE's Inclusion and Diversity Strategy, progress made, and key performance indicators (KPIs). This report represents SSE's performance over the period 1 April 2023 to 31 March 2024.

SSE pays close attention to the FTSE Women Leaders Review and the Parker Review. It also reports in line with the UK Corporate Governance Code, the relevant Disclosure Guidance and Transparency Rules, and the Companies Act 2006 on people matters. SSE discloses its UK gender pay gap according to the UK gender pay gap legislation, and the equivalent in Ireland. This report provides additional transparency around SSE's gender and ethnicity pay gap data, KPIs, and initiatives to reduce the gap and create a more inclusive culture that attracts

and retains a diverse workforce. SSE welcomes feedback on this report and its approach to increasing inclusion and diversity. Please get in touch via [inclusion@sse.com](mailto:inclusion@sse.com).

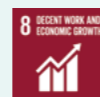
### Aligning Business and Social objectives

SSE has four core 2030 business goals aimed at addressing the challenge of climate change and directly linked to the four UN Sustainable Development Goals (SDGs) most material to its business. One of these goals 'Champion a fair and just energy transition' ensures SSE shares the benefits and impacts of the transition with the societies in which it operates in an inclusive way.



#### Champion a fair and just energy transition

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



## Foreword from SSE's Chief Executive

# Powering Inclusion, Shaping Tomorrow

Reflecting on the past year's progress made in our inclusion and diversity journey, it is clear that an effective Inclusion and Diversity Strategy requires ongoing commitment and effort.

Our approach to the current phase of SSE's Inclusion and Diversity Strategy has been one focused on continuous improvement. Concerted effort across all corners of our business aims to embed the key initiatives to progress and foster an environment where every voice is heard, valued, and empowered.

At SSE, we recognise the pivotal role that inclusion plays in driving progress, particularly in achieving net zero. We understand that diversity is not just about demographics, but about harnessing the richness of perspectives, experiences, and talents that each person brings to the table.

I am pleased to be sharing our third annual Inclusion and Diversity Report. Transparency is the cornerstone of driving change, and open data disclosure is at the heart of this. Each year the focus of SSE's Inclusion and Diversity Report has been to further increase data disclosure, providing open and honest insights about our workforce. This year's report discloses more diversity data than ever for SSE. Our voluntary employee diversity disclosure rate has increased from 20% in 2020/21 to 65% in 2023/24. This progress enables us to understand how we represent the communities in which we operate and to advance our policies, processes, and initiatives to support a broader range of individuals. It also enables us to voluntarily publish SSE's UK ethnicity pay gap data for the first time in this report, demonstrating our commitment to the Change the Race Ratio pledge.

We know we have to further increase our focus as a collective to hire and retain underrepresented groups. In recent years, despite efforts to improve workforce diversity, there has been an increase in underrepresented groups leaving the industry<sup>1</sup>. Yet, I am heartened by the collective determination displayed across SSE, and within the industry. Our commitment to inclusion extends beyond the boundaries of our organisation. We actively participate

in collaborative initiatives such as the Tackling Inclusion and Diversity in Energy (TIDE) programme, joining forces with industry peers to drive systemic change across the sector. This year, my appointment as the 2024 Chair of the Energy Leaders' Coalition (ELC) underscores our dedication to advancing gender diversity and inclusivity within our industry. The ELC drives action, not just ambition – learning from one another and from thought leaders, taking accountability of the key decisions we need to make to ensure we have a representative industry, and better business delivery. And within SSE I am proud to see our gender pay gap continuing to reduce again this year.

Undoubtedly, the journey toward inclusion is full of challenges, but diversity fuels the creativity and innovation that the energy transition needs, enabling us to navigate the complexities of our industry with agility and foresight.

Feedback on the contents of SSE's reports is welcomed and encouraged. You can get in touch by contacting [inclusion@sse.com](mailto:inclusion@sse.com).

Alistair Phillips-Davies  
Chief Executive



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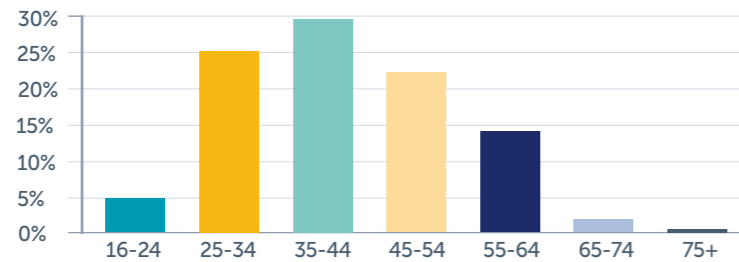
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<sup>1</sup> Energy Utility Skills (2024), Inclusion Measurement Framework 2023 Report and Recommendations, Energy Utility Skills - EUS-Measurement-Framework-2024\_FINAL-WEB.pdf (euskills.co.uk)

# Understanding SSE's workforce<sup>2</sup>

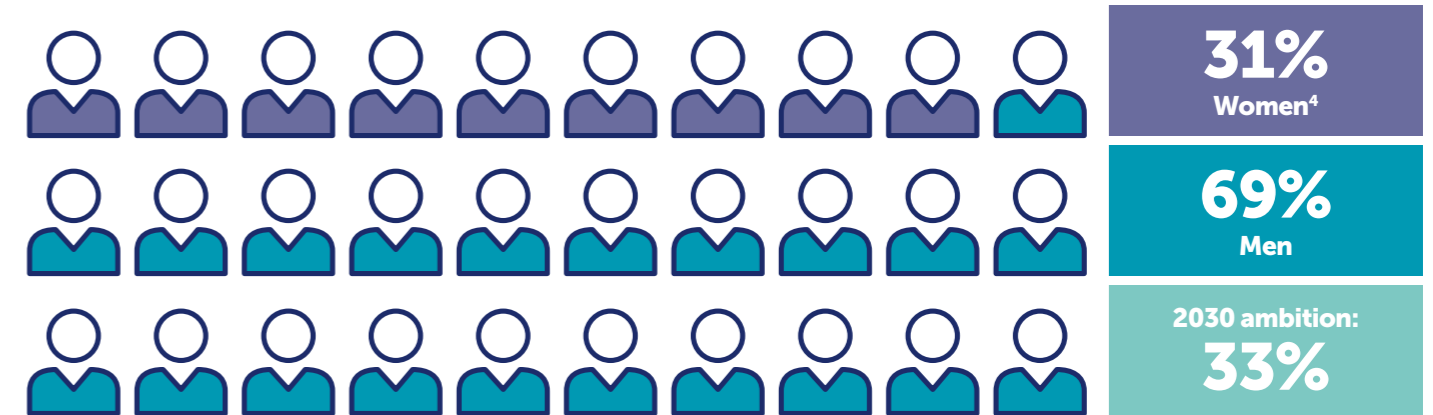
**13,891**  
Headcount



**Mean employee age 41**

<sup>2</sup> All data based on 31 March 2024, apart from pay gaps which are based on 5 April 2024. Data excludes information for 1,089 employees related to the reacquisition of Eneveo (formerly SSE Contracting) in March 2024.

## Gender balance<sup>3</sup>

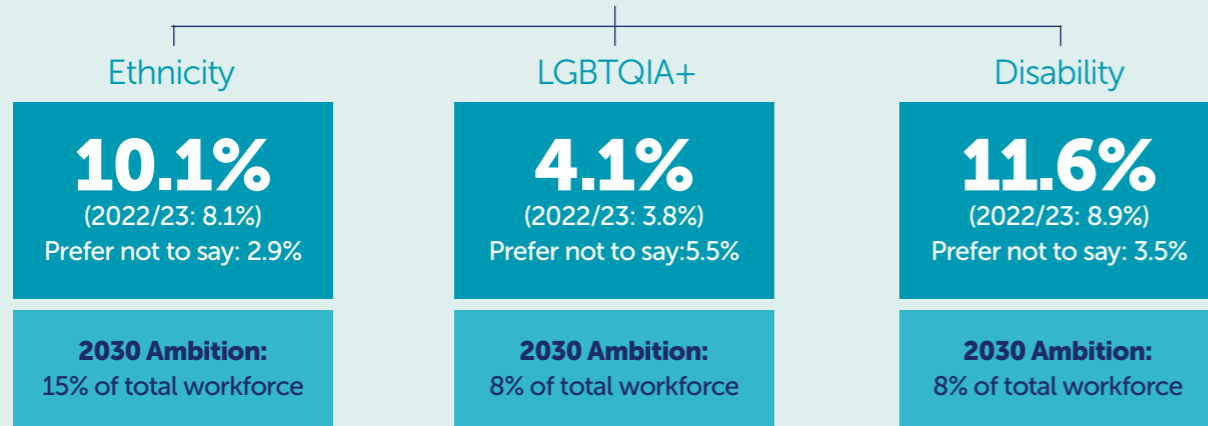


<sup>3</sup> All data used is based on biological sex  
<sup>4</sup> The energy sector currently has 20% female representation. Energy and Utilities Sector Profile: [euskills.co.uk/wp-content/uploads/2023/07/sector\\_2023.pdf](https://euskills.co.uk/wp-content/uploads/2023/07/sector_2023.pdf).

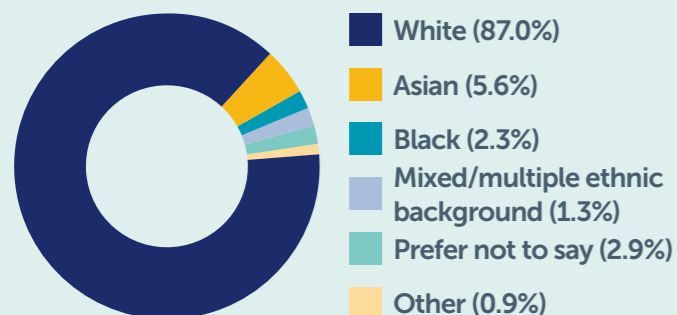
## Workforce diversity

**65%**

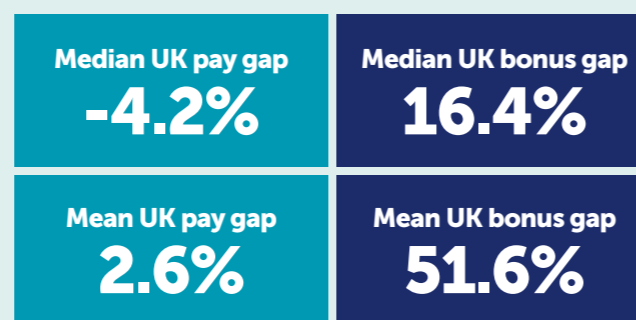
of SSE employees have disclosed their diversity data



## Ethnicity disclosure



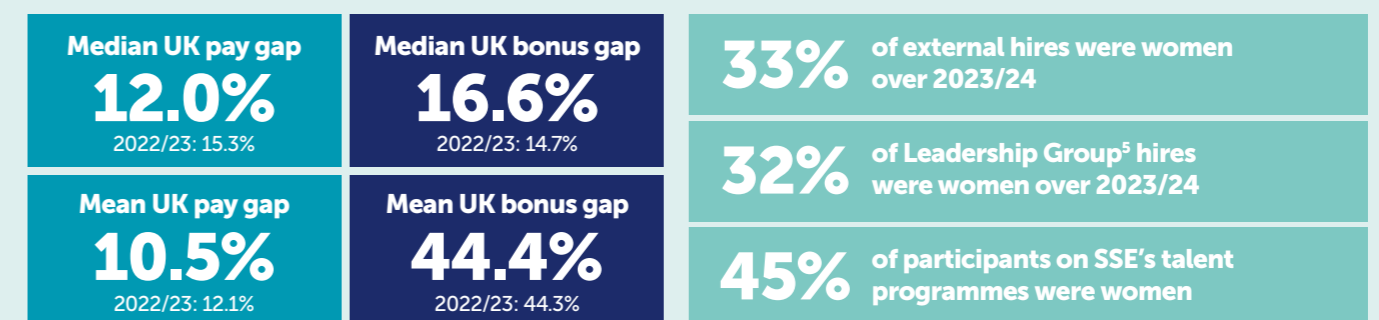
## UK ethnicity pay gap



## 2030 senior leadership gender ambitions



## UK gender pay gap



<sup>5</sup> Employees in SSE's senior level pay grades

# SSE's Inclusion and Diversity Strategy

SSE's Inclusion and Diversity Strategy, *IN, ON, UP* focuses on continuous improvement to ensure SSE's approach progresses each year, growing to match the businesses expanding awareness and knowledge of inclusion, and to meet investor expectations.

## A strategy for inclusion

SSE's Inclusion and Diversity Strategy, launched in 2021, involves four areas of focus: Ambition; Education and Development; Inclusive Processes; and Employee Voice. This builds on the IN, ON, UP initiatives that have run since 2014 to bring diversity in to SSE, create an environment where everyone wants to stay on at SSE, and provides equal opportunities to progress and move up in the business. The information disclosed within this report is structured around the four strategy pillars.



## Highlights in progress over 2023/24

Alongside continuing to implement successful procedures and initiatives developed in previous years, SSE broadened the scope of its diversity focus over 2023/24 encourage a truly leader-led approach, include social mobility, and embed inclusion into SSE's core values.

### Enabling a leader-led approach

SSE engages its leaders to drive SSE's Inclusion and Diversity approach across their businesses. Senior leaders support in a number of ways through sponsorship of inclusion and diversity working groups within each of SSE's businesses, learning about inclusive leadership through Reverse Mentoring (page 21), as well as advocating and championing diversity efforts and inclusive behaviors, both internally and externally.

Over 2023/24 this included leading all-employee calls on inclusion and diversity, attending events, supporting the launch of the 2024 Parker Review reforms, and raising awareness of key inclusion and diversity topics. In addition, SSE's CEO became the Chair of the POWERful Women's Energy Leaders Coalition committing to visible allyship, challenging other leaders on poor inclusion and diversity practices and ensuring senior leader accountability (see page 11 for more information).

### Increasing focus on social mobility

Understanding its employee's backgrounds helps SSE identify whether people experience barriers to joining SSE and remaining and progressing in its workforce. Over 2023/24, SSE strengthened its commitment to support social mobility by developing a three-point plan to ensure it is taking the right steps to boost social mobility. This includes

employee data collection (see page 8), reconfirming its membership of the Social Mobility Pledge, and submitting information to the social mobility employers index.

### Embedding inclusive language in SSE's Values

SSE has six company values to guide employees on how to act when going about their work, these include Safety, Service, Efficiency, Sustainability, Excellence, and Teamwork. To ensure these remain relevant to the business and its employees as SSE grows, SSE held an engagement session in partnership with the Institute of Business Ethics to gain insight into employee perspectives on these core values. Through this process, inclusion was highlighted by employees as a core way in which SSE operates. Work was undertaken to ensure inclusion was better embedded in the core values, with an update to the language of the Teamwork value to 'We work together in an inclusive and collaborative way.'

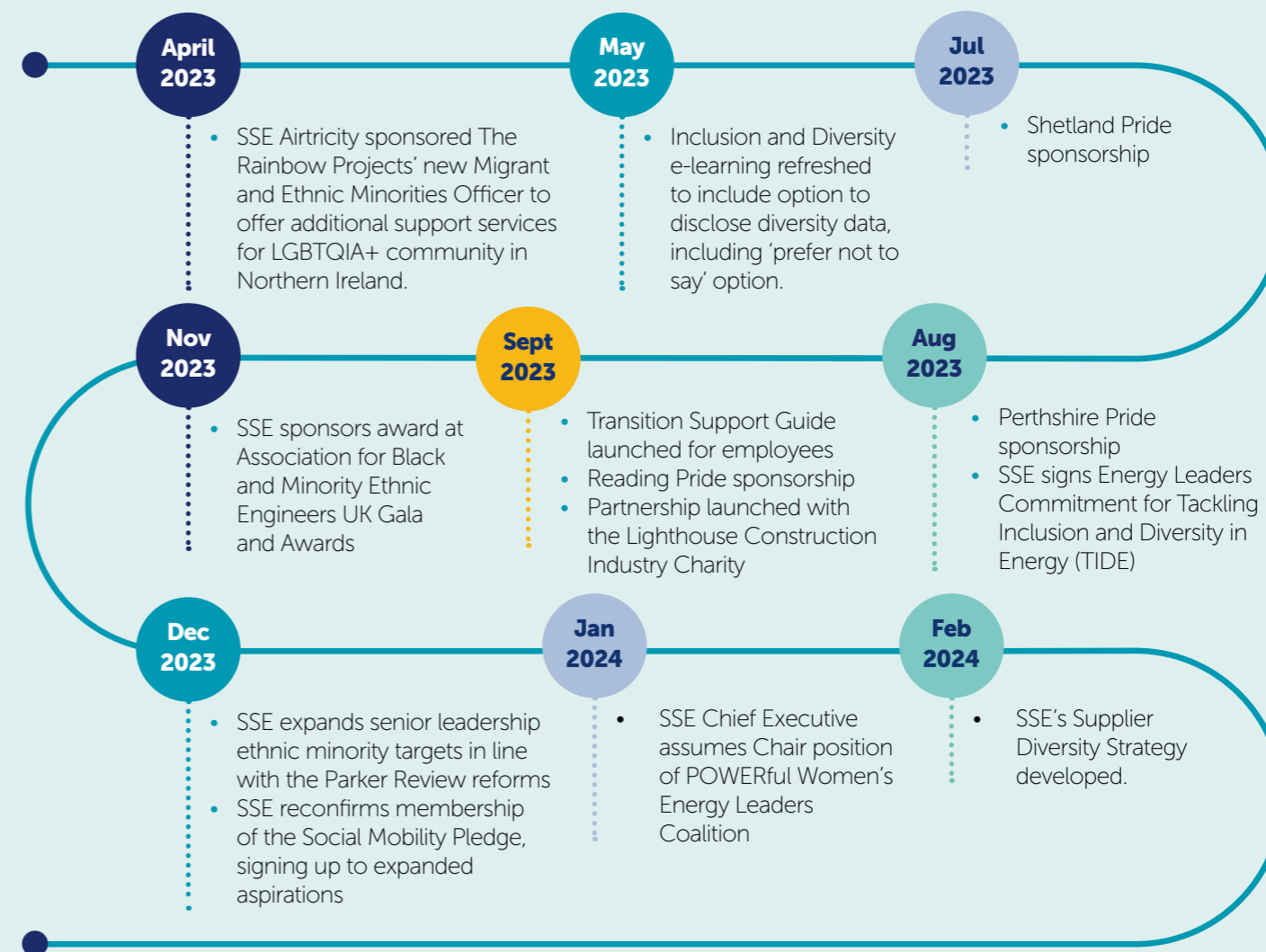
## Social Mobility Pledge

In December 2023, SSE reconfirmed its commitment to the renewed Social Mobility Pledge which aims to tackle the social mobility crisis by addressing four key areas: outreach, access, recruitment, and progression.

Inclusion and Diversity within the principles for good, green jobs which spotlights the impact of hiring for difference.



## Progressing inclusion over 2023/24





# Ambition: setting measurable goals

SSE sets stretching diversity ambitions that align with best practice. It measures progress against these ambitions through tracking and monitoring a wide range of diversity and workforce metrics.

## Increasing disclosure of diversity data

Employees' voluntarily disclosing their diversity data, even if they select 'prefer not to say', is essential to be able to set ambitions, monitor progress, and develop strategies to increase diversity. SSE has been working to increase the proportion of employees disclosing diversity data by providing a wider variety of options for them to disclose information, and through initiatives such as communication campaigns, that help employees feel comfortable with how SSE's manages and analyses

their data. Over 2023/24, the employee diversity data disclosure rate increased to 65%, from 39% in 2022/23.

Figure 1 provides the diversity category breakdown for the employees that have disclosed their diversity data. Progress against SSE's workforce diversity ambitions is outlined in Table 1, which shows that representation of all groups has increased between 2022/23 and 2023/24. SSE has a range of initiatives to drive progress for representation across all diversity categories which are outlined throughout this report.

## Broadening diversity data analysis to include social mobility

To broaden SSE's understanding of how socio-economic background can impact career opportunities, SSE began collecting volunteered workforce socio-economic background data in 2023. Advocacy from senior leaders and communications campaigns have encouraged more employees to share this data. At 31 March 2024, 43% of SSE colleagues had provided their social mobility data (excluding 'prefer not to say'), up from 9% at 31 March 2023.

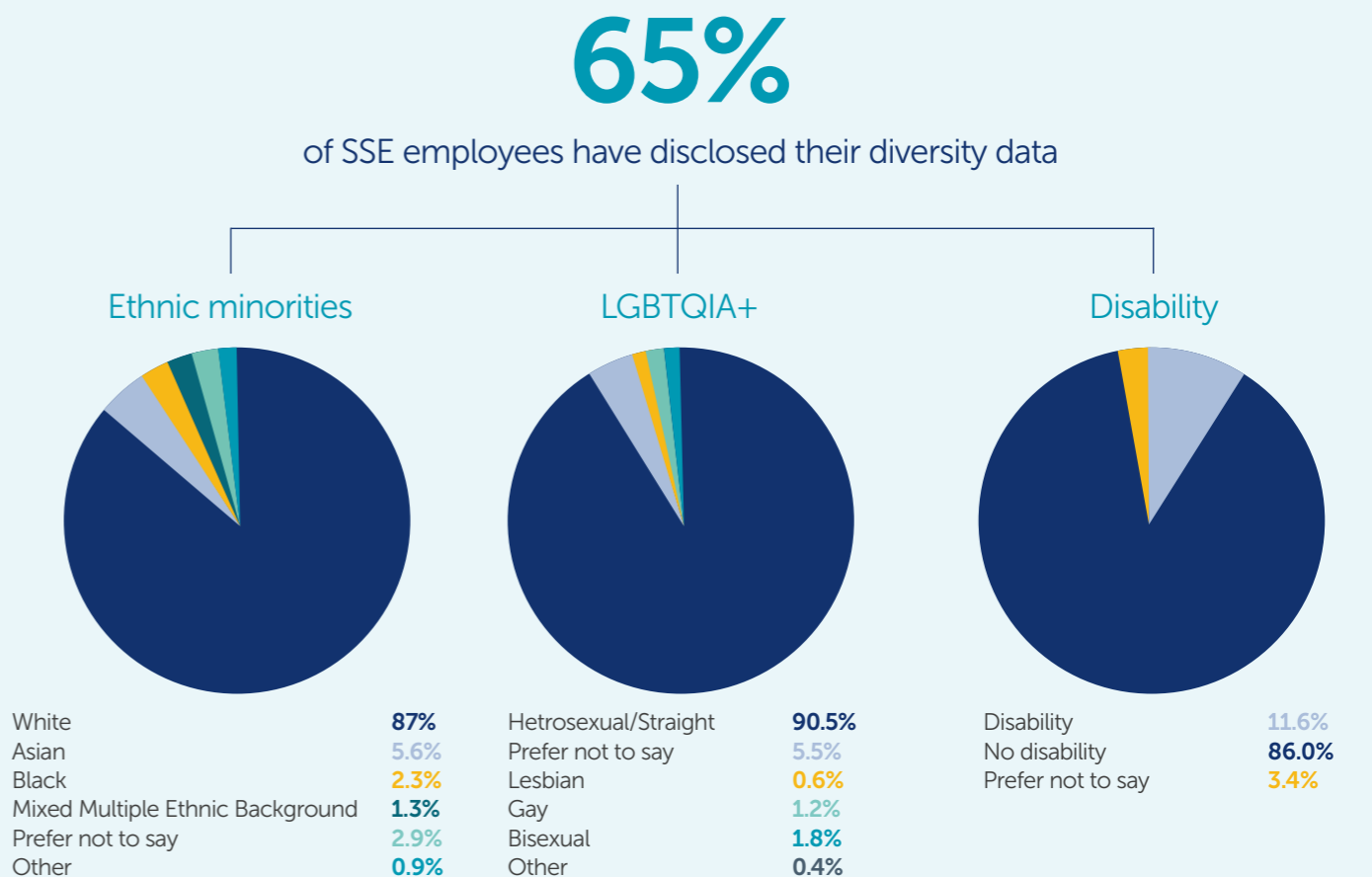
**Table 1: Performance against SSE's workforce diversity ambitions\***

Employee representation	Ambition Year	Ambition	31 March 2024	31 March 2023
<b>Women</b>	2030	33%	<b>31.0%</b> (9,586 men/ 4,305 women)	30.0% (8,525 men/ 3,655 women)
<b>Disability</b>	2030	8%	<b>11.6%</b>	8.9%
<b>Ethnic minority</b>	2030	15%	<b>10.1%</b>	8.1%
<b>LGBTQIA+</b>	2030	8%	<b>4.1%</b>	3.8%

\* Data is collected on SSE's HR data reporting system. Gender has a 100% completion rate and is based on biological sex. Disability, ethnic minority, and LGBTQIA+ data is voluntarily disclosed by employees, with a 65% disclosure rate at 31 March 2024 and a 39% disclosure rate at 31 March 2023. Data excludes those without facility to share data electronically.



**Figure 1: SSE's employee diversity data disclosure**



## Diversity in senior leadership

SSE's senior leadership gender diversity ambitions have been developed in alignment with FTSE Women Leaders Review and are outlined in the Table 2. In 2023/24, the Group Executive Committee (GEC) and direct reports and SSE's Leadership Group saw increases in the proportion of women represented while there was a decline in the proportion of women represented on its Board and GEC.

Changes in Board diversity reflect the stepping down of Sue Bruce after nine years tenure and is in line with the planned Board changes set out in the Annual Report 2023.

**Table 2: SSE's progress against senior leadership diversity ambitions**

Diversity category	Ambition Year	Ambition	31 March 2024	31 March 2023
<b>Proportion of women represented on:</b>				
<b>Board Group</b>	Ongoing	50% with no less than 40%	<b>41.7%</b> (7 men/5 women)	46.2% (7 men/6 women)
<b>Group Executive Committee (GEC)<sup>1</sup></b>			<b>10.0%</b> (9 men/1 woman)	27.0% (8 men/3 women)
<b>GEC<sup>1</sup> and direct reports (excl. administrative roles)</b>	2025	40%	<b>37.5%</b> (50 men/30 women)	34.1% (54 men/28 women )
<b>Leadership Group<sup>2</sup></b>	2030	40%	<b>26.4%</b> (948 men/340 women)	25.2% (812 men/ 274 women)
<b>Proportion of ethnic minorities represented on:</b>				
<b>GEC<sup>1</sup> and direct reports (excl. administrative roles)</b>	2027	6%	<b>2.5%<sup>3</sup></b>	-

1 The GEC comprises all committee members and the committee secretary. The data reflects Catherine Raw stepping down from the GEC in January 2024 prior to her leaving SSE in April 2024. Finlay McCutcheon succeeds Catherine in the role of Managing Director, SSE Thermal and will join the GEC in September 2024.

2 Employees in SSE's senior level pay grades.

3 Based on an 88% disclosure rate at 31 March 2024.

In 2023, SSE established a new ambition to achieve 6% ethnic minority representation within its Group Executive and direct reports by 2027.

This ambition aligns with Parker Review recommendations and accounts for existing base lines within SSE and it's industry and operating geographies. SSE discloses the baseline performance to enable progress to be demonstrated within the context of it's organisation and industry, which vary from company to company. At 31 March 2024, the representation of ethnic minorities in the GEC and direct reports has increased to 2.5% (based on an 88% disclosure rate) from 1.2% (based on an 80% disclosure rate) in December 2023, when the ambition was set.

All diversity ambitions, including those for gender, are

approved by the GEC and the Board-level Nomination Committee.

Full details of changes across membership of the Board and GEC, alongside the Nomination Committee focus are set out on pages 120 and 138 to 143 of SSE's Annual Report 2024. SSE also reports on the representation of women across all management levels, junior management, and management positions in revenue generating functions. See SSE's Sustainability Report 2024 data tables for details.

More information about the initiatives SSE has in place to increase diversity across its business can be found throughout this report, and SSE's UK gender pay gap information is detailed on pages 13-15.

## Wider collaboration to power inclusion within industry



### POWERful Women

In November, Chief Executive, Alistair Phillips-Davies was announced as the 2024 Chair of POWERful Women's Energy Leaders Coalition, which comprises of 16 CEO's from the UK's leading energy companies, making a public declaration to improve gender diversity in their companies and the industry. Their focus is to *engage the majority whilst spotlighting the minority*, and CEO's have received training and guidance to assist them. Through the membership with POWERful Women, SSE benefits from access to expert thinkers, a network to share and learn best practice, and access to senior women role models across the industry. In addition, employees across the sector have access to Women in Energy webinars which cover a range of relatable topics such as career moves, importance of flexibility as well as individual stories.

Over 2023/24, SSE also worked with POWERful Women on the Empower Her campaign, with the focus of attracting more women into the energy sector's early career and entry roles. Video content was shared on social media channels resulting in 42.2 million impressions across the campaign.



### Tackling Inclusion and Diversity in Energy (TIDE) Taskforce

SSE is part of the Tackling Inclusion and Diversity in Energy (TIDE) taskforce, a cross-industry group to improve Equity, Diversity, and Inclusion (EDI) across the energy sector. Over 2023/24, SSE signed the TIDE leader's commitment, a pledge by each leader to work to incite change. In addition, SSE played an active role in the TIDE insight working group that developed the TIDE Equality, Diversity, Inclusion (EDI) Health Index, which assesses progress for the industry and consolidates industry data to establish best practice.



## SSE's 2024 Pay Gaps

SSE is committed to providing open and detailed information about its diversity pay gaps. In 2016, SSE became the first FTSE company to publicly disclose its gender pay gap information. 2024 is SSE's ninth year

of reporting its UK gender pay gap, its fourth year of disclosing its Ireland gender pay gap, and its first year disclosing its ethnicity pay gap. See page 16-17 for information on its first ethnicity pay gap disclosure.



### What is a pay gap?

A pay gap refers to disparities in earnings between different groups, often based on factors such as gender or ethnicity. The gender pay gap measures the difference between the average hourly earnings for all the men and all the women in the business, whilst the ethnicity pay gap measures the difference between the average hourly earnings between ethnic minority colleagues and white colleagues in the business.

Pay gaps are calculated at a total company level and aim to understand gender and ethnicity balance in relation to high paying roles, tenure, recruitment, and progression. It reflects the differences in the types of roles that men and women, and colleagues of different ethnicities are carrying out.

SSE's UK gender and ethnicity pay gaps are calculated using the UK governments methodology and use a 5 April 2024 snapshot date.



### How are pay gaps different to equal pay?

Diversity pay gaps are not the same as equal pay, which is the right for all individuals to be paid the same when doing the same or equivalent job. Equal pay is legally required under the Equal Pay Act 2010 which SSE adheres to. SSE

has robust processes in place to review pay levels and job gradings and carries out an annual review of performance ratings by gender and ethnicity. This ensures SSE has a fair and consistent approach to pay and performance.



### Mean pay gap

The mean pay gap is the difference between the average hourly earnings of two comparable groups. It is calculated by totalling the salaries and dividing this by the number of colleagues in that group. The difference between the average from each group is the mean pay gap.



### Median pay gap

The median pay gap is the difference between the mid-point salary. It is calculated by lining up the salaries of each group from lowest to highest and picking the middle salary, and the respective two middle salaries are compared to give the median gender pay gap.

Whilst the median is considered more accurate as it is less likely to be skewed by a small number of employees at either end of the total pay range, both methodologies are used to get a full picture of a company's pay gap as both have benefits and challenges with representing workforce pay.

## SSE's gender pay gap

### SSE's UK gender pay gap

SSE reports against 10 individual legal entities in the UK, as well as its overall UK figures. At 5 April 2024, the SSE Group (UK) improved its mean and median gender pay gap (GPG) with a median pay gap of 12.0% (2023: 15.3%) and a mean gender pay gap of 10.5% (2023: 12.1%). While both the mean and median gender pay gap are the lowest since SSE began reporting in 2016, there is clearly more work to be done to close the pay gap.

The reduction in UK median gender pay gap between 5 April 2023 and 5 April 2024 has been driven by four main contributing factors:

- Increased representation of women in overall workforce:** Women represent 31% of SSE's overall workforce with increases in the upper, the upper-middle and lower-middle quartiles, and decrease in the lower quartile over 2023/24. Women represented 33% of external hires across the business in 2023/24, with a mean pay gap of 6.0%, which has helped to reduce the total pay gap figures.
- Increasing representation of women in the Leadership Group<sup>4</sup>:** Increasing the number of women within senior and higher paid roles can have a positive impact on the gender pay gap. As a result of a targeted recruitment strategy, 32% of Leadership Group<sup>4</sup> hires were women (29% in 2022/23). Of this population, the external hires had a mean gender pay gap of 1.8% in 2023/24, which has contributed to lowering the total mean and median pay gaps. The overall number of women in the Leadership Group<sup>4</sup> increased

SSE's 2024 progress	
<b>UK gender pay gap</b> <b>Median</b> <b>12.0%</b> (2023: 15.3%)	<b>UK bonus gender pay gap</b> <b>Median</b> <b>16.6%</b> (2023: 14.7%)
<b>Mean</b> <b>10.5%</b> (2023: 12.1%)	<b>Mean</b> <b>44.4%</b> (2023: 44.3%)
<b>Workforce gender balance (M/W)</b> <b>70% / 30%</b> (2023: 70% / 30%)	<b>Proportion of M/W receiving bonus</b> <b>38% / 38%</b> (2023: 32% / 29%)

by 24.1%, compared to a 16.7% increase in men within the same group. Further information on the recruitment processes can be found on page 24.

- Impact of merit awards on employees on Personal Contracts:** SSE's Performance Related Pay (PRP) Review enables colleagues to receive a salary increase in line with performance against their objectives. At the end of 2022/23, a higher proportion of women were considered to have exceeded their objectives through the PRP Review compared to men.
- Impact of the Pay Progression model for employees on Joint Agreement Contracts:** Over 2023/24, the positive impact of the skills-based Pay Progression model, introduced in 2021, has continued for Joint Agreement employees which mainly impacts colleagues in lower and lower-middle quartiles. These quartiles have a higher representation of women, and therefore, a higher number of women have advanced through the pay progression framework and received salary increases.

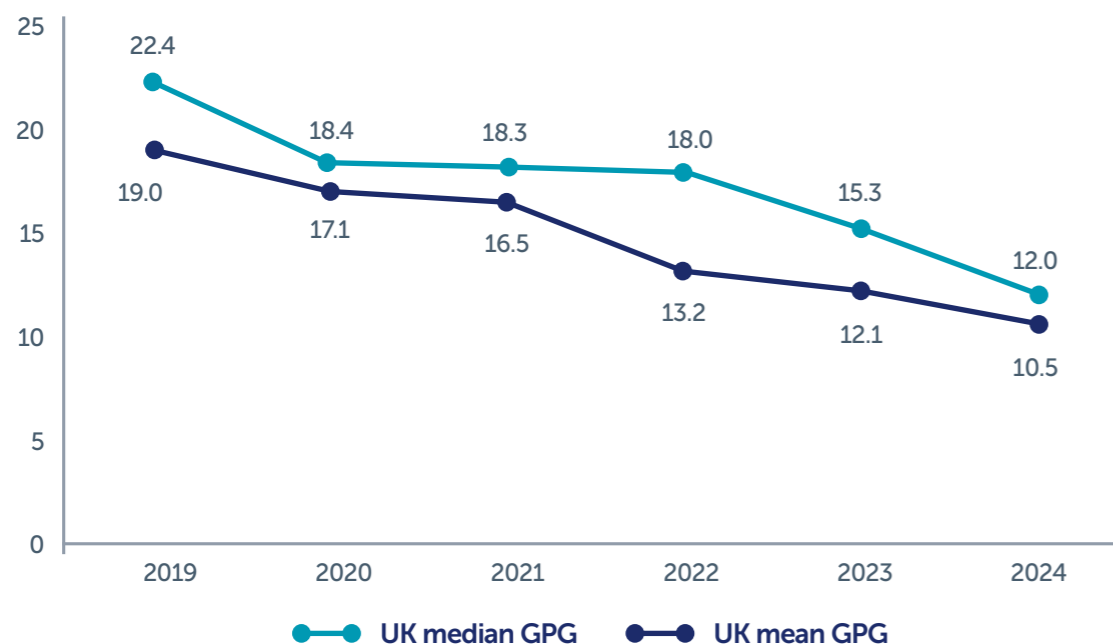
<sup>4</sup> Employees in SSE's senior level pay grades

In 2022/23, in recognition of the cost-of-living pressure affecting its employees, SSE brought forward part of its trade union negotiated cost-of-living increase for 2023, by awarding up to a 5% increase to all employees earning less than £100,000 annually (see SSE's Inclusion and Diversity Report 2023 for details). As this benefited those in the lower quartiles where gender balance is closer to parity, SSE's 2023 gender pay gap narrowed slightly. In 2023/24, SSE paid the planned secondary

increase, which included those on salaries over £100,000. This resulted in a net neutral impact on the 2024 gender pay gap.

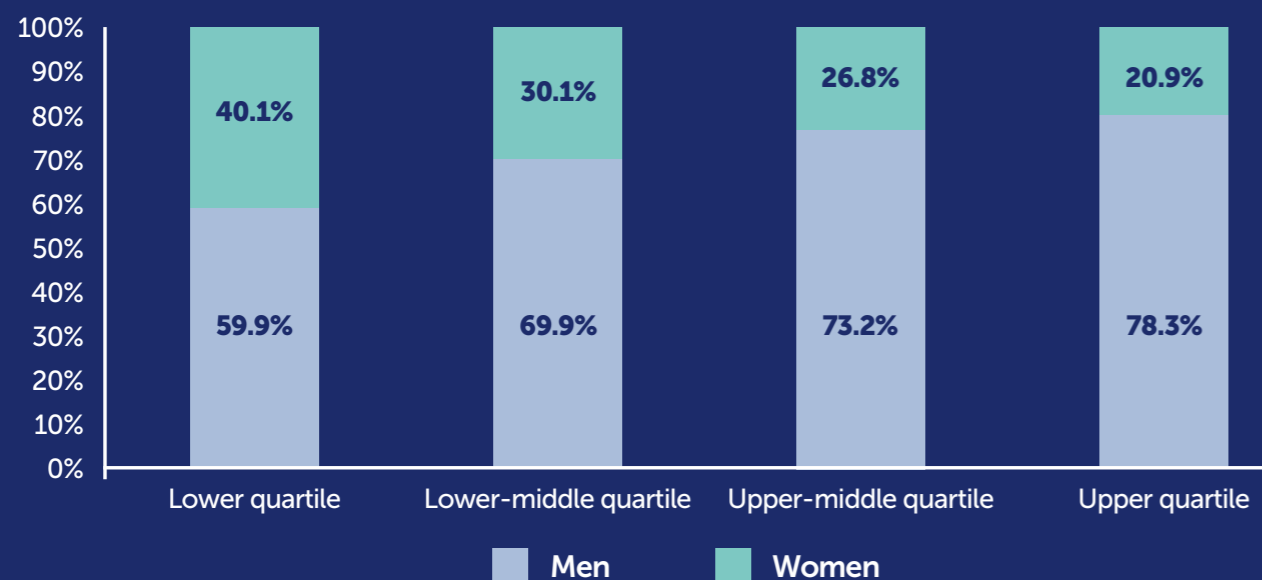
Over 2024/2025, SSE has introduced a new pay progression system for those on Personal Contracts. The full impact of this on the gender pay gap will be reviewed next year along with the Pay Progression model for employees on Joint Agreement Contracts.

### SSE's UK Gender Pay Gap 2019-2024



Graph 1: SSE has been measuring its gender pay gap since 2016. The above graph shows its gender pay gap from 2019, which is the earliest data SSE has which excludes SSE Energy Services which was sold to OVO Energy Ltd in January 2020. This sale resulted in a significant change in composition of SSE's workforce.

### Gender representation per quartile 5 April 2024



### SSE's UK gender bonus pay gap 2024

Between 2023 and 2024, SSE's UK bonus gender pay gaps have increased. SSE has seen an increase in its median bonus pay gap from 14.7% in 2023 to 16.6% in 2024 and its mean gender pay gap bonus has increased from 44.3% in 2023 to 44.4% in 2024. SSE's bonus applies to a proportion of employees and varies annually subject to company, business, and personal performance. The primary yearly incentive scheme comprises approximately 60% of the total bonus value. A smaller, more senior group also takes part in one or two of SSE's three extended share schemes, making up an additional 30% of the total bonus value.

In the last quarter of 2023/24, SSE introduced a new employee-led recognition scheme, Spotlight, where employees can receive voucher awards. This has led

to a 9% increase in both men and women receiving a bonus, with the total value of Spotlight accounting for less than 0.1% of the total value of bonus. Excluding Spotlight, SSE's median bonus pay gap is 14.9% and its mean bonus pay gap is 43.7%.





### SSE's Ireland gender pay gap

SSE has voluntarily disclosed its Ireland Gender Pay Gap since 2021, calculating it in line with the UK Gender Pay Gap methodology. In December 2023, SSE disclosed its second set of Ireland gender pay gap data in line with the Irish Government's new mandatory gender pay gap requirements which launched in May 2022. This data is calculated using a 30 June snapshot and SSE will publish its 2024 Ireland gender pay gap disclosure later in 2024. More detail on SSE's 2023 Ireland gender pay gap can be found at [sse.com/sustainability](https://www.sse.com/sustainability).

### SSE's Gender Action Plan

At the beginning of SSE's inclusion and diversity journey in 2014, the focus was on creating gender balance across the business. Therefore, as SSE's inclusion and diversity initiatives have evolved to be suited to hiring and supporting a wider range of diversity, the policies and procedures in place continue to work to improve the representation of women.

To help reduce the gender pay gap and provide career development opportunities for women, SSE has aligned its Gender Action Plan to the four areas for action from POWERful Women's 'Cultivating Female Talent in Energy' report, which aims to reduce barriers for women in the energy industry. The below Action Plan outlines SSE's initiatives, practices and processes that deliver against the four pillars for the report.

Action pillar	Description
 <b>Effective Professional Development</b>	SSE supports personal development for women through its development programmes and pipeline programmes. See page 20 for more information.
 <b>Flexible Working Practices</b>	Flexible working is key to improving gender balance in the workplace as most commonly women are the primary carers of the household and therefore require more flexible work routines. SSE has implemented flexible working practices and policies, including Flexible First, to support those who require additional flexibility can maintain a rewarding career. See page 25 for information on flexible working and page 24 for diverse hiring within its Leadership Group.
 <b>Visible Role Models</b>	SSE shines a spotlight on female role models as part of early career programmes, internal communication campaigns, recruitment campaigns, and spotlighting senior women in SSE through dedicated microsites and internal communications. See page 26 for details.
 <b>Supportive and Inclusive Culture</b>	SSE develops a supportive culture through its policies, its communication campaigns, and its 'Belonging in SSE' communities, in particular its Gender Balance and Menopause communities. See pages 26-29 for more details.



## SSE's UK ethnicity pay gap 2024

### Disclosing for the first time in 2024

Over 2023/24, SSE has continued to encourage employees to voluntarily disclose their ethnicity, sexual orientation, and disability data, and has increased disclosure rates from 39% in 2022/23 to 65% in 2023/24 (see page 8 for more details).

This increase in data disclosure enables SSE to publicly and voluntarily disclose its ethnicity pay gap data for the first time in 2024, whilst maintaining anonymity and providing the meaningful insight that was not possible in prior years when the disclosure rate was lower.

### UK ethnicity pay gap methodology

SSE's voluntary publication of its ethnicity pay gap has been calculated in line with the UK Government's ethnicity pay gap methodology. See page 12 for an explanation of how pay gaps are calculated.

The disclosure compares the average hourly rate of pay for ethnic minority colleagues, which includes Asian, Black, Mixed/Multiple ethnic background, and Other ethnic backgrounds, with White colleagues.

### SSE's UK ethnicity pay gap 2024

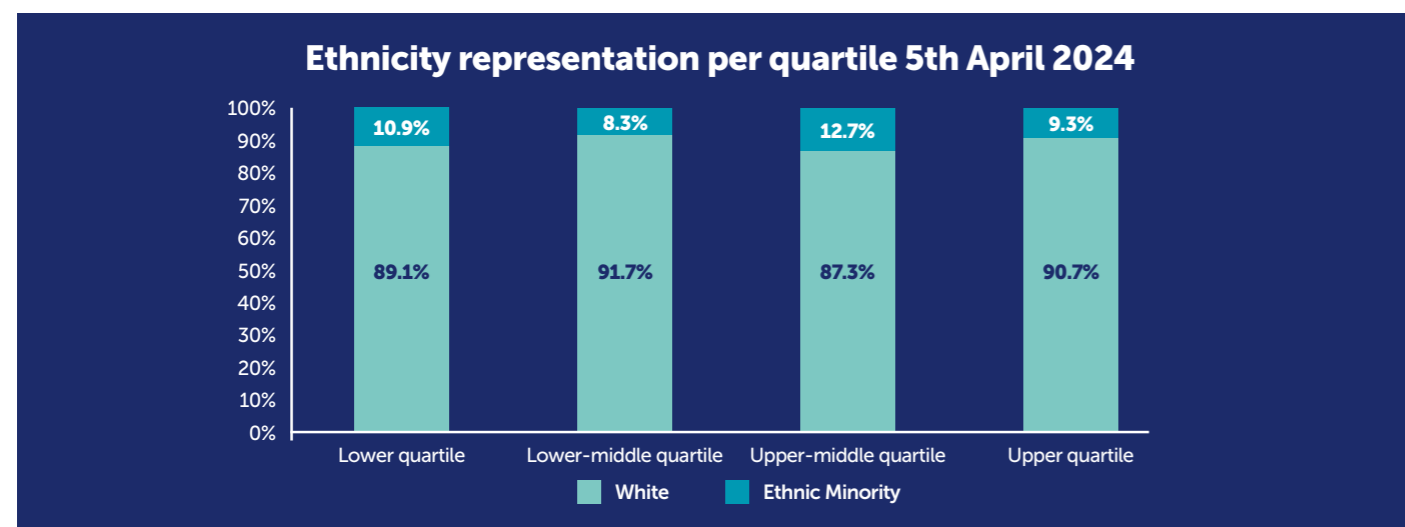
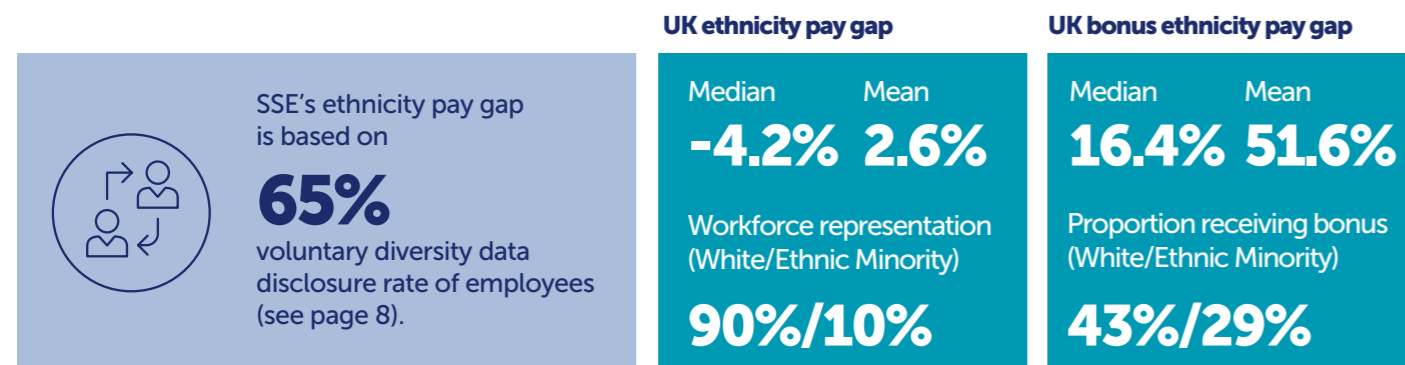
At 5 April 2024, SSE had a median ethnicity pay gap of -4.2% and a mean ethnicity pay gap of 2.6%. The results

of this first analysis show that SSE has a broadly equal distribution of ethnic minority colleagues across the pay quartiles ranging from 8.3% ethnic minority representation within the lower-middle quartile, to 12.7% in the upper-middle quartile. Over 2023/24, the percentage of hires from ethnic minority groups was 16%, up from 13% in 2022/23.

SSE is encouraged to see that the mean ethnicity pay gap is low and that the median ethnicity gap performance is negative, in favour of colleagues from ethnic minorities. However, SSE is acutely aware that this is based on a small population in SSE's workforce, and it will undertake work in the coming years to understand the drivers behind this performance and how SSE can target initiatives to better improve diversity in its workforce.

At April 5, SSE's median bonus ethnicity pay gap was 16.4% and the mean bonus ethnicity pay gap was 51.5%. These follow a similar trend to its UK gender bonus pay gap. See page 15 for information on SSE's bonus scheme).

Disclosure is a key first step to gaining insights that can help SSE establish action and initiatives to improve its ethnicity pay gap, alongside continuing to improve its employee disclosure rate.



## SSE's Ethnicity Action Plan

SSE is committed to the Change the Race Ratio and the seven actions of the Business in the Community Race at Work Charter, and sets KPIs to deliver against these as part of its Inclusion and Diversity Strategy.

### SSE sets commitments in line with the Change the Race Ratio



Change the Race Ratio	SSE's actions and progress against this
<b>Set and publish targets for racial and ethnic minority representation on the Board</b>	SSE sets and publishes Board representation targets in line with the Parker review, having maintained the original target of one board member of ethnic minority heritage. See SSE's Annual Report 2024, page 43.
<b>Set and publish targets for racial and ethnic minority representation at an executive level and minus-one pipeline</b>	SSE has expanded its ambitions and published an ethnicity representation target for executive level minus-one by 2027. See more on page 10
<b>Publish ethnicity pay gap report and action plan within two years of joining</b>	SSE has published its first Ethnicity Pay Gap statement in the June 2024 I&D Report and commits to ongoing publication. See page 16.
<b>Create an inclusive culture that allows all talent to thrive</b>	SSE's I&D strategy (see page 6) is set up to foster inclusivity and fairness. Colleagues are supported to develop through learning and talent offerings (see page 21).  SSE's 2023 employment survey showed an overall increase of Inclusion sentiment for colleagues from under-represented groups.

### SSE's alignment with Business in the Community Race at Work Charter



Race at Work Charter Commitments	SSE's actions and progress against this
<b>Appoint an Executive Sponsor for race</b>	SSE has two Managing Directors Sponsors who champion ethnicity action and support the Ethnicity and Culture 'Belonging in SSE' community.
<b>Capture ethnicity data and publicise progress</b>	SSE's voluntary ethnicity data disclosure rate increased to 65% in 2023/24, and it published its ethnicity pay gap for the first time in this report. See page 16.
<b>Commit at Board level to zero tolerance of harassment and bullying</b>	SSE has a zero-tolerance approach to harassment and bullying. See SSE's Group Employment Policy, available at <a href="https://www.sse.com/sustainability">sse.com/sustainability</a> .
<b>Make equity, diversity, and inclusion the responsibility of all leaders and managers</b>	In addition to a robust annual learning initiative for hiring managers and all employees, SSE's Igniting Inclusion programme was developed to educate leaders and managers on their responsibilities. See page 20.
<b>Take action that supports Black, Asian, Mixed Race and other ethnically diverse employee career progression</b>	SSE has developed a process for identifying diverse future talent. See page 24.  SSE's Ethnicity and Culture 'Belonging in SSE' community develops allies and has grown by 36% over 2023/24. See page pages 18 and 26-27.
<b>Support race inclusion allies in the workplace</b>	SSE's mandatory all employee inclusion and diversity training features a module on allyship. See page 21.
<b>Include Black, Asian, Mixed Race and other ethnically diverse-led enterprise owners in supply chains</b>	SSE's Sustainable Procurement Code includes diversity requirements of suppliers, which was enhanced over 2023/24 to be more accessible to diverse suppliers. The Code is available at <a href="https://www.sse.com/potential-suppliers">sse.com/potential-suppliers</a> .

# Making the uncomfortable, comfortable

A core part of driving SSE's gender and ethnicity action plans is ensuring colleagues have support through the 'Belonging in SSE' communities around key challenges and barriers. The dialogues these communities open across the business help more people understand lived experiences of others and champion inclusion. See pages 26-29 for information about 'Belonging in SSE' communities.

## Ethnicity and culture 'Belonging in SSE' community

### Creating a space to talk about ethnicity, faith, and culture

The Ethnicity and Culture community has seen an increase in its members by 36% over the last year due to the diversity profile of SSE's workforce changing, and increased awareness of the community around the business. Members of the community held 'lightning talks' at the inaugural 'Economics of Faith and Belief Inclusive Workplaces' conference, learning from and sharing with 75 other organisations, around the importance of faith-based support in the workplace. To aid the fireside chats launched with senior leaders on supporting ethnicity-related matters, the community developed a 'Let's Talk About It' series which when launched in 2024/25 will facilitate conversations around race, faith, and ethnicity, providing key tools and empowerment for individuals from all backgrounds to be able to lean into otherwise difficult conversations and build mutual understanding.

### Tackling gender stereotypes

Across 2023/24, the Gender Balance community refreshed their community pillars to focus on celebrating difference, fostering allyship and championing representation. The community launched Safe Space Cafes with external speakers and business leaders addressing societal issues such as stereotypes and intersectionality to highlight their impact in the workplace. For international men's day, the community developed a podcast series featuring men across SSE addressing topics on male stereotypes, and the importance of allyship. Both these initiatives supported an open dialogue amongst colleagues. Members across SSE's business working groups organised events with thought leaders and business leaders to highlight the importance of women's voices in climate action – tying together inclusivity, diversity and sustainability. Following these initiatives, the Gender Balance community saw a 68% increase in its membership since 2022/23.

## Gender Balance 'Belonging in SSE' community

## Menopause 'Belonging in SSE' community

### Sharing experiences to understand menopause

To help those who have not yet or won't experience menopause understand the impacts of symptoms on personal and work-life, the Menopause Community developed its '24 hours in our shoes' campaign.

This campaign simulated menopausal symptoms to enable volunteers to live a day in their shoes on work-day.

Volunteers experienced hot flushes and their nuances by wearing heated gilets and changing bed sheets part way through the night, insomnia by drinking caffeine before bed, aches and pains by using TENS machine pads, increasing the need to use the toilet by drinking a litre of water, and brain fog by skipping breakfast.

This activity has been coupled with an ongoing focus on menopause awareness. The community hosted awareness sessions for colleagues with expert speakers and facilitators on how to support someone going through menopause. These led to a 286% increase in employees accessing their hub page and resources.

**"Even though this experience was only 24 hours for me, I can certainly say that I'm much more aware of how this uncontrollable circumstance can have a strong effect on how you feel about yourself, how you might come across to others, and how it affects your cognitive processing and confidence at home and at work. And this is largely hidden.**

**"This exercise showed me that we need to talk about menopause more to raise awareness and that menopause requires empathetic and systemic support at work."**

~ Chris Burchell, MD Distribution



# Education and development: focus on behaviours

Education and awareness are essential for empowering colleagues to make decisions and take actions that drive positive change. SSE's inclusive behaviour awareness initiatives are aimed at all levels of the business and focus on three areas: developing leadership, creating an inclusive culture, and educational outreach to the wider sector.

## Developing leadership to drive inclusion from the top

SSE's leaders play an essential role in driving meaningful behaviour change across all levels of SSE's business. They set the culture from the top of the organisation, demonstrating SSE is a workplace where everyone can thrive. As well as setting leadership ambitions to increase diverse representation within this group (see page 10), SSE prioritises educating its leaders on the importance of inclusion and diversity, how to foster an inclusive culture, and empower teams.



### SSE's leadership programmes powering inclusion:

**Inclusive Leadership Development Programme:** a nomination-based talent programme for upper middle management. There were 179 participants in 2023/24, of which 45% were women. This six-month programme is focused on action-based learning on inclusion and diversity, covering SSE's commitments and the role of a leader.

**SSE's Leadership Blueprint:** this programme acts as a foundation of leadership at SSE for the 2,500+ leaders. In 2023, SSE ran five Leadership Blueprint Speaker events which involved external thought leaders teaming up with an SSE Managing Director covering each of the Leadership Blueprint behaviours. To reach all colleagues, recordings were made available to download after the events.

**SSE Career Development Programme:** is delivered to senior leadership with Hult Ashridge Business School with inclusivity embedded. In 2023/24, 35 colleagues participated in the Career Development Programme, of which 40% were women.

**SSE's Igniting Inclusion:** running since 2021/22, the programme equips SSE's senior leadership with the skills to foster an inclusive culture. Over 2023/24, SSEN Distribution embedded learnings from the Igniting Inclusion programme as part of its launch of its Critical Behaviours programme, aimed at empowering leaders to deliver value for customers, colleagues, and the business.

## Creating an inclusive culture through employee education

SSE has a number of educational programmes to develop colleagues awareness and understanding of inclusion and diversity at SSE, what it means for them, and how they can get support. These programmes focus on elevating the importance of an inclusive workforce, educating about other perspectives, encouraging inclusive habits and behaviours, and ensuring everyone at SSE knows how to report un-inclusive behaviour. See page 22.

### Embedding inclusion and diversity into mandatory training

In March 2023, SSE launched its revised mandatory inclusion and diversity e-learning training. All employees are required to complete this training annually, alongside essential subjects such as fraud awareness, anti-money laundering, and cyber security. The training aligns with core topics of SSE's Igniting Inclusion programme, and in addition covers allyship and privilege. SSE engaged with its 'Belonging in SSE' communities (see page 26) to input on

the subjects covered and ensure there is representation for everyone. This course includes the functionality to capture voluntary diversity data from employees, which has greatly improved SSE's understanding of its people and enabled more meaningful data analysis.

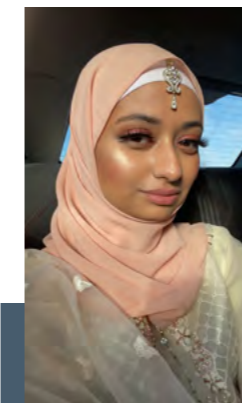
### Learning from others through reverse mentoring

SSE's reverse mentoring programme, established through its partnership with the School for CEOs, is a key enabler of cross-generational learning. It helps close the generational knowledge gap, encourage new ways of strategic thinking, and demonstrate the importance of diversity to an audience that may not usually be involved in these conversations. It helps mentees (senior leaders) build their fluency with inclusion and diversity topics and encourages new ways of strategic thinking to help build inclusive and empowered teams. Since its launch, its success has led to growing interest from colleagues, with 198 total participants since its launch. SSE, in collaboration with its inclusion and diversity working groups and its 'Belonging in SSE' communities, (see page 26) uses insights collected from participant questionnaires to develop training and awareness materials to plug knowledge gaps on core subjects.

"Reverse mentoring has been key for my development, helping me think differently, listen more, challenge the way I have always done things, and, importantly, make some radical changes to how I show up and champion inclusivity. The programme has created time to form new relationships and space to hold difficult conversations, The biggest learning for me has been around accountability of the issues: talking is of course valuable, but owning and driving an evolving inclusive agenda as a leader is the real prize."

~Sam Peacock,

Managing Director Corporate Affairs, Regulation and Strategy.



"The programme gave me the opportunity to step outside my comfort zone and develop myself. I've accredited this to my increased acceptance of myself and the way I choose to live my life. Being paired with a leader who not only wanted to develop personally, but also help drive changes has reassured me that I do work in a business that truly wants to nurture an inclusive environment."

~ Moushin Sikder, Technical Advisor and Co-lead of Ethnicity & Culture Community

## Encouraging diversity in the energy workforce of the future

Engaging with young people at an early age has been shown to influence their subject choices and future career ambition<sup>5</sup>. Ensuring that young people from diverse backgrounds understand how STEM subjects can lead to an exciting and rewarding career is key to increasing the diversity of the future utilities sector and to ensure the industry has skilled workers to deliver net zero.

### Strategic STEM educational engagement

SSE runs outreach and engagement activities in schools and communities across the UK and Ireland to help address industry skills gaps. SSE's STEM volunteers delivered 170 outreach events in 2023/24 with 316 individual employee engagements and led meaningful interactions with around 7,000 students (compared to 5,148 in 2022/23). Since the launch of the STEM Education programme in 2019, SSE has directly engaged with over 19,000 students across the UK.

SSE formed strategic local partnerships with schools in priority locations, that have been identified as requiring support. This includes schools in areas of deprivation and in low educational investment areas.

SSE has also collaborated with primary school teachers and Teach First, to create a 'Power Changers' suite of STEM lessons for primary aged pupils across the United Kingdom and Ireland. These lessons incorporate an essential skills framework, developed by Skills Builder, and have been

designed to help pupils understand the opportunities available to them in their future and the role they could play in delivering the future energy system. To access this content for free on careers [sse.com/sse-stem-primary](https://sse.com/sse-stem-primary) and [careers.sse.com/sse-stem-secondary](https://careers.sse.com/sse-stem-secondary)

### Pipeline programmes as a route for inclusion

The Career Ready programme at SSE grew this year, with 36 young people from disadvantaged backgrounds being offered places within the business (compared with 27 people in 2022/23). Alongside this SSE also invests in Foundational Apprenticeships, and T-Level Placements, of which it has removed qualification requirements to allow people from a range of backgrounds to apply. SSE invested £19.5m in pipeline programmes over 2023/24, with 769 participants. For more information on SSE's pipeline programmes see SSE's Sustainability Report 2024.

### Helping young people build workplace-ready skills

Over 2023/24 SSE partnered with organisations to support young people with different needs to gain workplace experience and help to build confidence. It worked with Enable Scotland to provide young people and adults with disabilities or long-term health conditions who are facing barriers to employment with employability placements and workplace visits. In addition, through SSEN Transmission's partnership with Perth Autism Support, it offered young people with Autism internships and introductory sessions to the workplace. Both of these initiatives allowed the young people to familiarise themselves with a workplace setting and normalise workplace adjustments to build their confidence.

## Encouraging employees to challenge behaviour at all levels

SSE expects everyone within the business or working on its behalf to behave respectfully and inclusively towards others. SSE's 'Ensuring inclusive behaviour' policy highlights SSE's expectations and its zero-tolerance approach. Whilst colleagues are encouraged to challenge un-inclusive behaviour whether meant intentionally or not, SSE recognises some colleagues may need further support to share how they feel.

Over 2023/24, SSE developed clear pathways for challenging un-inclusive behaviour. The new pathway supports colleagues who are unsure of how to, or don't have the confidence to, respond to un-inclusive behaviour. Whilst managers are recommended as a first point of contact, colleagues can explore options with SSE's Inclusion and Diversity team. Access to confidential and externally managed anonymous reporting is promoted and types of cases are tracked. SSE introduced the pathways for Race Equality Week in February 2024, and following its formal roll out across 2024/25, aims to make colleagues comfortable addressing issues and un-inclusive behaviour in a way that works for them. Through its people centric pathway, SSE can build insights into areas where colleagues can be better supported to practice inclusive behaviour.





# Inclusive processes: embedding best practice

Education and awareness are essential for empowering colleagues to make decisions and take actions that drive positive change. SSE's inclusive behaviour awareness initiatives are aimed at all levels of the business and focus on three areas: developing leadership, creating an inclusive culture, and educational outreach to the wider sector.

## SSE's inclusive recruitment process

SSE's inclusive recruitment process uses a number of measures such as using inclusive language in job adverts, offering flexible working, focusing on essential and transferable skills where possible, and manager training on inclusive hiring. Over 2023/24, SSE updated job advert language to better communicate that workplace adjustments are available and encourage candidates to ask for these as part of the recruitment process. In addition, updates have been made to SSE's career sites and other recruitment channels following engagement with the 'Belonging in SSE' communities (SSE's employee-led community group, see page 26) to ensure a broad range of people are able to access opportunities within SSE.

### Leadership group hiring progress

In 2023/24, 32% of new hires to the leadership group were women, compared to 29% in 2022/23. Therefore, the proportion of women in the leadership group has increased to 26.4% in 2023/24 from 25.2% the previous year. The energy sector currently has 20% female representation. Energy and Utilities Sector Profile: euskills. co.uk/wp-content/uploads/2023/07/sector\_2023.pdf.

SSE introduced a dedicated 'Women in Power' micro-site on the SSE Careers website. This featured women working in SSE, their view of the industry and how flexible, ambitious, and rewarding their career is for them. Over 2023/24, the micro-site was the second most visited area on the Careers site.

While SSE's policies on flexible working have improved in recent years, SSE has seen a reduction in job adverts promoting flexible working. This is due to SSE experiencing growth in areas of the business where flexible working is not always possible. These types of jobs require employees to work on location and carry out tasks that would not be possible to execute remotely. SSE offers a wide range of roles that are suited to flexible working and has an inclusive recruitment process to enable candidates who require flexible work arrangements to apply for a more suitable role within the business.

Over 2023/24 SSE has seen a higher proportion of internal moves compared to last year, including secondments and temporary or fixed term workers being made permanent. This has led to a slight decrease in roles being openly posted.

Leadership Group <sup>1</sup> gender hiring KPI <sup>1</sup>	2023/24 (%)	2022/23 (%)
Roles using diverse shortlists	77.1	64.5
Roles using diverse recruit panels	96.4	96.7
Hiring managers trained	100	100
Roles openly posted	92.9	99.5
Job adverts promoting flexible working	88.0	99.0

### Supporting service leavers into meaningful careers

SSE partnered with the Career Transition Programme (CTP) to launch its first Forces Conversion Scheme in 2023. Valuing the skills that service leavers can bring, SSE Enterprise identified roles which would have a transferrable skills from service leavers mapped to SSE's critical skills to ensure the business can seek talent to fill potential future skills gaps. SSE hosted a recruitment event for those who wanted to join and learn more about life at SSE and the roles that could offer.

Over 2023/24, the programme hired six individuals into SSE Enterprise in roles such as Project Management. The cohort were onboarded using clear learning pathways. These were designed to ensure a positive transition experience, that the group had clear touch points with the Armed Forces community, and that they had access to learning resources on psychological safety, and personal resilience.

SSE will continue to partner with CTP to support those transitioning into life outside the armed forces.

### Removing internal barriers

SSE's Inclusion and Diversity team works with a wide range of process owners across the corporate function who focus on continually evolving how inclusively things are done and ensure what is offered meets the range of all employee and customer needs. These process owners include HR functions (such as Resourcing, Reward, Employee Relations and Learning and Development), IT, Safety and Health, Procurement and Facilities Management. Across 2023/24, these process owners built provisions for quiet spaces in offices, tool kits and support for terminal illness, sanitary provisions for all, enhanced development opportunities and more.

### Promoting flexible working

SSE promotes informal flexible working arrangements to make work-life balance easier for everyone, especially those with caring responsibilities. Flexible First is SSE's set of principles that offers employees flexibility and enables people to consider roles that they would usually not be able to apply to. Over 2023/24, SSE focused on increasing the number of front-line workers that are able to work flexibly. The proportion of employees who have the ability to work flexibly across SSE has now increased from 36% in 2017 to 85% in 2023/24.

85%

of employees have the ability to work flexibly (2022/23: 83%)

### Supporting working families

Inclusive family leave policies are essential to ensure those required to care for families can remain in the workforce and progress in their careers. In addition to Flexible First, SSE's family leave offering aims to ensure that all new and prospective primary and secondary parents at SSE feel supported, regardless of personal or family circumstances and where they are on the journey to becoming a parent. It also has a Gradual Return from Maternity or Adoption Leave Policy which allows all new parents who take at least three months' leave to return on 80% of contractual hours whilst still receiving full pay and benefits for a period of time.

98%

of women returned after parental leave over 2023/24. (2022/23: 97%)

## Supporting inclusion and diversity within the community

In 2023/24, SSE Renewables' community investment funds awarded £1m in 33 projects that drive inclusion and diversity, supporting communities close to renewables assets. These included contributing to a range of organisations and programmes that help those less likely to be able to enter the workforce, such as literacy programmes for children in ex-coal mining villages, STEM tutoring for underprivileged young people, driving lessons to enable better access to education and employment opportunities, and apprenticeship with rural employers.

## Encouraging diversity and inclusion across SSE's supply chain

Inclusive procurement processes support a diverse range of suppliers to work with SSE's business. Supplier diversity comes in many forms from supporting minority-owned business, to working with local and regional procurement, to encouraging improvements in the diversity of supplier workforces.

### SSE's Supplier Diversity Strategy

Over 2023/24 SSE developed a Supplier Diversity Strategy, due to be launched later in 2024, which is underpinned by its Sustainable Procurement Code and aligns to SSE's inclusion and diversity principles. The Strategy aims to make its supplier selection and onboarding processes more inclusive by reducing complexity, ensuring they are fair and accessible for all types of suppliers. The strategy sets the expectations that suppliers promote inclusion and diversity and requires them to evidence this. Data is being collected from suppliers on diverse ownership and workforce diversity data through a sustainable performance management tool, EcoVadis.

To read the full requirements of suppliers relating to inclusion and diversity see SSE's Sustainable Procurement Code and Supplier Guidance available at [sse.com/potential-suppliers](https://www.sse.com/potential-suppliers).

### Encourage inclusive practices across the supply chain

SSE engages with its supply chain to understand where additional support is required and promotes inclusion and diversity practices that can be implemented in supplier organisations. This is achieved through SSE's partnership Supply Chain Sustainability School to provide inclusion and diversity training to its Supply Chain workforces. In 2023/24, over 2,500 inclusion and diversity resources have been



# Employee voice: actively listening

Through employee voice, SSE aims to help employees feel valued and supported. SSE actively listens to colleagues on important inclusion and diversity related issues to help the business consider the diverse range of needs that impact culture, policy, and processes.

## Understanding improvement areas through employee feedback

SSE's 2023 all employee engagement survey, resulted in an inclusion score of 87, an increase of two points compared to its 2022 survey, and six points above the average scores for the energy and utility industry, following a consistent trend since 2019. Survey results demonstrated that SSE's employees strongly agree that "I can be myself at work without worrying about how I will be accepted by colleagues", whilst "managers support diversity and inclusion" increased by 3 points since 2022, and "I feel a sense of belonging to SSE" increased by 6 points since 2022.

In response to findings from previous surveys, in the last quarter of 2023/24, SSE introduced its new colleague recognition platform, Spotlight, a space to thank or praise colleagues for their role in delivering SSE's strategy. See SSE's Sustainability Report 2024 for details. Inclusion and diversity has been included as part of Spotlight, to enable colleagues to recognise those demonstrating and leading with inclusive behaviour. At the time of reporting this inclusion and diversity feature has been used 62 times, including praise for efforts to educate others, bring people together, lead initiatives, and demonstrate allyship.

## Engaging and collaborating through 'Belonging in SSE' Communities

SSE's eight 'Belonging in SSE' communities (belonging communities) aim to bring people together across the organisation. Through these communities, SSE listens to, and engages with employees on a range of diversity subjects, outlined in the diagram on page 27.

### How the 'Belonging in SSE' communities work

The 'Belonging in SSE' communities align with four key objectives to ensure that SSE can continue to support the needs of its diverse colleague base. Meeting monthly, they help drive culture change from the most senior levels of the business, with each community having a Group Executive Committee (GEC) or a senior leader sponsor. The Chair of SSE's Board and SSE's Non-Executive Director with responsibility for employee engagement meet with community leads twice a year. In addition, the GEC has dedicated sessions with the 'Belonging in SSE' communities across the year to ensure they can understand and advocate their initiatives and action plans.

### Delivering action through the 'Belonging in SSE' communities

Over 2023/24, all eight of the 'Belonging in SSE' communities increased membership bringing the total membership to 3,297 colleagues, an increase of 58% since 2022/23. The biggest increases were seen in the Health and Wellbeing (81% increase) and the Gender Balance (68% increase) communities, due to targeted campaigns to reach more people across the business.

Insights gained through the 'Belonging in SSE' communities groups directly feeds into actions to drive change across the business. Over 2023/24 the communities worked towards delivering action plans, developed in line with SSE's wider Inclusion and Diversity Strategy outlined on page 6. The action plans are regularly reviewed to ensure the communities are remain inclusive spaces. Actions that have been delivered over the past year include updating SSE's diversity survey to collect information about colleagues caring responsibilities, hosting live calls and Q+As, launching Time To Pause cafes to create a safe place for those experiencing menopause, and launching a guide on transitioning at work. See pages 18, 28 and 29 for more information on the work delivered by the communities over the year.

**Objectives of the 'Belonging in SSE' communities**

- Bring people together**
  - Encourage open and constructive employee-led discussion
  - Allowing people to connect, communicate and collaborate
- Access latest thinking**
  - Share, and encourage others to share, relevant and topical insights and knowledge, including external article, studies, and thinking.
- Support each other**
  - Offer peer-to-peer support and a space to share advice
  - Safe spaces to share lived experiences
- Educate each other**
  - Highlight the different realities each of us experience
  - Power organisational change through education and policies



# Supporting colleagues to bring their full selves to work

To actively encourage employees to bring their full selves to work, and feel entirely comfortable doing so, SSE works to build a culture of trust and acceptance across the business. To do this, SSE ensures that a diverse range of its employees are supported across the year to feel included, and encourages colleagues to get involved in supporting and celebrating others. Over 2023/24 SSE provided a range of different types of support, working with its employees to ensure the right support is in place.

## LGBTQIA+ and Gender Balance 'Belonging in SSE' communities

### Supporting colleagues through gender transition

In September 2023, SSE launched its Transition Support Guide to support colleagues at different stages of their gender transition journey. This guide, developed in partnership with LGBTQIA+ and Gender Balance 'Belonging in SSE' communities (belonging communities), is designed to assist employees and their managers with practical information on the workplace support available for anyone transitioning at SSE. It also helps colleagues support family and friends that are transitioning in a thoughtful and respectful way.

### Supporting colleagues with diverse working needs

The number of SSE colleagues who identify as having a disability, chronic health condition, or are neurodiverse has risen to 11.6% in 2023/24 from 8.9% the previous year and with this has come a growth in SSE's Disability, Neurodiversity, and Chronic Ill Health (DNACH) 'Belonging in SSE' community of 51%.

In partnership with Salveson Mindroom and the DNACH 'Belonging in SSE' community, SSE developed an Individual Support Plan. This plan aims to support employees to have open conversations with management and peers about what support is needed for them to focus, work and learn at their best. The plan will be piloted within SSEN Transmission's 2024/25 apprenticeship cohort with a view to being adopted across SSE.

## Disability, Neurodiversity, and Chronic Ill Health 'Belonging in SSE' community



## LGBTQIA+ 'Belonging in SSE' community

### Supporting employees and the wider LGBTQIA+ community

In September 2023, SSE sponsored Shetland Pride, Perthshire Pride and Reading Pride. SSE was honoured to be able to demonstrate its support for LGBTQIA+, its commitment to Tackling Inclusion and Diversity in Energy (TIDE) and to learn how better to align its company values with the Pride values of equality, respect, and pride.

*"Attending Reading Pride as my true self was the first time that I had come out in public and to those attending from SSE. It was a great day, and everyone was welcoming! Due to this, I felt confident coming out to my manager and team leader, who both proved to be understanding and supportive. This positive reception has led me to come out at work".*

*~ Elva Downing, Data Analyst*

In addition, SSE Airtricity partners with The Rainbow Project and LGBT Ireland to offer support services for the LGBTQIA+ community across Northern Ireland and Republic of Ireland. See SSE's Sustainability Report 2024 for more details.

### Supporting SSE's extended workforce and their families

In November 2023, SSE's Health and Wellbeing belonging community and SSE's Safety, Health, and Environment (SHE) teams collaborated to establish a partnership with The Lighthouse Construction Industry Charity which offers mental, physical, and financial wellbeing support to those working in the construction sector. This partnership provides free and valuable support to SSE's colleagues, contractors, and their families 24/7. Over 2023/24, the belonging community expanded SSE's mental health first aider network to 453 mental health first aiders, compared to 380 in 2022/23, and grew the belonging community membership by 81% enabling wider reach across SSE to support colleagues with mental health and wellbeing.

## Health and Wellbeing 'Belonging in SSE' community

# A look to the future

Over 2024/25, SSE will evaluate the effectiveness of its current Inclusion and Diversity Strategy, in line with SSE’s commitment to continuous improvement. This will include a review of existing activities to understand success and longevity. This page outlines the progress SSE is aiming to deliver for each pillar of the strategy over 2024/25.

## AMBITION



Build on Gender and Ethnicity action plans to close pay gaps, working internally and with industry to achieve this.

Continue to actively participate in industry-wide inclusion and diversity efforts including TIDE and POWERful Women.

Progress the social mobility three-point action plan, integrating data into processes and benchmarking against external partners to identify improvement areas.

## EDUCATION & DEVELOPMENT



Develop learning and talent initiatives to support career readiness, including ‘on the go’ learning and masterclasses on inclusivity topics.

Refresh mandatory Inclusion & Diversity e-learning module to include real-life examples of inclusion and colleagues experiences.

Build on SSE’s ‘Being Curious’ series to cover various topics inclusive of social mobility, faith, cross-generational experiences, and cultural etiquette.

## INCLUSIVE PROCESSES



Launch the supplier diversity plan to encourage new and varied suppliers to work with SSE, and collaborate with SSE’s supply chain to drive inclusion and diversity efforts.

Pilot ‘Individual Support Plans’ within SSEN Transmission (see page 28), with the aim of supporting colleagues to perform at their best. The learning of which will influence the development of an SSE-wide roll out.

Partner with research agencies and local organisations to understand how to make more communities aware of SSE’s inclusive career pathways.

Work with diversity focused employment organisations to create opportunities for those who face barriers into employment and to ensure they are equipped with the skills and experience to enable them to have long lasting careers.

## EMPLOYEE VOICE



‘Belonging in SSE’ communities will be further amplified across SSE’s businesses through updated onboarding processes, regular communication, and engagement with managers.

The communities will update the action plans and work with each other to identify intersectional opportunities to amplify inclusivity.

Provide support for colleagues for navigating inclusion and diversity including, challenging un-inclusive behaviour.

Work to drive further engagement and inclusion sentiment of SSE’s field-based colleagues through defined interventions and engagement with local leaders.





# Governing inclusion and diversity performance

Robust governance is essential to the success of SSE's Inclusion and Diversity Strategy. SSE's governance structures are designed to deliver accountability and improved performance of inclusion and diversity indicators.

The diagram on the opposite page shows the governance structure around inclusion and diversity at SSE, which starts at the highest level of the organisation and is integrated across the business via process owners, centres of excellence, business function leads, working groups, and external partners working in collaboration to support the delivery of actions.

To increase accountability, inclusion and diversity performance metrics are included in the Operational element of the Annual Incentive Plan for SSE's Executive Directors. See pages 160-162 of SSE's Annual Report 2024 for details of Executive remuneration for 2023/24.



## Board of Directors/ Nomination Committee

The SSE plc Board is responsible for setting expectations and for leading by example through its own approach to inclusion and diversity across its composition and dynamics. The Board has responsibility to agree and continually monitor a healthy culture for the Group and for ensuring there is an appropriate framework of control which supports culture-related issues. Twice a year inclusion and diversity plans, actions, and performance are presented to the Board-level Nomination Committee. The Nomination Committee's work is carried out in consideration of SSE's Board Inclusion and Diversity Policy and SSE's Group-wide Inclusion and Diversity Strategy.

## Group Executive Committee (GEC)

The GEC decide on implementation and delivery of the SSE Inclusion and Diversity Strategy. The GEC receive bi-monthly progress updates on recruitment data as well as fuller bi-annual updates on progress against the Group inclusion and diversity plan and ambitions, where they provide feedback for planned future activity.

## The Organisational Capability Forum

This forum is sponsored by the Human Resources Director and chaired by the Director of Learning, Talent and Inclusion. It is attended by many of the HR leadership team and key HR process owners. This group review and have input to the overall I&D delivery approach – helping identify ongoing challenges across the group and agreeing strategies to support. The forum meets every six weeks and quarterly for more in-depth workshops.

## Inclusion and Diversity Centre of Excellence

Reporting into the Director of Learning, Talent, and Inclusion, the Head of Inclusion and Diversity supported by Inclusion and Diversity consultants provide the inclusion and diversity strategic framework, informed from external benchmarking and employee insight, to support business growth and demand. This team is responsible for strategic delivery and overseeing all internal and external inclusion and diversity reporting requirements as well as supporting those with inclusion and diversity accountabilities with subject matter expertise and direction.

A network of key business process owners, centres of excellence, business function leads, working groups, and external partners work in collaboration to support delivery of actions.

## Collaborating for change with partners

SSE works with key partners to enable it to achieve inclusion and diversity progress that it would not be able to do alone. In addition, pledges and signatories enable SSE to demonstrate support for initiatives that are driving vital change to make the workplace fairer and more inclusive. Driving accountability through pledges and signatories SSE signs pledges and commitments to demonstrate its dedication to inclusion and diversity, set ambitions in alignment with external expectations, and to keep it accountable.

# Reporting and disclosure

SSE adopts a transparent approach to reporting and responds to both law and regulation, and voluntary initiatives when disclosing its position, progress, and ambitions in relation to inclusion and diversity. It continues to welcome engagement with shareholders on the topic, with all views received considered in the context of SSE's Inclusion and Diversity Strategy and plans. The below table is non-exhaustive and outlines some of key elements of the framework in which SSE reports against, alongside the location of the supporting disclosures.

Key:

- Framework
- Legislation and regulation
- Commitment

### Diversity reporting in ESG surveys

Investor and ESG surveys are increasingly requesting companies' diversity data, with questions advancing each year. SSE submits to a number of investor surveys, benchmarks, and indices. SSE's disclosure is public and available to subscribing parties or on the relevant websites, including the Workforce Disclosure Index (WDI). For details on SSE's latest scores and rankings please visit [sse.com/sustainability/](https://sse.com/sustainability/)

Benchmark metric	Reported in	Requested by
40% women's representation on the Board by end of 2025	Annual Report 2024 page 45, 116-120 and 143, this report page 10, and <a href="https://sse.com/who-we-are/our-leadership">sse.com/who-we-are/our-leadership</a>	● FTSE Women Leaders Review
40% women's representation in leadership teams by end of 2025	Annual Report 2024 page 45 and this report page 10	● FTSE Women Leaders Review
One in four of the most senior roles to be held by a woman by end of 2025 (Chair/Senior Independent Director, Chief Executive Officer/Financial Director)	Annual Report 2024 pages 116-120 and page 143 and <a href="https://sse.com/who-we-are/our-leadership">sse.com/who-we-are/our-leadership</a>	● FTSE Women Leaders Review
Disclosure of the number of male and female Directors, senior managers, and total employees	Annual Report 2024 page 45, this report page 10, and SSE's Employee Policy see <a href="https://sse.com/sustainability/policies-and-assurances/">sse.com/sustainability/policies-and-assurances/</a>	● Companies Act 2006 (s414C(8)(c)) ● UK Corporate Governance Code
At least one director from a minority ethnic group on the Board by the end of 2021	Annual Report 2024 page 43 and <a href="https://sse.com/who-we-are/our-leadership">sse.com/who-we-are/our-leadership</a>	● Parker Review
Set a 2027 ethnicity target for senior management	This report page 10	● Parker Review
The Company has a policy on inclusion and diversity, its objectives, link to company strategy, implementation, and progress	Board Diversity policy see Annual Report 2024 page 142-143	● UK Corporate Governance Code ● Listing Rules
UK Gender Pay Gap	Annual Report 2024 page 45 and this report pages 13-15	● UK Government's Gender Pay Gap legislation
Ireland Gender Pay Gap	SSE's Ireland Gender Pay Gap Report on <a href="https://sse.com/sustainability/reporting/">sse.com/sustainability/reporting/</a>	● Irish government's Gender Pay Gap legislation
UK Ethnicity Pay Gap	This report pages 13-15	● Change the Race Ratio



# SSE's UK gender pay gap breakdown

The below data shows SSE's gender pay gap for all eligible legal entities under the UK Government's gender pay gap reporting requirements. The below data is for the snapshot date 5 April 2024. For more information on SSE's gender pay gap, see pages 13-15 of this report.

SSE Business Entity with 250 or more employees	Southern Electric Power Distribution Plc	SSE Services Plc	Scottish Hydro Electric Transmission Plc	Scottish Hydro Electric Power Distribution Plc	SSE Renewables Services (UK) Ltd	SSE Energy Supply Ltd	Utility Solutions Ltd	Scottish and Southern Energy Power Distribution Ltd	SSE Airtricity Energy Supply (NI) Ltd	TESGL Ltd	All SSE UK employees
Number of relevant employees in entity	2,485	2,230	1,574	1,465	1,347	953	583	337	332	291	<b>12,464</b>
Proportion of male and female employees in business entity (M%/F%)	77.0 / 23.0	52.4 / 47.6	70.5 / 29.5	76.9 / 23.1	75.2 / 24.8	54.2 / 45.8	71.5 / 28.5	97.0 / 3.0	66.3 / 33.7	86.3 / 13.7	<b>70.3 / 29.7</b>
Median hourly pay difference between male and female employees (%)	4.5%	19.3%	16.4%	2.2%	11.0%	16.5%	25.8%	18.1%	-1.2%	43.2%	<b>12.0%</b>
Mean hourly pay difference between male and female employees (%)	7.3%	20.2%	16.2%	3.8%	11.8%	23.6%	21.6%	22.1%	-4.0%	38.3%	<b>10.5%</b>
Proportion of men/women in lower quartile pay band (M%/F%)	70.3 / 29.7	33.9 / 66.1	52.8 / 47.2	72.2 / 27.8	69.7 / 30.3	39.7 / 60.3	47.3 / 52.7	89.4 / 10.6	74.7 / 25.3	54.8 / 45.2	<b>59.9 / 40.1</b>
Proportion of men/women in lower middle quartile pay band (M%/F%)	79.4 / 20.6	51.3 / 48.7	68.7 / 31.3	78.7 / 21.3	70.0 / 30.0	50.4 / 49.6	75.3 / 24.7	98.8 / 1.2	61.4 / 38.6	95.9 / 4.1	<b>69.9 / 30.1</b>
Proportion of men/women in upper middle quartile pay band (M%/F%)	77.1 / 22.9	57.5 / 42.5	78.2 / 21.8	74.3 / 25.7	78.9 / 21.1	58.8 / 41.2	78.1 / 21.9	100.0 / 0.0	69.9 / 30.1	97.3 / 2.7	<b>73.2 / 26.8</b>
Proportion of men/ women in upper quartile pay band (M%/F%)	81.3 / 18.7	66.8 / 33.2	82.2 / 17.8	82.2 / 17.8	82.1 / 17.9	68.1 / 31.9	85.5 / 14.5	100.0 / 0.0	59.0 / 41.0	97.2 / 2.8	<b>78.3 / 21.7</b>
Median difference in bonus payment between male and female employees (%)	96.3%	20.0%	16.4%	-72.0%	5.8%	22.2%	48.5%	100.0%	17.3%	54.4%	<b>16.6%</b>
Mean difference in bonus payment between male and female employees (%)	74.4%	56.6%	44.3%	-47.5%	34.6%	77.7%	61.0%	99.3%	30.5%	67.0%	<b>44.4%</b>
Proportion of men/women receiving bonus pay (M%/F%)	16.2 / 18.5	42.3 / 43.1	41.5 / 35.7	18.6 / 24.4	66.2 / 57.9	42.3 / 27.7	48.2 / 36.8	15.6 / 8.3	79.8 / 86.0	56.8 / 57.4	<b>38.0 / 37.5</b>

# Glossary of useful terms

**Bringing everyone along on the inclusion and diversity journey requires key terms and phrases used in reporting to be accessible and understandable. Here is a guide to the key terms used in this report.**

## ACCESSIBILITY

Ensuring that everyone can access places, opportunities, resources, and support no matter their physical or mental abilities. Designing for use by all ensures no one is excluded. This involves considering who may not be able to access or use something, physically, online, visually, and ensure it is designed so everyone can benefit.

## DIVERSITY

Diversity is understanding and recognising difference. A diverse workforce is one with a range of people from different backgrounds, ethnicities, races, cultures, accessibilities, sexual orientation, beliefs, ideologies and more.

## DIVERSE SUPPLIERS

Diverse suppliers are businesses owned by individuals from underrepresented or marginalized groups, fostering inclusion and equity in procurement practices.

## EQUALITY

Equality means ensuring that everyone has the same opportunities and receives the same treatment, resources, and support. Inequality is used to describe a lack of equality.

## EQUITY

Equity recognises that individuals have different circumstances and may require different types of treatment, resources, and support. It is about giving people what they need, to make things fair, rather than giving everyone the same. This is not the same as equality, nor is it the same as inequality.

## ETHNIC MINORITY

Refers to racial and ethnic groups that make up a small proportion of the population of a particular country or group. Minority ethnic groups vary in each country.

## ESG RATINGS AND INDICES

ESG stands for Environment, Social, and Governance, and is a term used to describe categories of sustainability. Investors look at ESG metrics of companies to determine the risk associated with each of these categories that may prevent them from receiving a return on investment. Ratings and indices score and rank companies based on their ESG metrics, examples include carbon emissions reduction plans, contribution to society, treatment of workers and more.

## ETHNICITY

A broader concept than race which includes or combines nationality, citizenship, race, colour, language, ancestry, religion, and customs of dress or eating. SSE records data aligned to the 2011 Office for National Statistics (ONS) census ethnicity categories (see glossary on page 36 for full list).

## FTSE WOMEN LEADERS REVIEW

Women Leaders Review focuses on increasing the number of women on FTSE boards, and improving women's representation in senior positions.

## INCLUSION

An inclusive working environment is one in which everyone feels that they belong, that their contribution matters, and they are able to perform to their full potential, no matter their background, identity, or circumstances. It is about ensuring that everyone in society is represented, and that people's differences are valued, ensuring there are equal opportunities for everyone to thrive at work.

## JUST TRANSITION

A Just Transition means reaching net zero in a way that is fair and inclusive to everyone, creating decent work opportunities and ensuring people in high-carbon roles can transition to new jobs.

## LGBTQIA+

LGBTQIA+ stands for: lesbian, gay, bisexual, transgender, queer, intersex, and asexual with the + encompassing any other sexual orientations or gender identities associated with the community and its supportive allies.

## NET ZERO

Net zero will be reached when the amount of carbon emissions emitted into the atmosphere is the same as the amount removed. This can be achieved by reducing emissions to as low as possible and implementing methods of absorbing carbon dioxide for residual emissions that cannot be reduced.

## OFFICE FOR NATIONAL STATISTICS (ONS) DATA

Data that people living in the UK have provided to the UK Government through a number of ways including accessing public services and census data collected in England and Wales every 10 years.

## PAY GAP

A pay gap is an equality measure that shows the difference in average earnings between two demographics. It is reflective of the types and seniority of roles that are commonly held by those more privileged than others. SSE monitor two pay gaps - the gender pay gap and the ethnicity pay gap. A pay gap is different to equal pay which ensures all people are paid the same for doing the same role. See page 12-17 for details on SSE's gender and ethnicity pay gaps.

## PROXY ADVISOR

Proxy advisors represent shareholders at the general meetings of the companies in which they hold an interest and provide voting recommendations for decision-making at general meetings. The services of proxy advisors are used in particular by institutional investors. Examples include the Investment Association (IA) and the Institutional Voting Information Service (IVIS) which support the changes to the Listing Rules and the FTSE Women Leaders Review recommendations, as well as Institutional Shareholder Services (ISS), Pensions and Investment Research Consultants (PIRC) and Glass Lewis mentioned in the table on page 32.

## RACE

Race is defined based on people's shared distinctive physical traits, such as skin, hair, eyes, and bone structure. Race and ethnicity are a similar concept however ethnicity also includes cultural characteristics.

## SOCIAL MOBILITY

Social mobility refers to the capacity of individuals or groups to transition upward or downward within societal hierarchies or socioeconomic classes.

## STEM

STEM stands for: Science, Technology, Engineering and Mathematics, a term used to group together these academic disciplines.

## UNDERREPRESENTED GROUP

Refers to a population of people who are insufficiently or inadequately represented compared to their actual proportion of the general population. Terms such as underrepresented ethnic groups, underrepresented communities, and underrepresented cultures are also used to describe these groups.



To discuss the content of this document,  
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