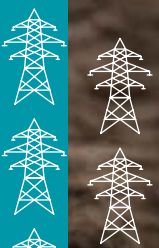




# Creating value through the transition

SSE plc Sustainability Report 2026



## Who we are

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

Headquartered in Perth, SSE is a major contributor to the economies in the UK and Ireland. We employ over 15,000 people and are real Living Wage and Fair Tax Mark accredited.

## About our reporting

This Sustainability Report for the period 1 April 2025 to 31 March 2026 provides enhanced disclosure of our strategy, practice and performance against our key economic, social and environmental impacts and goals. Together with our Annual Report, this report aims to provide clear and transparent reporting to help stakeholders understand and accurately assess our performance. It also supports open and constructive dialogue with society, regulators and peers on some of the more challenging sustainability-related issues facing SSE and our industry.

Discover our wider suite of reports at [sse.com](https://www.sse.com)



Annual Report

## APM Alternative Performance Measures

SSE assesses the performance of the Group using a variety of performance measures. These measures are not all defined under IFRS and are therefore termed 'non-GAAP' measures. A reconciliation from these non-GAAP measures to the nearest prepared measure in accordance with IFRS is presented and described from page 144 of our Annual Report 2026. The Alternative Performance Measures SSE uses might not be directly comparable with similarly titled measures used by other companies.



### Strategic introduction



### Driving the climate transition



### Providing clean, secure and affordable energy



### Delivering sustainable infrastructure



### Championing a fair transition



### Protecting our natural environment

<b>Strategic introduction</b>	
Forewords	02
Our approach to sustainability	04
How sustainability is governed	06

<b>Driving the climate transition</b>	
Our pathway to net zero	08
Net Zero Transition Plan on a page	10
Performance against our Net Zero Transition Plan	12
Adapting to climate change	17
Using our influence to advance the transition	18

<b>Providing clean, secure and affordable energy</b>	
Delivering clean, affordable energy	20
Supporting customers with the cost of energy	21
Keeping customers connected	22
Helping customers cut carbon	23

<b>Delivering sustainable infrastructure</b>	
Creating value through infrastructure investments	25
Financing the clean energy transition	27
Building sustainable supply chains	28
Using resources responsibly	29
Innovating to deliver the clean energy transition	30

<b>Championing a fair transition</b>	
Creating good jobs	32
Developing skills for a clean energy future	34
Engaging with employees	36
Empowering communities	38

<b>Protecting our natural environment</b>	
Our approach to nature	42
Protecting and enhancing the environment	43
Connecting people with nature	44
Contributing to research and innovation	45
Managing our environmental impacts	46

<b>Appendix</b>	47
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## Building a resilient energy future

The energy transition is one of the defining opportunities of our time and SSE – as a purpose-led company with sustainability at its heart – has an important part to play in supporting this transformative shift.



Geopolitical events and market shocks over the past year have given added impetus to the transition and the case for a homegrown energy system that is cleaner, more secure and ultimately more affordable grows by the day. Through careful strategic positioning, we find ourselves aligned with an electrification trend that shows no sign of slowing and a consensus on climate action that faces greater challenge than it once did but continues to make economic sense nonetheless.

We are providing the Renewables, modernised Networks and system Flexibility that will be the foundation of the future energy system. And while each of these strategic pillars has a vital part to play, it is in Networks and the upgrading of the grid in the north of Scotland where we see the greatest opportunity right now, and the greatest system and societal need.

The ambitious £33bn investment plan that we announced in November represents the next chapter for SSE and around 95% of that investment is classed as green. We have real momentum behind it with record capex in the past year of £3.6bn representing the progress we are making on building a resilient energy future.

Some 80% of that plan is focused on regulated networks where five of our 11 major transmission projects are well under way, supply chain is secured and around 75% of the required consents are in place. This investment is already easing system constraints and unlocking the true potential renewables.

We are making headway in our energy businesses too, particularly with the progress made on our flagship offshore wind farms at Dogger Bank and Berwick Bank and the work being done to add critical dispatchable

capacity at Tarbert and Platin and across our battery portfolio.

Given all this construction activity, it is all the more pleasing that we have managed to keep our people out of harm's way, with safety performance broadly flat year-on-year.

In my first year as Chief Executive I have been enormously proud not just of what we have done, but the way we have gone about it. SSE has always taken its sustainability credentials seriously and the disclosures in this report show that commitment only grows stronger as energy transition gathers pace.

**Martin Pibworth**  
Chief Executive

## Delivering a transition that works for all

Making the energy transition a reality requires more than ambition – it requires sustained delivery, thoughtful decision making and a clear focus on impact.



Our 2030 Goals are designed to guide us in doing just that. And I'm pleased to be able to report that we saw a year of positive progress against these goals over the year. In particular, our carbon intensity fell to its lowest recorded level yet, at 194gCO<sub>2</sub>e/kWh and we're on track to enable more renewable energy on the grid in the north of Scotland, reaching 10.8GW connected this year.

This is welcome progress, but we recognise that the path ahead may not be linear. External factors, from policy and market conditions to wider system constraints, are shaping the pace at which change can be delivered. Ultimately, delivery of our long-term ambitions will depend not only on our actions, but also on the broader system in which we operate.

But delivering the energy transition is not an end in itself. A successful transition will be one that improves people's lives,

shares lasting value with communities and protects the natural environment we depend on. Sharing the benefits of the transition and importantly, maintaining trust with communities, customers and stakeholders, is fundamental as we expand and upgrade the infrastructure required for the coming years.

We contributed over £10.8bn to GDP in the UK and Ireland and delivered a record year for community investment – £24.9m, up from £16.3m just a year ago. Together, these reflect the broader impacts of the transition in practice – supporting economies, helping grow local supply chains, strengthening communities and delivering tangible benefits from a national to a local level.

At the same time, we're focused on ensuring we leave a positive legacy for biodiversity and nature in and around our projects. All of our in-scope large capital projects consented in the year

incorporated biodiversity net gain into the design.

At SSE sustainability is not a separate agenda – it is integral to how we deliver our strategy. As we go forward, our focus will remain on delivering this in the right way: making steady progress, being open about the challenges ahead, and ensuring the transition delivers lasting benefits for people, nature and the energy system as a whole.

**Rhian Kelly**  
Chief Sustainability Officer

### Our 2025/26 sustainability highlights

**0.17**

Total recordable injury rate (employees and contractors combined)

We've now connected  
**10.8GW**

of renewable generation capacity in SSEN Transmission network area

**c. 95%**

of our investment plan to 2030 will be taxonomy aligned

We spent  
**£6.5bn**

with our supply chain partners



Our lowest recorded scope 1 GHG intensity

**194gCO<sub>2</sub>e/kWh**

A record year for community investment with

**£24.9m**

awarded through our community funds

Through our activities we contributed

**£10.84bn**

to UK and Ireland GDP

**28**

All in-scope projects designed in biodiversity net gain

# Our approach to sustainability

We're focused on embedding long-term thinking and responsible decision making into the way we deliver our significant investment programme.

## Sustainability in our strategy

Sustainability is a fundamental value that underpins how we do things at SSE and it is embedded into our strategy through our commitment to create value for shareholders and society in a sustainable way.

Supporting our strategy, we have four 2030 Goals which are focused on addressing the challenge of climate change, while ensuring that the benefits

of the clean energy transition are shared widely with workers, consumers and communities.

The 2030 Goals are directly linked to the UN's Sustainable Development Goals (SDGs) most material to the business and provide an important roadmap for driving progress in the short to medium term. These Goals are complemented by a further three environment-related SDGs that guide our approach to protecting the natural environment (see page 41).


Together, these frameworks help focus us on addressing the most material environmental and social issues relevant to our activities.

Many of SSE's Business Units also have their own sustainability plans and strategies, tailored to their specific activities. These support the delivery of the Group ambitions.

## Our 2030 Goals

We've made considerable progress against some of our 2030 Goals since they were first set in 2019, for example towards our ambition to connect more renewables to the electricity grid in the north of Scotland. However, over this time the context has evolved, and a number of external factors have shaped delivery of the Goals. There are increasing challenges in meeting our carbon intensity goal and we do not expect to meet our ambitious goal to increase renewables output fivefold by 2030. We discuss our progress in these areas throughout this report.

### Cut carbon intensity by 80%




Reduce scope 1 carbon intensity by 80% by 2030 to 61gCO<sub>2</sub>e/kWh, compared to 2017/18 base year of 307gCO<sub>2</sub>e/kWh.

2026	194gCO <sub>2</sub> e/kWh
2030 target	61gCO <sub>2</sub> e/kWh

Progress: On target but with risk See page 13

### Increase renewable energy output fivefold




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

2026	14.5TWh*
2030 target	50TWh

Progress: Behind target See page 20

### Enable low-carbon generation and demand




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

2026	10.8GW
2030 target	20GW

Progress: On target See page 25

### Champion a fair and just energy transition



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

**£10.84bn**

contribution to UK and Ireland GDP

**88,350**

jobs supported in the UK and Ireland

See page 25

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

## Meaningful sustainability disclosures

SSE's approach is to ensure our sustainability disclosures are clear and transparent, and are focused on the most significant environmental, social and economic issues for our business and stakeholders. This allows stakeholders to accurately assess performance and hold us to account. It also creates the conditions for open and constructive dialogue about some of the more challenging sustainability-related issues facing SSE and the industry.

### Focusing on what matters

We identify and prioritise material sustainability topics through a double materiality assessment (DMA). The assessment is informed by stakeholder engagement and considers SSE's impacts on the environment and society, as well as how sustainability issues might affect the company's financial performance. Our DMA exercise undertaken in 2023 identified the following issues as most material: carbon emissions; sustainable energy generation; affordable and reliable energy; supply chain management; and, skilled workforce. The process also identified areas where stakeholders believed there was opportunity for SSE to make greater impact. This included: just transition; circularity; and nature and biodiversity.

Disclosures on all of these issues can be found throughout this report and in our Annual Report 2026, available at [sse.com/sustainability](https://www.sse.com/sustainability).

### SSE's most material sustainability topics

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

### Opportunities for enhanced impact

- 1 Just transition
- 2 Circularity
- 3 Nature and biodiversity

## A sustainable heritage

SSE's heritage is rooted in the hydro-electric revolution in the north of Scotland during the 1940s and 1950s, when investment in hydro power transformed rural communities. Sustainability was a strong feature of how we operated – focused on long-term thinking, a strong sense of stewardship and managing our impact on people and the environment.

As we embark on one of the biggest investments in the north of Scotland since the Second World War, our approach ensures this investment delivers lasting value by not only strengthening the energy system, but also supporting local jobs, skills and communities, and leaving a positive legacy across the regions we serve – just as the hydro revolution did generations ago.

### Bringing our heritage to life

In June 2025, we published The Highland Grid: The story of power transmission in the north. We also created a concise audio edition to make sure our heritage is accessible to all our employees, including those who are field-based. Throughout these we reflected on how our past informs our future, with a clear message: our heritage is not nostalgia, but a strategic asset that shapes decisions, fosters community trust and demonstrates the long-term social value we deliver.

Our last 'pulse check' in 2024/25 confirmed the DMA results continue to stand and we remain focused on the most material topics. With our last full DMA undertaken in 2023, a comprehensive refresh is now underway in line with best practice.

### Preparing for evolving reporting requirements

In the coming years, SSE will likely be affected by new sustainability disclosure requirements, including from the UK Sustainability Reporting Standards and the EU Corporate Sustainability Reporting Directive. SSE is actively preparing for these requirements through strengthening governance arrangements, planning for phased implementation and enhancing data and assurance processes.

## Driving collaborative action

### Enduring partnerships

By working collaboratively, we can accelerate the delivery of a fair, clean energy transition. We have enduring partnerships that help us drive sustainability and positive change. For example, we have partnered with the Living Wage Foundation and the Fair Tax Foundation for more than a decade to ensure that we create and share long-

term value with those who work on our behalf and with wider society. We also work with partners and industry peers to tackle the complexity of decarbonising energy, recognising that addressing the climate crisis is a systems-level challenge. Examples of these partnerships can be found throughout this report.

### Working with stakeholders

We promote an open and transparent approach to stakeholder engagement which is undertaken at both the Group and Business Unit level. Through our regular interactions with a broad range of stakeholders, we aim to build their perspectives into our business plans and objectives. Stakeholder groups can have different, sometimes conflicting, perspectives which we work to navigate to achieve the best overall outcome.

Our stakeholder engagement focuses on six key groups: Employees; Shareholders and debt providers; Energy customers; Government and regulators; NGOs, communities and civil society; and, Suppliers, contractors and partners. Detailed insight into how we engage with these stakeholders and understand what issues matter most to them, can be found on pages 10 and 11 of SSE's Annual Report 2026.

## How sustainability is governed

Strong governance of sustainability underpins how we deliver our strategy – embedding it in decision making, ensuring clear accountability for sustainability outcomes and supporting long-term value creation.

### A clear governance framework

Oversight of sustainability is present across every level our governance framework. SSE's Board, Chair, Chief Executive, Group Executive Committee (GEC) and certain sub-committees are all accountable for SSE's most material sustainability impacts. The Board has a dedicated Committee – the Safety, Sustainability, Health and Environment Advisory Committee (SSHEAC) – which reviews specific sustainability matters in line with its Terms of Reference.

The Chief Sustainability Officer (CSO) reports directly to the Chief Executive and is responsible for advising the Board and its Committees, the GEC and individual Business Units on sustainability issues and strategy. Directly integrating sustainability within our governance structures, the CSO is a member of the following Board and executive-level committees:

- the SSHEAC
- the GEC
- the Group Risk Committee
- the Group Safety, Health and Environment Committee

The CSO became a member of the GEC during the year, through changes which further aligned the Committee's specialist knowledge with our strategic ambitions. The expanded membership position enhances the direct consideration of sustainability priorities and actions within executive-level discussions.

A number of issue-specific forums support the detailed oversight of agreed sustainability topics. These include the Human Rights Steering Group and Sustainability-related Financial Disclosures Committee, which both report to the Group Risk Committee. Some of SSE's Business Units have their own sustainability committees which report to their respective Business Unit Executive Committee.



### Sustainability-linked executive remuneration

To strengthen accountability, sustainability performance is linked to a portion of both the short-term and long-term incentives for executive remuneration.

- **Annual Incentive Plan (AIP):** 10% of the AIP is linked to average percentile performance across two key external ESG ratings. The outturn for 2025/26 performance was 10%.
- **Performance Share Plan (PSP):** 30% of the shares awarded under the PSP are linked to sustainability as follows: 15% directly linked to performance against SSE's 2030 Goals and 15% linked to 'strategic measures' which assess progress towards the successful delivery of SSE's capital investment plan. The outturn for 2025/26 performance was 10% and 9% respectively.

Further detail on our approach to corporate governance can be found in the Governance Report of our Annual Report 2026, pages 77 to 135.

## Driving the climate transition



Our pathway to net zero	8
Net Zero Transition Plan on a page	10
Performance against SSE's Net Zero Transition Plan	12
Adapting to Climate Change	17
Using our influence to advance the transition	18

With increasing global volatility and record temperatures, the need to accelerate the delivery of clean, homegrown energy is clear. We are at the forefront of the energy transition, providing practical solutions needed for a clean power system. At the same time, we're making sure our assets are more resilient to climate change.

### Our progress

This year marked a milestone in our carbon intensity performance, with emissions falling below 200gCO<sub>2</sub>e/kWh for the first time. This reflects increased renewables output from new assets alongside lower thermal generation due to maintenance outages. Overall, our carbon intensity of electricity generated has reduced by 37% since 2017/18. However, as outlined last year, in the context of the current market and policy environment, our carbon intensity goal is on target but with risk.

**194**  
gCO<sub>2</sub>e/kWh

Scope 1 GHG intensity  
(2024/25: 218gCO<sub>2</sub>e/kWh)

**4.93MtCO<sub>2</sub>e**

Scope 1 and 2 absolute emissions  
(2024/25: 5.70MtCO<sub>2</sub>e)



# Our pathway to net zero

Our Net Zero Transition Plan sets out our pathway to net zero. The plan includes clear targets and actions that allow stakeholders to hold us to account.

## A strategy to support net zero

Our strategy is tackling climate change head-on by building the energy assets and grid infrastructure needed for the clean energy transition. In November we published our £33bn five-year investment plan to transform the UK's electricity infrastructure and help build a cleaner, more secure energy and affordable energy system.

As an integrated electricity business focused on the three pillars required for an electrified transition - Networks, Renewables and Flexibility - we are at the heart of the transition.

We are providing the practical solutions for a clean power system and have committed to reach net zero across scope 1 and 2 emissions by 2040, and 2050 for scope 3 emissions at the latest, subject to security of supply.

## Our Net Zero Transition Plan

Transition plans play an important role in outlining company pathways to net zero, supporting both delivery and accountability. SSE's Net Zero Transition Plan sets out the action required to reach our longer-term net zero ambitions and make progress against our four near-term targets, verified by the Science Based Targets Initiative (SBTi). It details 18 actions to reduce our generation, operations and value chain emissions, alongside cross-cutting action on adaptation, natural environment and a just transition.

Having been an early adopter of transition plans in 2022, we updated our Net Zero Transition Plan last year to align with best practice of three-yearly review cycles. The updated plan includes two emissions scenarios for our scope 1 and 2 science-based targets following the publication of the UK Government's Clean Power 2030 Action Plan; one where we comfortably meet our 2030/31 targets, and the other where they are missed.

While we continue to make progress against our targets and the overall direction of the energy transition is clear, these scenarios remain relevant. Achievement of our 2030 targets is dependent on system-wide factors, including the pace of renewable deployment and the availability of policy and market support for low-carbon flexible generation, such as carbon capture and storage and hydrogen, to maintain system balance and security.

There also remains uncertainty on the timing of the phased reduction in unabated gas generation and its shift to a back-up role within the system. Openly discussing these issues signals to stakeholders, particularly policymakers and regulators, the necessary policy interventions to

achieve net zero at both company and system levels.

Our role in the transition also goes beyond reducing our own emissions, with around 80% of our investment plan directed towards grid upgrades over the next five years. Through our electricity networks businesses, we play a critical role in enabling clean power to reach more homes, businesses and communities, supporting the decarbonisation of the wider economy.

Progress against our Net Zero Transition Plan is reported on pages 10 to 16. Alongside our Net Zero Transition Plan, to support engagement with investors, we annually update our net zero transition pathway for scope 1 and 2 emissions, which is provided in Figure 1 on page 9.



## Transition pathway levers for scope 1 and 2 emissions

Each year we publish transition pathway levers that set out the key steps required to meet our scope 1 and 2 near-term science-based targets and 2040 net zero commitment. Figure 1 presents these updated levers, reflecting performance to date and latest projections. This year, reductions in scope 1 and 2 emissions associated with load factors and electrical losses have increased, but forward-looking pathway levers remain similar to previous years.

Our transition plan makes it clear that, while the transition may not be linear, over time, the power system needs to decarbonise completely. The phased reduction in unabated gas generation, shown as load factors on the pathway,

is uneven and will be largely dependent on system requirements, pace of policy development for low-carbon flexible generation (CCS and hydrogen) and regulatory change in core markets.

## Science-based targets five-year review

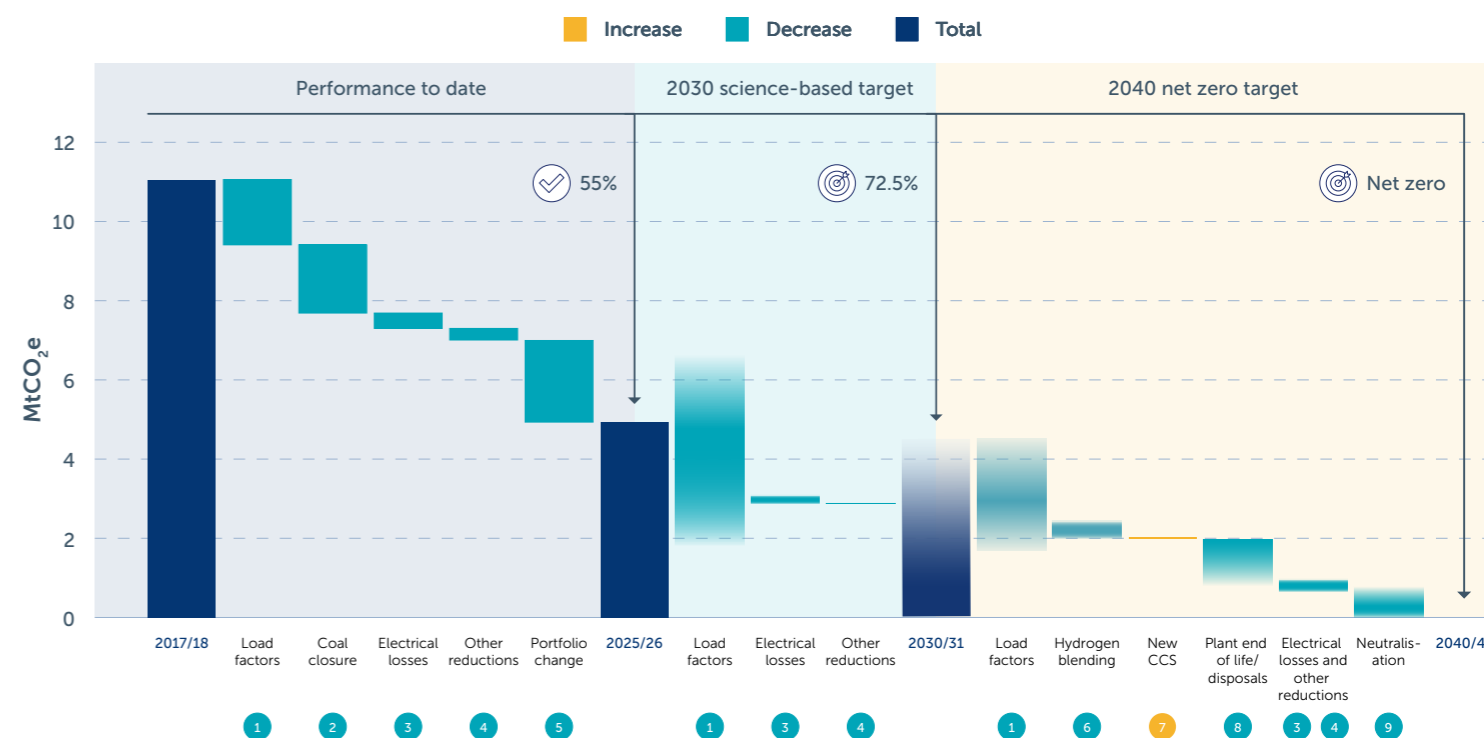
SSE was one of the first power sector companies to set science-based targets in 2020 and have them validated by SBTi. This means the mandatory five-year review of our targets needs to be undertaken by the end of 2026, and we will be working closely with SBTi to complete the review. We also continue to work constructively with SBTi to support the development of updated Power Sector Net Zero standard to ensure it is pragmatic and appropriately reflect the practical realities of the transition.

## Updated shareholder 'say on climate'

We introduced an annual shareholder 'say on climate' resolution in 2021. This resolution gives shareholders the opportunity to receive and approve our Net Zero Transition Report on an advisory basis. We have seen strong shareholder support, consistently receiving over 97% of votes cast in favour each year.

At the 2025 Annual General Meeting the resolution was approved again, with 97.85% of votes cast in favour. Shareholders also approved an update to the framework introducing a three-year voting cycle, aligning with the UK Government's Transition Plan Taskforce guidance to review transition plans every three years.

Figure 1: SSE's net zero transition pathway for scope 1 and 2 emissions

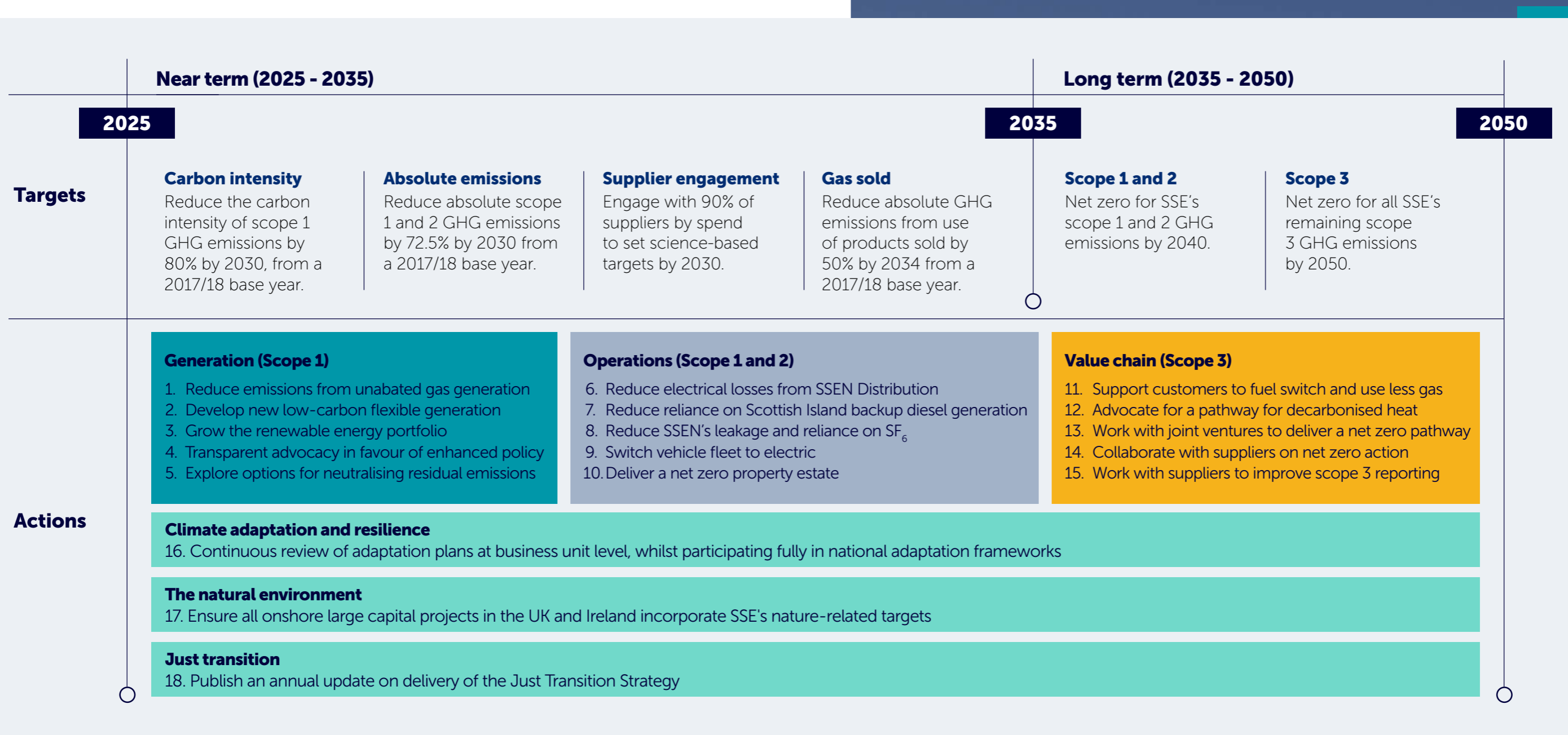


Levers post 2025/26 are forward-looking estimates to transparently present SSE's scope 1 and 2 transition pathway for its stakeholders. It is expected that these estimates will change in the future, in line with market developments.

# Net Zero Transition Plan on a page

The below graphic shows SSE’s near- and long-term carbon targets, alongside key action it will take to achieve them.

Progress against our Net Zero Transition Plan for emissions associated with generation, operations, and our value chain is reported on pages 10 to 16 and within the associated Net Zero Transition Plan KPI tables. Progress relating to cross-cutting Net Zero Transition Plan actions can be found throughout this report: Climate Adaptation, page 17; Nature, pages 41 to 46; and, Just Transition, pages 31 to 40.



# Performance against our Net Zero Transition Plan

We continue to focus on reducing greenhouse gas emissions for our 2030 near-term science-based targets and making progress on our net zero pathway.

## SSE's near-term science-based carbon targets

As we move beyond the midpoint of the 2020s, we continue to make progress towards our near-term science-based targets as outlined in Figure 2.

This year represented a milestone in carbon intensity performance, with emissions falling below 200gCO<sub>2</sub>e/kWh for the first time. We are now nearly halfway towards our scope 1 carbon intensity reduction target and three quarters of the way towards our absolute scope 1 and 2 reduction target.

On scope 3, we are around two thirds of the way towards our gas sold target and supplier engagement target.

While progress is being made, our transition plan is clear that emissions do not follow a linear trajectory, and performance can fluctuate due to weather conditions, market demand and asset availability.

Our emission scenarios clearly show our 2030 target dependency on the pace of the renewable energy build out in our core markets and the timing of the phased reduction in unabated gas generation and its shift to a back-up role to balance the system and ensure security of supply.

## Total reported emissions

Figure 3 shows the change in our carbon footprint since the 2017/18 base year. SSE's total reported GHG emissions decreased by 14% between 2024/25 and 2025/26 to 8.8MtCO<sub>2</sub>e (2024/25: 10.2MtCO<sub>2</sub>e). Overall, our reported emissions have decreased by 42% versus the 2017/18 base year, which stood at 15.2MtCO<sub>2</sub>e.

SSE's total reported GHG emissions in 2025/26 consisted of 51% scope 1 emissions, 5% scope 2 emissions and 44% from scope 3 emissions that we measure.

**Figure 2: 2025/26 progress against SSE's science-based targets from a 2017/18 base year**

### Scopes 1 and 2

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

46% progress

2025/26: 194gCO<sub>2</sub>e/kWh (37% reduction from base year)

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

76% progress

2025/26: 4.93MtCO<sub>2</sub>e (55% reduction from base year)

### Scope 3

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

64% progress

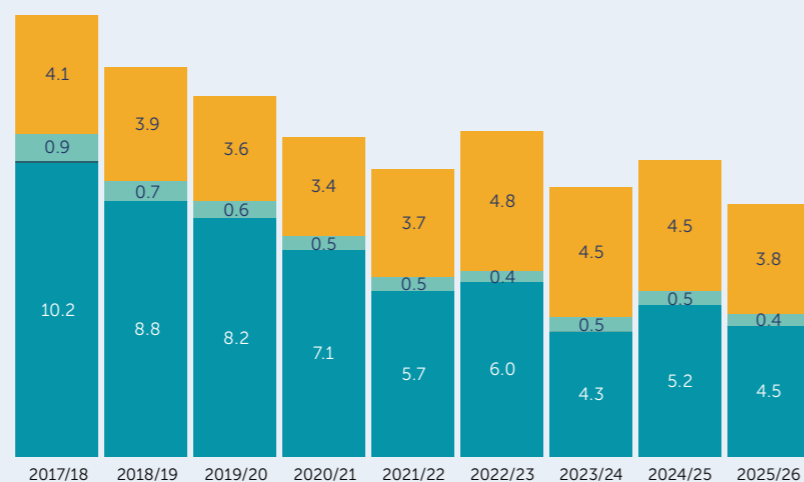
2025/26: 1.73MtCO<sub>2</sub>e (32% reduction from base year)

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

68% progress

2025/26: 61% of our suppliers by spend have set, or committed to set science-based targets

**Figure 3: SSE's GHG emissions by scopes between 2017/18 and 2025/26 (million tonnes CO<sub>2</sub>e)**



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

## Scope 1 and 2 emission performance

Scope 1 and 2 emissions are the ones we have the most control over. The largest contributors to our scope 1 and 2 emissions over the year were thermal generation emissions (91%) and emissions associated with electricity distribution losses - the electricity lost as it travels through the distribution network (7%). Both our scope 1 carbon intensity and absolute scope 1 and 2 emissions decreased compared to last year.

Our scope 1 GHG intensity of electricity generated was 194gCO<sub>2</sub>e/kWh<sup>(a)</sup> (2024/25: 218gCO<sub>2</sub>e/kWh<sup>(b)</sup>), representing an overall reduction of 37% from the 2017/18 base year. This reflects increased renewables output from initial commissioning at Dogger Bank and the delivery of Yellow River, alongside lower thermal generation output due to maintenance outages.

Absolute scope 1 and 2 emissions were 4.93MtCO<sub>2</sub>e<sup>(a)</sup> (2024/25: 5.70MtCO<sub>2</sub>e<sup>(b)</sup>), representing a 55% reduction from the 2017/18 base year. SSE's scope 2 emissions were 0.41MtCO<sub>2</sub>e<sup>(a)</sup>, representing a 14% decrease from the previous year (2024/25: 0.48MtCO<sub>2</sub>e<sup>(b)</sup>).

We are also working to reduce other operational emissions, which accounted

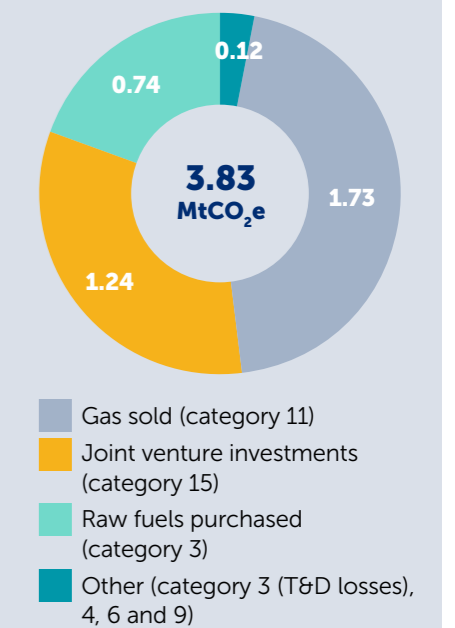
for 2% of scope 1 and 2 emissions in 2025/26. This includes emissions from diesel generation, sulphur hexafluoride (SF<sub>6</sub>), fleet vehicles and energy use in SSE's offices and buildings. See pages 14 and 15 for more information.

## Scope 3 emission performance

Most of SSE's scope 3 emissions come from gas sold to customers (45%), emissions from joint venture thermal generation (32%), and upstream emissions associated with fuels purchased for thermal generation (19%).

This year, SSE's total reported scope 3 emissions decreased by 16% to 3.83MtCO<sub>2</sub>e<sup>(a)</sup> in 2025/26 (2024/25: 4.54MtCO<sub>2</sub>e<sup>(b)</sup>). This was due to a decrease in emissions from thermal generation investments, less upstream well-to-tank emissions and less gas sold to customers. Gas sold emissions decreased to 1.73MtCO<sub>2</sub>e<sup>(a)</sup>, from 1.95MtCO<sub>2</sub>e<sup>(b)</sup> in 2024/25. Emissions associated with joint venture thermal generation decreased to 1.24MtCO<sub>2</sub>e (2024/25: 1.60MtCO<sub>2</sub>e) and emissions from fuels purchased for consumption in SSE's thermal generation sites decreased to 0.74MtCO<sub>2</sub>e (2024/25: 0.85MtCO<sub>2</sub>e). Emissions associated with purchased goods are reported on page 16.

**Figure 4: SSE's reported scope 3 GHG emissions 2025/26**



(a) This data has been extracted from the SSE plc Annual Report 2026 where it is subject to external independent limited assurance by Ernst & Young LLP (EY). For the results of that assurance, see EY's assurance report and SSE's Sustainability Reporting Criteria 2026 on [sse.com/sustainability](https://www.sse.com/sustainability).  
 (b) This data has been extracted from the SSE plc Annual Report 2025 where it is subject to external independent limited assurance by Ernst & Young LLP (EY). For the results of that assurance, see EY's assurance report and SSE's Sustainability Reporting Criteria 2025 on [sse.com/sustainability](https://www.sse.com/sustainability).

### Decarbonising our electricity generation

Our renewables and thermal businesses play an important role in decarbonising our electricity generation. Thermal power generation is our main source of direct emissions and renewable generation supports reductions in our carbon intensity.

Information about how we are transitioning thermal generation is provided below, while information on our progress developing renewable energy can be found on page 20. For updates against our Net Zero Transition Plan KPIs for Generation, see Table 1.

#### Transitioning thermal electricity generation

Over time, emissions from thermal power generation are expected to fall from reduced running hours, known as lower load factors, in response to increasing renewable generation on the system. This rate of change is dependent on system wide factors, including the pace of renewable deployment alongside policy and market support for low-carbon flexible generation such as carbon capture and storage and hydrogen. Whilst our thermal business continues to develop these innovative low-carbon flexible generation projects that can reduce emissions, our current assets will continue to provide reliable backup power for a secure, renewables-led electricity system.

One way to reduce emissions is to use alternative fuels. Last year, construction started at Tarbert Next Generation Power Station that will run on biofuels (Hydrotreated Vegetable Oil (HVO)) sourced from 100% waste feedstocks supplied in line with the EU's RED II sustainability requirements. We have also taken Final Investment Decision on Platin Power Station that will have the capability to run on HVO alongside natural gas.

### Decarbonising our operations

Alongside power generation emissions, we also have scope 1 and 2 emissions associated with our day-to-day operations. These are primarily from our networks businesses (8% of our scope 1 and 2 emissions), which have their own science-based targets, and the remainder from our fleet and property estate (1% of our

Action	KPI	2025/26	2024/25
1. Reduce emissions from unabated gas generation	<b>Scope 1 thermal generation emissions (MtCO<sub>2</sub>e)</b> Emissions from power generation reduced to 4.49MtCO <sub>2</sub> e, reflecting a 13% reduction from prior year and a 56% reduction from our 2017/18 base-year. This was due to lower output as a result of maintenance outages.	4.49 MtCO <sub>2</sub> e	5.18 MtCO <sub>2</sub> e
2. Develop new low-carbon flexible generation	<b>Pipeline of low-carbon flexible generation projects (GW)</b> We have 3.2GW of low-carbon flexible generation projects and opportunities in our pipeline.	3.2GW	3.9GW
3. Grow the renewable portfolio	<b>Renewable generation capacity (GW)</b> This year our renewable capacity increased by 297MW, with a further 2.4GW in construction.	5.3GW	5.0GW
4. Transparent advocacy in favour of enhanced policy	We publish a standalone annual review of our climate advocacy on our website each year. A summary of alignment of our principal trade associations can be found in this report on page 18.		
5. Explore options for neutralising residual emissions	We engage on policy development around greenhouse gas removals (GGRs). Last year we contributed to the UK Government Consultation on raising integrity in voluntary carbon and nature markets.		

scope 1 and 2 emissions). For updates against our Net Zero Transition Plan KPIs for Operations, see Table 2.

#### Managing electrical losses on our distribution network

As part of SSEN Distribution's losses management strategy it is trialling data-led tools to enable more accurate detection of non-technical losses and targeted cross-industry interventions. Last year, SSEN Distribution successfully concluded the New Approach to Losses (NATL) innovation project, and the new methodology for determining loss adjustment factors has been incorporated into business-as-usual processes to ensure that losses are accurately and fairly allocated across network users. Separately, SSEN Distribution also secured Ofgem funding to progress the Innovating Losses Analysis and Detection (I-LAD) project.

#### Reducing reliance on Island diesel generation

SSEN Distribution's embedded diesel generation provides backup security of supply to some of the most isolated and vulnerable customers on the Scottish Islands. This year island diesel output generation increased to ensure continued power supply during periods of

transmission line upgrades. We are working to reduce reliance on this generation by exploring alternative technologies, reviewing operational methods, and assessing network configurations to minimise their use. For example, last year, SSEN Distribution submitted a planning application to replace the existing Arnish island diesel generation facility with higher efficiency plant, capable of running on HVO.

#### Tackling SF<sub>6</sub> leaks across our networks

Sulphur hexafluoride (SF<sub>6</sub>) gas has been used extensively across the electrical industry due to its insulating and interruption properties, making it possible to reduce equipment size and improve reliability and safety. However, it is a potent greenhouse gas with warming effects thousands of times stronger than CO<sub>2</sub>.

Our networks businesses have strategies to reduce leakage and reliance on SF<sub>6</sub>, which includes enhanced monitoring techniques. As part of their routine asset replacement programme, when existing assets come to the end of their natural life, they are replaced with those that use low global warming potential (GWP) alternatives, where feasible.

SSEN Transmission has made significant progress, continuing to achieve a leakage



rate of 0.1%, outperforming Ofgem targets. It has also been installing real-time density monitors on SF<sub>6</sub>-insulated circuit breakers so that early leak detection and supporting research can enable focused preventative maintenance of assets which will help to reduce associated leaks further. Both SSEN Transmission and SSEN Distribution continue to focus on reducing leaks through monitoring, proactive maintenance and targeted asset replacement. Last year SSEN Distribution replaced 56 assets with better-sealed SF<sub>6</sub> equipment.

#### Decarbonising our fleet and property estate

We are making progress towards Climate Group's EV100 initiative to fully integrate EVs into our fleet and support EV uptake for our employees through the installation of charging points across our sites. Fleet cars are the most mature segment of the EV transition where we continue to make good progress, however converting the heavier van fleet to electric remains challenging due to limited alternatives suitable for our operations. We continue to trial alternative fuel and electric van options. To decarbonise our property estate, we purchase 100% renewable electricity for use in our facilities managed offices, backed by renewable guarantees. We also have an energy efficiency programme to roll-out building energy management system upgrades and develop on-site solar at several sites.

Action	KPI	2025/26	2024/25
6. Reduce electrical losses from SSEN Distribution	<b>Scope 2 distribution losses emissions (MtCO<sub>2</sub>e)</b> Emissions from SSEN Distribution losses came to 0.37MtCO <sub>2</sub> e, reducing 14% from last year and 53% from our baseline, predominantly due to the decarbonisation of the electricity system.	0.37 MtCO <sub>2</sub> e	0.43 MtCO <sub>2</sub> e
7. Reduce reliance on SSEN's Scottish Island Diesels	<b>Scottish Island backup diesel generation output (GWh)</b> This year output from these back-up sites was 137GWh, up 37% from last year due to transmission line upgrade works.	137GWh	100GWh
8. Reduce SSEN's leakage and reliance on SF <sub>6</sub>	<b>SF<sub>6</sub> leaks (kg)</b> We closely monitor our SF <sub>6</sub> leakage rates, this year they came to 244kg, reflecting a 13% reduction from last year.	244kg <sup>(a)</sup>	281kg <sup>(b)</sup>
9. Switch vehicle fleet to electric	<b>% of car fleet electric</b> This year, 69% of our car fleet is fully electric, holding steady from last year. Work has continued to tackle the challenging commercial van segment, and SSE increased its electric van fleet to 59, from 52 in 2024/25.	69%	69%
10. Deliver a net zero property estate	<b>Emissions from non-operational buildings (tCO<sub>2</sub>e)</b> Location-based emissions associated with electricity and gas use across our offices, depots and data centres decreased to 5,570tCO <sub>2</sub> e (from 6,310tCO <sub>2</sub> e last year).	5,570 tCO <sub>2</sub> e	6,310 tCO <sub>2</sub> e

(a) This data has been extracted from the SSE plc Annual Report 2026 where it is subject to external independent limited assurance by Ernst & Young LLP ('EY'). For the results of that assurance, see EY's assurance report and SSE's Sustainability Reporting Criteria 2026 on [sse.com/sustainability](https://www.sse.com/sustainability).

(b) This data has been extracted from the SSE plc Annual Report 2025 where it is subject to external independent limited assurance by Ernst & Young LLP ('EY'). For the results of that assurance, see EY's assurance report and SSE's Sustainability Reporting Criteria 2025 on [sse.com/sustainability](https://www.sse.com/sustainability).

**Decarbonising our value chain**

Our impact does not stop with our direct emissions, we also have an important role to influence decarbonisation across our value chain. These indirect emissions are challenging to reduce; however, progress can be made through open and transparent advocacy, and collaboration with joint venture partners and suppliers. For updates against our Net Zero Transition Plan KPIs for our value chain, see Table 3.

**Addressing gas sold emissions**

The decarbonisation of heat in homes and businesses remains a key but challenging part of the transition to net zero. Successful decarbonisation is dependent on external factors such as the pace of heat electrification, enabling policy, and regulatory frameworks. To address this, we continue to advocate for supportive policy, funding and innovation to break down the barriers to heat decarbonisation. For example, we remain an active member of the Heat Networks Industry Council (HeatNIC), and in October we responded to Northern Ireland’s Draft Climate Action Plan urging the prioritisation of electrification of domestic heat.

Additionally, SSE Airtricity, in partnership with Activ8, continued to work with customers to deliver energy efficiency measures and install rooftop solar and heat pumps to reduce reliance on gas for heating.

**Developing transition plans for joint ventures**

SSE has joint venture investments in thermal power stations which this year contributed 32% of SSE’s scope 3 emissions. We are working to adapt the Transition Plan Taskforce (TPT) guidance to ensure our joint venture investments set out a clear transition pathway, however faster progress is required. Over the last year, SSE Thermal has supported the Humber Hydrogen network, alongside Centrica, Equinor and National Gas, to promote a hydrogen network that could link production with industrial customers and power stations such as our joint venture Saltend Power Station. The blending of hydrogen with natural gas in our joint venture power stations could enable reductions in direct emissions.

**Engaging suppliers on purchased goods**

To build the new electricity infrastructure, we procure goods and services through

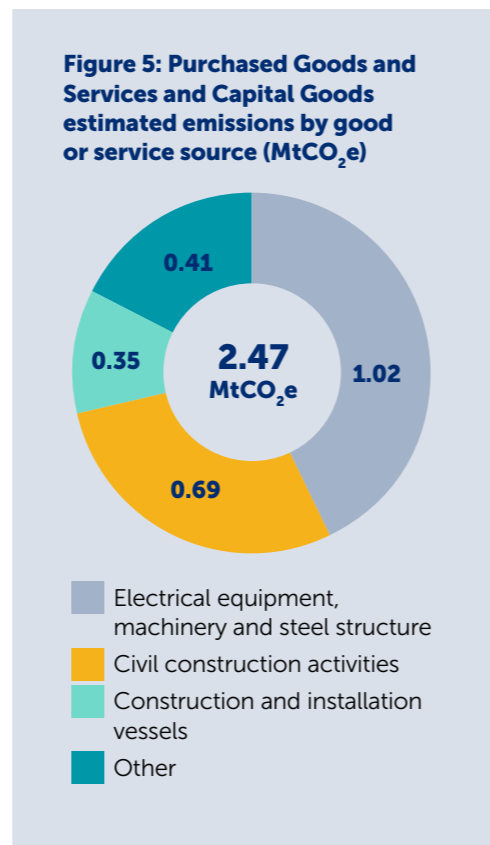
Table 3: SSE's Net Zero Transition Plan KPIs - Value chain (Scope 3)			
Action	KPI	2025/26	2024/25
11. Support customers to fuel switch and consume less gas	<b>Scope 3 gas sold emissions (MtCO<sub>2</sub>e)</b>	1.73 MtCO <sub>2</sub> e	1.95 MtCO <sub>2</sub> e
	Emissions from gas use by customers decreased to 1.73MtCO <sub>2</sub> e, down 11% from last year, mainly driven by lower customer numbers in GB. See page 36 of our Annual Report 2026 for more detail.		
12. Advocate for a pathway for decarbonised heat	We continue to advocate for supportive policy, funding, and innovation to break down the barriers to heat decarbonisation. Last year we responded to Northern Ireland’s Draft Climate Action Plan urging prioritisation of electrification of domestic heat.		
13. Work with joint ventures to deliver a net zero pathway	Working to adapt guidance to develop asset level transition plans, however faster progress is required. Also promoted the Humber Hydrogen Network for our joint venture Saltend Power Station.		
14. Collaborating with suppliers on net zero action	<b>% of suppliers by spend with science-based targets</b>	61%	51%
	61% of our suppliers by spend have, or have committed to set, verified SBTIs (up from 51% last year).		
15. Work with suppliers to improve scope 3 reporting	<b>% of suppliers by spend with an EcoVadis scorecard</b>	74%*	46%
	We use EcoVadis to assess supplier disclosure and performance against key environmental, social and governance areas whilst we continue to improve supply chain carbon reporting. This year 74% of SSE’s suppliers by spend had a valid scorecard, up from 46% last year. For more information see page 28.		

\*SSE has revised its methodology to exclude non-addressable spend and supplier categories where SSE does not have meaningful sustainability leverage. Therefore, the 2025/26 figure is not directly comparable with those reported in previous years.

a global supply chain, these goods and services come with associated upstream scope 3 emissions.

This level of investment will in the short to medium term result in an increase in upstream scope 3 emissions particularly as global supply chains transition to low-carbon materials. Figure 5 shows the estimated Scope 3 Category 1 and 2 emissions associated with Purchased Goods and Services, and Capital Goods for 2025/26, are approximately 2.47MtCO<sub>2</sub>e, up from 2.30MtCO<sub>2</sub>e estimated in 2024/25.

One of the actions we are taking to address purchased goods emissions is to work with our suppliers to set science-based targets. This year 61% of our suppliers by spend have set, or have committed to set, SBTi-verified carbon targets (up from 51% last year). Achieving our 90% target across our global supply chain is inherently complex and dependent on close collaboration with our suppliers. As such we will continue to leverage platforms such as EcoVadis and the Powering Net Zero Pact. For more information on our approach to building sustainable supply chains, see page 28.



**Adapting to climate change**

The frequency and severity of extreme weather events is increasing alongside greater unpredictability of weather patterns. As a result, we are strengthening our approach to climate resilience to ensure we are prepared for a range of climate events.

**UK Climate context**

The UK is already experiencing climate change impacts. Although the exact number of extreme weather events can vary from year to year, SSE’s role in delivering secure, affordable, low-carbon energy depends on infrastructure that is resilient to a rapidly changing climate.

The Climate Change Committee advises that the UK should be prepared for at least 2°C of warming by 2050 at a minimum and has set out what a well adapted UK could deliver. SSE is managing this risk by actively ensuring that each business area assess climate risk and incorporates this into decision making to enable the continued delivery of service levels to customers.

**Responding to extreme weather events**

We continue to develop our response to extreme events to ensure supplies are restored as quickly as possible. However, storms of rare and extreme severity in the north of Scotland affected Customer Interruptions and Customer Minutes Lost. Last year Storm Floris was the most significant summer storm SSEN has ever faced, and was classed as a Category Two exceptional event, affecting almost 85,000 customers. Power was restored to 98% of customers within 48 hours. Storm Amy was also an exceptional ‘1-in-20’ event in October 2026, making it the third-most damaging named storm in the north of Scotland on record. Supplies were restored within six days, a day earlier than Storm Eowyn in January 2025, despite Amy causing around 100 more faults.

Read more about how SSEN Distribution is supporting customers during power outages on page 22.

**Climate resilience plans**

SSE’s businesses cover the full energy supply chain, and each undertake their own climate change risks assessments and plans to strengthen resilience. SSE’s network business publishes specific resilience plans as part of their price control business plans.

- **SSEN Transmission:** Published in December 2024, the strategy sets out the business’s plan for the RIIO-T3 price control period 2026 to 2031.
- **SSEN Distribution:** Published in 2021, the strategy sets out the business’s plan for the RIIO-ED2 price control period 2023-2028. Work is ongoing to develop a new climate resilience Strategy for the ED3 price control period 2028 to 2033.

We engage with industry, academia, NGOs and think tanks to ensure the latest thinking can support the delivery of climate adaptation. We are an active partner in the Green Alliance Adaption Task Force to inform climate adaptation and resilience policy development in the UK.

**Strengthening our approach**

We are working to strengthen our approach towards climate adaptation by developing a group-level framework to enable a more consistent approach, whilst allowing for necessary flexibilities across each Business Unit. This will include a review of adaptation KPIs to enable a more robust approach to delivery and monitoring moving forwards. We will continue to review adaption plans and engage in national adaptation frameworks.



## Using our influence to advance the transition

Accelerating the pace of the clean energy transition requires us to advocate for change and engage meaningfully with our stakeholders. We will continue to make the case for investment in clean energy and the benefits it brings to the economy and society.

Over the past year we have continued to engage the UK and Irish Governments and regulators to support the delivery of clean power systems. Our Political and Regulatory Engagement Policy sets out how we advocate for the goals of the Paris Agreement, while our Net Zero Transition Plan highlights our focus on advocating for enhanced policy to reduce power generation emissions and a pathway for decarbonised heat.

### SSE's direct climate advocacy and policy engagement

#### Enabling a record offshore wind auction

SSE played an active role in shaping the policy framework ahead of Allocation Round 7 (AR7) of the UK's Contracts for Difference (CfD) scheme, advocating for an auction design that would sustain investment in large-scale offshore wind, particularly addressing structural barriers facing Scottish projects. The improved policy environment helped AR7 deliver a record amount of renewable capacity and support the UK's 2030 clean power goals, which became a central focus of the biannual North Sea Summit in Hamburg in January 2026 given the offshore wind sector had been facing into headwinds globally.

For SSE, the enhanced conditions of AR7 enabled a viable bid for its Berwick Bank Phase B project, which successfully secured a 20-year CfD for 1.4GW of offshore wind capacity through a well-contested auction process, providing long-term revenue certainty at a competitive price for consumers. This shows how targeted, evidence-based advocacy can support both national policy objectives and unlock clean, secure and affordable power at scale.

#### Reform of the electricity market in GB

SSE played a leading role in the Review of Electricity Market Arrangements (REMA), advocating for a reformed national approach to electricity pricing rather than splitting GB into a number of regional price zones. We highlighted that zonal

pricing would increase uncertainty, raise the cost of capital and delay investment needed for the UK's clean power ambitions. Instead, SSE supported a Reformed National Market (RNM) focused on stronger locational signals through reforms to transmission charging, system balancing and strategic network planning, while retaining a single national wholesale market.

The Government's decision to pursue Reformed National Pricing (RNP) over zonal pricing aligned with this direction, reducing policy uncertainty and supporting a more stable environment for low-carbon infrastructure investment. SSE welcomed the outcome, recognising that this approach would improve system efficiency and consumer benefit without undermining the investment needed to deliver net zero. We are continuing to engage with government on the delivery of the RNP package. This evidence-led advocacy has helped shape a market framework that supports the conditions for clean power deployment while protecting long-term value for consumers and the wider economy.

#### Government support for CCS infrastructure and the Scottish Cluster

The UK Government's support for the Scottish Cluster through the Comprehensive Spending Review marks progress in enabling carbon capture and storage (CCS). The Government has committed to meeting the full request for around £200m of development funding for the Acorn project, subject to business case approval, representing the first funding of this scale to support the project's progression. SSE worked with the cluster to develop the request for funding and ran an advocacy campaign in support of the ask, highlighting the important role CCS will play in delivering dispatchable, low-carbon power and supporting long-term energy security. For SSE, this supports development of the Peterhead Carbon Capture Power Station as a key anchor project within the cluster. Progressed with Equinor and Acorn, the project is designed to enable emissions

abatement and reflects the importance of policy as a key enabler in reducing SSE's scope 1 emissions. This demonstrates how coordinated policy support and industry collaboration can enable delivery of critical low-carbon infrastructure.

### Advancing SSE's climate-related advocacy positions within trade associations

We also engage with trade associations to collaborate with our industry peers and to provide a means to engage with key policy makers and other stakeholders. SSE undertakes a review of the climate policy positions of our principal trade associations on an annual basis, particularly those with significant influence over climate-related policy in the jurisdictions in which we operate. The review focuses on whether SSE's indirect climate advocacy, through trade associations, is aligned with its five key principles to reach net zero, including the 1.5°C goal of the Paris Agreement.

In 2025/26, we were members of 12 principal trade associations in our home markets of the UK and Ireland. SSE has representatives on the Boards of each of these organisations to support good and transparent conduct by these trade associations.

A weighted scoring methodology was used to classify SSE's principal trade associations as aligned, partially aligned or misaligned. All 12 principal trade associations proved overall alignment with our key principles to reach net zero. Some principal trade associations could strengthen their support by issuing clear public statements or policies on a just transition and effective carbon pricing.

For further details and for the results of all trade associations within scope of the review, refer to SSE's Climate Policy Engagement Review which is available at [sse.com/sustainability](https://www.sse.com/sustainability).

# Providing clean, secure and affordable energy



Delivering clean energy	20
Supporting customers with the cost of energy	21
Keeping customers connected	22
Helping customers cut carbon	23

With affordability an ongoing concern for households, the best way SSE can help is by developing and connecting renewable generation that reduces exposure to volatile gas prices. Alongside this, we continue to provide secure, reliable energy for our customers and support those in vulnerable circumstances to stay connected.

### Our progress

Renewable output increased by 9% compared to the previous year to 14.5TWh\*. This was driven by initial commissioning at Dogger Bank A and the delivery of Yellow River, which is supporting the delivery of home-grown, clean energy. SSE continued to ensure secure and reliable energy for customers, providing targeted support for vulnerable customers and initiatives to strengthen resilience during supply interruptions.

## 14.5TWh\*

Renewable generation output

## 1.3 million

Customers on SSEN Distribution's Priority Services Register

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



## Delivering clean, affordable energy

Developing and connecting new sources of renewable generation is a key way in which SSE is supporting a long-term pathway to more secure and affordable energy.

### Renewables as an affordable source of power

There is now clear evidence that the UK's investment in renewables has provided a buffer to households and businesses from the worst of the recent global price shock, and the transition to a cleaner energy system offers a credible path to lower bills over time.

The UK Government has responded to recent developments by reinforcing its clean power agenda, including increased funding for renewable energy auctions and measures to accelerate consenting processes for grid infrastructure.

Accelerating the delivery of a renewables-led system, and the networks and flexibility that support it, offers the best outcomes for consumers and the wider economy. SSE continues to have an important part to play in supporting this transition to an energy system that is not only secure, but cleaner and more affordable too.

### Increasing our renewables output

Our renewable generation output increased by 9% to 14.5TWh (2024/25: 13.3TWh). This was driven by increased capacity from initial commissioning at Dogger Bank A offshore wind farm and Yellow River onshore wind farm (101MW), which was partially offset by mixed weather conditions particularly in hydro.

SSE Renewables continues to develop a world-class renewables portfolio, which includes constructing Dogger Bank wind farm (3.6GW, SSE share 40%), the world's largest offshore windfarm. Work continues to progress on delivery of all three phases of the project. Alongside initial commissioning at Dogger Bank A in February 2026, turbine installation is also progressing strongly at Dogger Bank B.

SSE Renewables is also advancing plans for the next largest offshore wind farm at Berwick Bank, capable of powering over 6 million homes. Berwick Bank B will

now progress towards Final Investment Decision after securing a 1.4GW contract in the CfD Allocation Round 7 in January 2026. More detail on progress across our renewables projects and technologies can be found in our Annual Report 2026, pages 28 and 29.

We remain committed to leading the way in the transition to a cleaner, more secure and more affordable energy system.

However, the slowdown across renewables markets in previous years means that we are unlikely to meet our ambitious goal of 50TWh of renewable generation output by 2030. We welcome the steps taken over the year by the UK Government to accelerate the energy transition, including the announcement of the intention to run CfD Allocation Round 8 in the second half of 2026.

### Clean energy transition in action at Ferrybridge

SSE's Ferrybridge station once powered the nation by burning coal but the opening of a new battery storage facility at the West Yorkshire site marks a new era of clean energy.

It is located where the 2GW Ferrybridge coal power station stood before being decommissioned in 2016. The new 150MW/300MWh battery project signals the site's transformation as an enabler of the transition to cleaner, more flexible energy.

Designed to store electricity and release it back to the grid when demand is highest, Ferrybridge's battery storage facility can operate at full output for up to two hours. At peak times, it's capable

Ferrybridge battery storage can provide power to the equivalent of around

**250,000**

homes for a two-hour period at times of exceptional demand

of meeting the equivalent electricity demand of almost a quarter of a million homes.

By providing rapid response energy storage, the site will play a key role in providing flexibility to support a renewables-led system, balancing supply and demand and strengthening the resilience of the UK's electricity network.



## Supporting customers with the cost of energy

Energy affordability remains a key concern and we seek to support customers with the cost of energy, providing targeted assistance where we can.

### Energy price changes for households in Ireland

Following three years of price reductions and market-leading customer support, SSE Airtricity, our energy supply business in the island of Ireland, introduced price increases. In April 2025, prices rose by 10.5% for electricity and 8.4% for gas, followed by a further 9.5% increase in electricity in October. These price changes were largely in response to rises in external costs including network charges and wholesale energy costs, charges outside of the supplier's control. For customers in Northern Ireland, regulated gas prices reduced by 8.47% in September 2025, with a 4% increase in electricity prices introduced from in November 2025 due to rising network and operator charges, market volatility and higher cost of doing business.

SSE Airtricity has a longstanding commitment to support customers with the cost of energy. For Winter 2025/26, a dedicated fund was established to help those in need, supplementing existing supports like repayment plans, energy efficiency programs, and charity partnerships. This is in addition to SSE Airtricity being a delivery partner for Ireland's Warmer Homes Scheme, carrying out energy-efficiency upgrades in homes, particularly targeting low-income and fuel-poor households.

### Supporting electricity distribution customers with energy costs

Through a range of strategic partnerships, SSEN Distribution supports customers with the cost of energy through energy efficiency advice and related services. This includes its partnership with YES Energy Solutions, a community interest company in GB that provides expert energy efficiency advice to help customers reduce their energy bills and access wider financial and wellbeing support.

Over 2025/26, through these partnerships around 15,000 households received fuel poverty support and energy efficiency advice and installation measures. As part of its commitment to deliver 5,000 energy efficiency packs to fuel-poor households, by 2028, SSEN Distribution delivered around 850 packs over the year.

### Our customers

Through our electricity distribution business, we provide grid connections to around four million homes and businesses across central southern England and the north of Scotland. We also provide energy products and services to non-domestic customers in GB and both domestic and non-domestic customers in the island of Ireland.



### Partnering to reduce customer energy costs

As part of its work to support customers with the cost of energy, SSE Airtricity partnered with the charity EnergyCloud Ireland, to launch an initiative delivering free hot water to households using surplus renewable electricity.

Made possible by a €2.5m donation from SSE Airtricity in 2025, EnergyCloud smart devices are being rolled out to thousands of homes experiencing energy poverty across Ireland, including through partnerships with county councils. These devices redirect surplus renewable electricity, such as wind energy generated during off-peak times, which would otherwise be wasted, to heat immersion tanks. This helps vulnerable households reduce energy costs and support energy equality, while supporting Ireland's climate goals

## Keeping customers connected

We work to provide secure and reliable energy to homes and businesses, ensuring this is done in an inclusive way and those who are most vulnerable have access to energy, whatever their circumstances.

### Keeping customers connected during storms

Increasingly frequent and severe extreme weather events continue to test the resilience of electricity networks. SSEN Distribution plays a critical role in preparing for and responding to these events, scaling its operational response and deploying additional resources to restore supplies safely and as quickly as possible. Alongside network restoration, SSEN Distribution provides practical support to communities, including proactive engagement with customers on the Priority Services Register, enhanced customer contact centre capacity and the provision of support such as hot meals where needed.

During 2025/26, SSEN Distribution responded to four named storms, restoring power to approximately 221,000 customers, handling nearly 100,000 queries from customers over the phone and via social media channels, and providing 37,500 free meals in the most affected communities.

### Additional support for vulnerable customers

SSEN Distribution's Priority Services Register (PSR) identifies customers who may be in vulnerable situations and who can be particularly affected in the event of supply interruptions. With nearly 1.3 million customers signed up, the PSR allows SSEN Distribution to provide tailored services and additional support to those who need them most.

Over 2025/26, SSEN Distribution has been taking an even more proactive approach to supporting these customers. More than 150,000 PSR customers have now been issued with dedicated Power Cut Plans, tailored to individual needs and developed with input from healthcare experts, charities and people living with long term conditions.



### Providing extra help for medically vulnerable customers

For customers who are medically dependent on electricity, relying on powered medical equipment at home, it is particularly important that they have a reliable source of energy and are supported in the event of power interruptions.

Over 2025/26 SSEN Distribution undertook a number of initiatives to support medically vulnerable customers. This included partnering with charities Headway Thames Valley and Asthma + Lung UK to raise awareness to service users of the priority services offered to SSEN customers. SSEN Distribution has also delivered the first of 20,000 free home battery packs to customers dependent on electricity to power medical equipment at home. The portable battery pack provides added support and peace of mind by giving them

the capability to power some devices for a period of time if there's a power cut.

In Ireland, SSE Airtricity supports the delivery of the Sustainable Energy Authority of Ireland (SEAI) Solar PV Scheme for Medically Vulnerable Customers, a Government funded programme that strengthens energy resilience for households reliant on life supporting medical equipment.

Delivered in partnership with the SEAI, the scheme provides fully funded Solar PV systems to eligible customers identified through the Priority Services Register in Ireland. These installations help lower electricity costs and carbon emissions while improving security of supply for essential medical equipment in the home. SSE Airtricity was proud to be the first energy company to participate, having delivered over 80% of installations and, following a contract extension, will continue supporting the programme.

## Helping customers cut carbon

We're committed to helping customers reduce their carbon footprint – from individual consumers and small businesses, through to larger companies

### Supporting Ireland's transition to electric transport

To help accelerate the shift to cleaner transport, SSE Airtricity has partnered with Nevo, Ireland's dedicated electric vehicle (EV) platform. As exclusive Energy Partner, SSE Airtricity supported Nevo's national EV and regional driver experience events over 2025, helping more people engage with electric mobility.

Through hands-on events and accessible digital content, the partnership provides drivers with practical guidance on EV ownership, including charging solutions and energy options. This approach is helping to build confidence among consumers and support informed decisions about switching to EVs.

By combining renewable electricity expertise with Nevo's EV knowledge, SSE Airtricity is enabling a more seamless transition to low-carbon transport. Together, the organisations aim to empower customers with simple and affordable solutions to transition to EVs, helping reduce emissions and accelerate



Ireland's transition to cleaner, more sustainable transport. Last year, SSE Airtricity also launched the Smart EV Max tariff that provides Ireland's longest overnight EV charging tariff for home

charging, providing a dedicated low-price overnight charging window. Smart EV Max helps drivers reduce the cost of running their electric vehicle while charging conveniently at home.



### TfL partnership powering the Tube with solar

Transport for London (TfL) has appointed SSE Energy Solutions as its partner to deliver a first-of-its-kind private wire solar project for a major urban transport network. The project will generate electricity locally through rooftop and ground-mounted solar installations, which will be connected directly to the Tube rather than routed through the national grid.

Once operational, the project could generate up to 65,000 MWh of renewable electricity each year to power millions of journeys. That's enough to cover around two-thirds of the Victoria line's annual power demand – or the electricity used by around 25,000 homes.

As London's largest electricity consumer, this partnership represents a major step in TfL's ambition to operate on 100% renewable electricity by 2030. By generating power locally and supplying it directly, the scheme is expected to save more than 27,000 tonnes of carbon over 25 years, as well as protect TfL against market volatility.

# Delivering sustainable infrastructure



Creating value through infrastructure investments	25
Financing the clean energy transition	26
Building sustainable supply chains	28
Using resources responsibly	29
Innovating to deliver the clean energy transition	30

We are delivering a major programme of infrastructure investment to support the clean energy transition. To ensure this delivers lasting benefits for communities, the economy and the wider energy system, sustainability is embedded across our investment decisions, supply chains and how we use resources.

## Our progress

As we progressed our £33bn investment plan, we delivered another record year for capital investment and saw a 16% increase in supply chain spend. Over 92% of this capital investment was EU Taxonomy aligned, invested in infrastructure that supports the transition to clean energy. We also reached 10.8GW of renewable generation capacity connected in SSEN Transmission's network area, surpassing our RIIO-T2 target of 10GW by 2026.

### 92%

Of SSE's adjusted investment and capital expenditure was taxonomy aligned

### 10.8GW

Renewable generation connected in SSEN Transmission network area

### £6.5bn

Total procurement spend



# Creating value through infrastructure investments

Our £33bn investment plan is about more than upgrading electricity infrastructure – delivered at scale and over the long term, it creates value across communities, supply chains and the wider economy.

## Contributing to economies

In 2025/26, our activities contributed an estimated £10.84bn to UK and Ireland GDP – up from £8.68bn last year and our highest contribution since 2018/19. We also supported 88,350 jobs across the UK and Ireland, up from 67,190 in 2024/25. This reflects increased activity linked to delivery of our £33bn five-year investment plan to 2030, which will help build a cleaner, more secure and affordable energy system.

SSE also remains a significant taxpayer, with a total tax contribution of £924.5m last year, made up of £476.9m in taxes paid and £447.6m collected. The responsible payment of tax is a core element of how we share value with society and we have been Fair Tax Mark accredited since 2014.

In addition, we have been recognised for four years running with the PwC Building Trust Award for Tax Reporting in the FTSE 350, reflecting our consistent performance in transparent tax disclosures and managing tax responsibly.

## Enabling clean, homegrown energy

Around 80% of our £33bn investment plan will be directed towards regulated electricity networks. These networks will enable the connection of clean, homegrown energy and transport it to the areas where it's most needed, whilst at the same time supporting national climate ambitions.

In 2025/26, 10.8GW of renewable generation was connected in SSEN Transmission's network area compared to 10.6GW the previous year. SSEN has surpassed its target of 10GW by 2026, and this puts us over half-way towards our 2030 ambition of 20GW.

## Measuring our economic impact

Each year we work with an independent professional services firm to estimate annual gross contribution to GDP (measured in terms of gross value added (GVA)) and number of full-time equivalent jobs supported.

Our contribution for 2025/26 split out by the UK, Scotland and Ireland is provided below. We saw an increase in contribution to total GDP and jobs supported across the UK. In Ireland, while contribution to total GDP increased, the total number of jobs supported decreased slightly. This reflects a shift in the spend across the supply chain, with fewer indirect jobs supported albeit in higher value adding industries.

This latest analysis brings the total contribution to GDP across the UK and Ireland to £96.8bn over the last ten years (adjusted for current prices).

The full 2025/26 SSE economic contribution report can be found at [sse.com/sustainability](https://sse.com/sustainability).

## SSE's economic contribution in the UK and Ireland 2025/26\*

	Contribution to GDP	Jobs supported
<b>UK total</b>	<b>£9.66bn</b> (2024/25: £7.88bn)	<b>83,360</b> (2024/25: 62,000)
<b>Scotland</b>	<b>£3.40bn</b> (2024/25: £2.60bn)	<b>26,090</b> (2024/25: 19,640)
<b>Ireland</b>	<b>€1.36bn</b> (2024/25: €0.95bn)	<b>4,990</b> (2024/25: 5,190)

\* Direct, indirect and induced GVA and full-time equivalent jobs supported figures are taken from a third-party economic impact assessments. The full analysis and methodology can be found at [sse.com/sustainability](https://sse.com/sustainability).

Creating long-term value

We are committed to delivering our significant investment programme in a way that maximises long-term value for communities, and leaves a lasting positive legacy. Beyond delivering economic value, we also aim to create social and environmental benefits in the areas we operate.

The map below shows the kinds of value being created through SSEN Transmission's investment programme. Between 2026 and 2031 this investment is expected to support around 50,000 jobs in the UK, with over 24,000 of those in Scotland. Alongside that, there are many other community and environmental benefits created.

Delivering value through SSEN Transmission's investment programme

Powering the future workforce

SSEN Transmission is making significant investment in the next generation of talent and has committed to have at least 5% of its workforce in 'earn as you learn' roles.

**2025/26 highlight**  
SSEN Transmission announced 600 'earn as you learn' roles between now and 2030 across Scotland, with roles in the Highlands, islands and Aberdeenshire.

Building a housing legacy

SSEN Transmission will support the delivery of 1,000 new homes across the north of Scotland, which will accommodate its workforce before being made available to local communities, helping tackle housing shortages.

**2025/26 highlight**  
SSEN Transmission funding will unlock the development of nearly 100 new homes near Stornoway.

Protecting the natural environment

SSEN Transmission is committing at least £100m to nature restoration, making the business the single biggest investor in nature restoration in Scotland.

**2025/26 highlight**  
SSEN Transmission is supporting RSPB to restore over 200ha of habitat at the Inversnaid Nature Reserve.



Supporting supply chain growth

A number of key contract partners are expanding operations to support the delivery of SSEN Transmission's investment programme.

**2025/26 highlight**  
BAM opened a new office space in Inverness for over 200 people for its engineering and energy operations in the north of Scotland.

Investing in communities

Well over £100m of community benefit funding will be available in relation to SSEN Transmission's infrastructure projects.

**2025/26 highlight**  
£3m was awarded through the funds last year, including over £200,000 to Rock Trust to support a youth housing hub in Perth, providing employability, wellbeing and housing support.

Financing the clean energy transition

Green- and sustainability linked-finance is essential to unlock the investment required to deliver the clean energy transition, particularly as SSE rapidly scales its investment plans.

SSE's tenth Green Bond issued

In August 2025, SSEN Transmission issued a €750m, eight-year Green Bond to support investment in critical energy infrastructure. The proceeds will specifically help finance and/or refinance electricity transmission projects as part of SSEN's significant investment programme to upgrade the network across the north of Scotland.

At the time of publication, the total outstanding Green Bonds issued by SSE plc and its subsidiaries is £5.1bn, and SSE remains the largest UK corporate issuer of Green Bonds. You can find annual updates on our Green Bonds at [sse.com](https://www.sse.com).

Measuring green economic activity

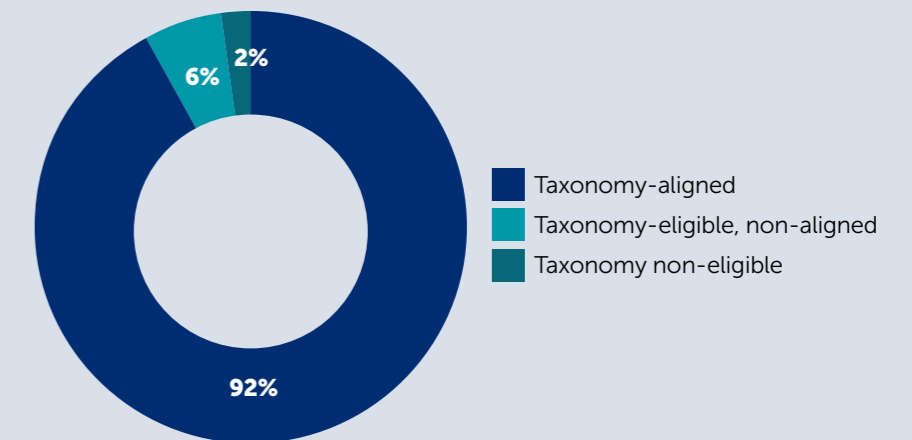
Green taxonomy frameworks are useful tools for helping stakeholders understand the scale of a company's green economic activities. Following the UK Government's decision not to proceed with a UK Green Taxonomy framework, we continue to voluntarily work towards aligning our reporting with the EU Taxonomy. The high-level results of this assessment are outlined in Figure 6.

In 2025/26, 92% of our adjusted investment and capital expenditure was EU Taxonomy-aligned. Looking ahead, around 95% of our five-year, £33bn investment plan is expected to be taxonomy-aligned.

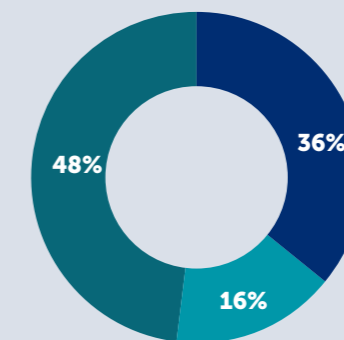
A detailed breakdown of our economic activities assessed under the principles of the EU Taxonomy, together with the key assumptions applied, is provided in the Disclosure Statement on page 74 of our Annual Report 2026.

Figure 6: SSE's Taxonomy Assessment

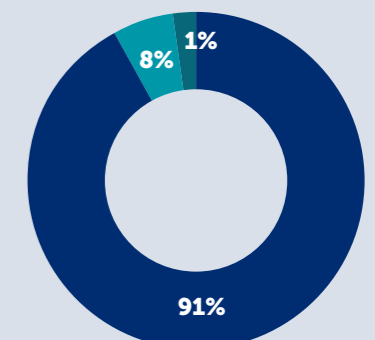
Adjusted investment and capital expenditure £3,585.6m



Revenue £10,186.5m



Adjusted operating profit £2,236.6m



# Building sustainable supply chains

A sustainable supply chain is critical for SSE, enabling the timely delivery of major infrastructure projects, supporting innovation, managing risk and achieving shared social and environmental objectives.

## Our supply chain spend

As the clean energy transition accelerates globally, SSE faces increasing competition for critical supply chain materials and the skilled workforce required to deliver major infrastructure projects. Our approach to managing our supply chain investment focuses on building long-term, responsible and collaborative relationships with suppliers that support the delivery of our strategy.

In 2025/26, we spent £6.5bn with our supply chain partners, compared to £5.6bn the previous year. This considerable rise in spend was primarily due to increased investment across our electricity transmission and distribution projects, such as the Eastern Green Link 2 (EGL2) transmission reinforcement project - the biggest electricity transmission project in the UK.

## Engaging suppliers on sustainability

Through our Sustainable Procurement Code and Supplier Relationship Management programme, we set clear expectations for our supply chain partners on ethical behaviour, environmental performance, safety and social value. We work closely with them to improve sustainability outcomes across the supply chain. This includes addressing risks such as human rights, modern slavery and carbon emissions, while strengthening capability through training and knowledge sharing initiatives.

SSE uses EcoVadis, a globally recognised sustainability assessment platform, to measure and monitor supplier performance against key environmental, social, and governance areas. This allows us to build a picture of how sustainability is managed throughout our supply chain and identify any areas which require targeted improvements.

We have an ambition to have 90% of our supply chain, by spend, achieve a valid

EcoVadis scorecard by 2030 – this stood at 74%\* at 31 March 2026.

We receive our own scorecard from EcoVadis and were awarded a Gold rating

## Powering change with our supply chain partners

Collaborating with suppliers and industry partners is at the heart of our approach to sustainable procurement. The Powering Net Zero Pact is a power sector supply chain initiative founded by SSE and some of our key suppliers, focused on addressing strategic challenges in delivering the clean energy transition.

In year Pact sessions and knowledge sharing focused on social value and low-carbon concrete and steel. 2026/27 will see members collaborate on skills, as well as using AI to advance sustainability.

in 2026, putting us in the top 5% of all companies assessed.

## Supporting supply chain growth

The delivery of SSEN Transmission's £22bn investment programme in the electricity networks in the north of Scotland creates a wide range of opportunities and is supporting growth for our supply chain partners. Over 2025/26, a number of key contract partners expanded operations to support the delivery of SSEN Transmission's projects. This included: BAM opening a new shared office space in Inverness, creating a dedicated Highland hub for more than 200 people for its engineering and energy operations in the north of Scotland; NKT expanding its office presence in Perth; and, Balfour Beatty opening a new operational depot in Angus which will support up to 70 local jobs.



## Working with contract partners to limit community impact

SSEN Transmission worked with its principal contractor, Balfour Beatty, to secure a dedicated freight vessel to handle construction materials for the Lewis Hub and Western Isles High Voltage Direct Current (HVDC) Link, meaning logistics can be managed without disrupting public ferry operations used by residents, businesses and visitors.

A release mechanism will allow the vessel to be used by others when not required for project delivery, boosting resilience across the islands' essential ferry network. Alongside measures to manage workforce travel and accommodation, it helps safeguard transport, housing and local services, ensuring infrastructure investment delivers benefits for communities as well as the energy system.

\*SSE has revised its methodology to exclude non-addressable spend and supplier categories where SSE does not have meaningful sustainability leverage. Therefore, the 2025/26 figure is not directly comparable with those reported in previous years.

# Using resources responsibly

The scale of SSE's activities brings increased responsibility for how resources are used across design, procurement and delivery.

## A focus on circularity

Embedding circular principles helps minimise environmental impacts while supporting cost efficiency and supply chain resilience. By focusing on efficient material use, waste reduction, recycling and asset management, we can reduce pressure on finite resources and manage impacts responsibly. We are currently working with Eunomia and Zero Waste Scotland to create a circularity roadmap, which will guide us towards more efficient and effective management of resources.

## Managing our waste

SSE's activities generate waste from operational sites and offices. Guided by the waste hierarchy, we focus on preventing waste where possible and prioritising reuse and recycling.

SSE reports on the solid operational waste that we directly manage, which is produced from activities like replacing

transformers and equipment, operational activities and maintenance. We don't report on waste generated through construction projects, contractor activities and specialist waste from SSE power stations.

Over 2025/26, the solid operational waste we managed increased by around 5% to 8,044 tonnes (2024/25: 7,642 tonnes). We set two annual waste targets for 2025/26 – to divert 97% of waste by volume from landfill and recycle or reuse 65% of waste by volume. We exceeded both targets, achieving 99.2% and 72.5% respectively.

We also disclose ash and gypsum waste disposed, which was 12,604 tonnes in 2025/26 (2024/25: 11,911 tonnes) representing 5% increase.

You can find more information on our solid operational waste data, including a full breakdown by end destination, in our Sustainability Data Tables available at [sse.com/sustainability](https://www.sse.com/sustainability).

## Developing solutions to wind turbine blade recycling

Wind turbine blades present a growing challenge for the renewables sector due to the difficulty of sustainably managing composite materials at end of life. As wind assets are decommissioned across the UK and Ireland over the next decade, SSE Renewables is working to balance cost, embedded carbon and circularity in blade disposal.

A study led by the NCC (formerly the National Composites Centre), under the SSE Renewables backed SusWIND programme, has confirmed a viable business case for a UK blade recycling facility. The facility would be capable of processing up to 10,000 tonnes annually and creating skilled jobs. SSE Renewables is now coordinating next steps with industry and public sector partners to progress site selection, delivery and funding models towards a final investment decision.



# Innovating to deliver the clean energy transition

SSE invests in innovation to accelerate the deployment of low-carbon technologies and demonstrate their practical application.

Embedding innovation in the way we do things is key to accelerating the delivery of a cleaner, more secure and affordable energy system. Innovation at SSE enables the practical demonstration of emerging technologies, helping to accelerate learning and reduce delivery risk. This approach also supports cost efficiency and supports the long-term competitiveness of projects across an increasingly complex and constrained energy system.

To drive innovation, we work with peers, suppliers, local authorities and academia because we know more can be achieved through shared learning and knowledge. We have several strategic relationships with key academic institutions across the UK and Ireland, including University of Strathclyde, Imperial College London, University of Highlands and Islands, and University of Oxford Smith School. We are also a founding member of two National Demonstration Research Centres.

Our in-house Partnership Funding team also supports innovation, through helping secure government funding to trial new technologies and market models.

In 2025/26, our research and innovation costs totalled £17.7m (2024/25: £17.2m).

More information on our approach to innovation can be found at [sse.com/sustainability](https://sse.com/sustainability).

## Unlocking the energy transition through innovation funding

In February 2026, SSEN Transmission secured almost £7m of innovation funding for four projects through Ofgem's Strategic Innovation Fund (SIF). SIF funding plays an important role in enabling the delivery of projects, providing new industry insight and developing new technologies to support the energy transition.

### The four successful projects are:

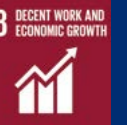
- **REVISE:** will deliver more accurate overhead line ratings using advanced weather data and modelling to increase network capacity, lower operating costs and support smarter investment.
- **ODIN:** explores the use of autonomous HVDC inspection robots and AI analytics to optimise asset management, minimise outages, extend asset life and strengthen network resilience.
- **HVDC Wind Connect:** demonstrates new HVDC system approaches to integrate offshore wind, simplifying connections and reducing costs through innovative design and control.
- **SPRINT:** explores integration of Superconducting Fault Current Limiters (SFCLs) into HVDC networks, protecting assets from damaging fault currents and enhancing system stability.

These projects not only seek to unlock capacity today, but will lay the foundations for a cleaner, more secure energy system for the decades ahead.



SSEN Transmission has secured  
**£7m**  
of innovation funding

# Championing a fair transition



Creating good jobs	32
Developing skills for a clean energy future	34
Engaging with employees	36
Building an inclusive team	37
Empowering communities	38

SSE's long-term strategy is to create value for society and shareholders in a way that's sustainable and fair. We do this by championing a just transition – supporting safe and decent work, working in partnership with communities, and contributing to economic growth, including through investment in social infrastructure.

## Our progress

Over 2025/26, we continued to share value with the communities we work in, contributing an estimated £10.84bn to UK and Ireland GDP and delivering a record year for our community investment funds. Supporting our commitment to creating a safe and secure workplace we strengthened human rights standards across our workforce and supply chain, and saw a further 4,500 employees and contract partners complete our immersive safety training.

**0.17**

Total recordable injury rate (employees and contractors combined)/100,000 hours worked (2024/25:0.16)

**£10.84bn**

Contribution to UK and Ireland GDP (2024/25: £8.68bn)

**£24.9m**

Awarded through our community investment funds (2024/25: £16.3m)



## Creating good jobs

As we build a workforce for the clean energy transition, we are committed to fair work and creating a culture of safety and respect, across both our own operations and our supply chain.

### Ensuring a safe workplace

Safety is a fundamental value guiding behaviour at SSE and our priority is that everyone gets home safe. In a period of accelerating construction activity, we met our overriding safety goal of no life-changing injuries. Our Total Recordable Injury Rate (TRIR) for SSE and contract partners combined was stable, at 0.17 per 100,000 hours worked (2024/25: 0.16).

The TRIR improved for SSE employees to 0.09 (2024/25: 0.11) and exceeded the expectation we set for the year of 0.12. We also exceeded the expectation of 0.35 we set for our contract partner TRIR, however performance worsened compared to the previous year at 0.31 (2024/25: 0.25). Our contract partners are as much a part of our Safety Family as our employees, and we'll continue to work closely with them to ensure that, as we look ahead to a period of increased workhours, this does not result in an increased incident rate.

### Celebrating our immersive training centre

This year we celebrated the first anniversary of the Faskally Safety Leadership Centre in Perth, where we host Immersive Training. This was marked by a visit from Scotland's First Minister. Over 2025/26, around 4,500 employees and contract partners took part in the training, taking the total number who have completed it to over 14,000 since it was introduced. The positive impact the training is having is increasingly important as we continue to deliver projects at pace.

### Supporting employee wellbeing

We have a comprehensive programme of engagement and resources to support colleagues with wellbeing, which also extends to contract partners. Our online Health Hub provides employees with a one-stop-shop for information around wellbeing resources available to them at SSE, and makes information as accessible as possible.

Over 2025/26, we saw an increase in the number of our employees who take on additional responsibilities to support colleagues with wellbeing. At 31 March, we had 304 wellbeing champions based in over 66 locations (2024/25: 240 over 61 locations), who help to promote wellbeing initiatives, such as CPR training, cancer talks and wellbeing cafes. We also had 637 trained Mental Health First Aiders (MHFA) (2024/25: 582) who are available to support colleagues around mental health. This meant we achieved a ratio of 1:23, maintaining our aim to have 1 MFHA to every 25 employees.

We asked our male colleagues what they needed to be healthy and happy at work, and peer to peer support came through loud and clear. So now, 47 facilitators have been trained and have commenced SSE Men Talk groups across the organisation. SSE Men Talk is a facilitator

led, peer to peer support programme, designed to give men across SSE the space and confidence to open up, to talk early, and to know they're not on their own.

### Encouraging employees to 'Speak Up'

We encourage everyone who works for or with SSE to report concerns of wrongdoing via our 'Speak Up' programme, which includes an independent anonymous whistleblowing service called Safecall.

Every report is treated in good faith and considered for investigation. These processes can impact on all parties involved, so we seek to limit investigations to 45 days to reduce stress and ensure quick, fair resolutions.



### Fair work for offshore wind workers

In 2025/26, SSE's renewables business helped shape the development of the UK Government's interim Fair Work Charter for offshore wind workers. Colleagues participated in a consultative group, led by RenewableUK, alongside other developers and Tier 1 suppliers, to provide feedback and help build alignment across the industry.

The initiative, which focused on two key areas, employee voice and health and safety, will see workers benefit from measures in the Employment Rights Act (2025) ahead of wider roll-out of the legislation. The interim charter is in line with existing practice in SSE, and we'll continue to participate in discussions that support the development of industry-wide workforce standards and protections.

1 SSE's 2025/26 safety data and total headcount includes Enerveo Ltd. SSE's headcount excluding Enerveo Ltd is 14,722 (2024/25: 14,880). All other data in this section, including prior year comparators and proportions of total headcount, excludes Enerveo Ltd.



Everyone involved in the Speak Up process is supported through our aftercare programme, which checks in with employees to ensure they haven't experienced any negative impacts as a result of speaking up. The programme includes running periodic surveys up to six months after the initial complaint, allowing those involved to feedback on their experience. Employees are also signposted to our Employee Assistance Programme for wellbeing support.

Through the Speak Up channels, we saw an increase in the number of reports of suspected wrongdoing last year, rising to 102 (2024/25: 62). This was in part driven by reports relating to the organisational restructure which took place during the year. We monitor the trends of Speak Up cases closely. You can find a break down of categories of reported wrongdoing in SSE's Sustainability Data Tables, at [sse.com/sustainability](https://sse.com/sustainability).

During the current reporting period, the investigation of whistleblowing disclosures resulted in 19 fully substantiated cases and 17 partially substantiated cases, with an additional 14 cases currently remaining open and under review. The findings from the substantiated investigations led to a range of corrective actions and disciplinary measures, which included five dismissals and four instances of formal action short of dismissal. Furthermore, management issued six informal warnings, and four individuals chose to resign while their respective investigations were still underway.

### Shaping our future workforce

At 31 March 2026, SSE employed 15,197<sup>1</sup> people, down from 15,819 the previous year. This follows a period of sustained growth which saw headcount increase by nearly 50% between 2021/22 and 2024/25.

Most recruitment activity over 2025/26 was in SSEN Transmission and SSEN Distribution which together accounted for 1,526 hires. With 80% of SSE's £33bn capital investment plan being in these two networks businesses, we anticipate

continued growth in those workforces in the coming years. We expect overall headcount to remain broadly stable across the Group, reflecting different growth rates across our Business Units. Workforce planning, using SSE's bespoke tool, helps to ensure that potential skills shortages are identified and addressed.

There is also an ongoing focus on embedding new talent, supporting internal mobility and assessing long-term skills demands.

### Championing fair working conditions

SSE is committed to fair pay and tackling in work poverty and a key way we do this is through paying a Living Wage in the UK and Ireland.

In the UK, SSE is real Living Wage, Living Hours and Living Pension accredited. From 2026, we will be rolling Living Wage out through our supply chain in Ireland too. Following preparatory work undertaken over last year, we also plan to begin a programme of engagement over 2026/27 with UK suppliers in higher risk categories, like catering, cleaning and security, to discuss rolling out the Living Hours clause.

We are a strong supporter of the Living Wage Foundation and sit on a number of their forums and Leadership Groups.

### Respecting human rights

In 2025/26, SSE updated its Human Rights Strategy to strengthen alignment with the UN Guiding Principles on

Business and Human Rights (UNGPs) and to ensure its commitments remain long-term and forward-looking.

A new action plan for 2026/27 focuses on continuous risk identification, prioritisation, and mitigation across SSE's operations and supply chain. It also aims to further tighten alignment with the UNGPs and the UK Government's Transparency in Supply Chains Guidance (TISC). TISC emphasises the need for targeted, role-specific training.

During the year, SSE delivered role-specific human rights training to 229 out of a total of 467 procurement colleagues as well as 22 quality auditors, equipping them to identify potential human rights issues during supplier and site visits.

Training will continue in 2026/27 and will extend to those working with vessels. More detail on this will be reported in the Human Rights Report and Modern Slavery Statement 2026, due for publication in September 2026.

In September 2025, SSE launched its Human Rights Incident Procedure, setting out how the company will investigate, remediate, and report human rights impacts in line with the UNGPs. The procedure ensures SSE is prepared to respond effectively and responsibly to any identified impacts, with a clear emphasis on victim centred remediation.

More information about SSE's approach to managing human rights risk can be found in the latest Human Rights Report and Modern Slavery Statement at [sse.com](https://sse.com).

# Developing skills for a clean energy future

Skills development remains a core priority for us as we work to deliver a clean energy transition, ensuring we have the capability we need across our workforce and beyond.

We welcome the UK Government's Clean Energy Jobs Plan for 2030 which emphasises the need for accessible training opportunities and the creation of good quality jobs. We support this by continuing to invest in our existing workforce, while building the talent base we need for the future.

In 2025/26, we invested £36.9m in learning and development. We also launched a new training programme for those who lead leaders. As part of our wider digital skills programme, we are embedding responsible AI use through learning that combines Group-level coordination with business-specific training, tailored to different roles.

More data on learning and development is provided in the pull-out box below and in our Sustainability Data Tables, available at [sse.com/sustainability](https://sse.com/sustainability).



## Building future skills capability

We invest in research with skills bodies, industry groups, government led groups and academic partners to understand how workforce needs are evolving. Through this work, we also use our industry knowledge to help shape national apprenticeship and occupational standards.

The Clean Energy Jobs Plan underlines the importance of establishing industry-led standards and clear training pathways. We are helping to facilitate this through our work with the National Skills Academy for Power and other employers, updating National Occupational Standards to support consistency across the UK whilst recognising differences in national qualification structures. This has allowed us to collaborate with Skills Development

In 2025/26:

**96.3%**

of employees received training or development (96.3% in 2024/25)

**£36.9m**

invested in learning, training and development (£41.0m in 2024/25)

**23.2hours**

average training per full time equivalent employee (27.5 in 2024/25)

Scotland to develop qualifications not currently available in Scotland, learning from approaches used elsewhere in the UK.

Across SSEN Transmission and SSEN Distribution, we are working with supply chain and other industry partners to assess workforce requirements and improve the availability of skills data. Through these initiatives and other cross-industry working groups, we are working to bring the sector and supply chain together, facilitating a coordinated approach to skills and labour demand and future availability.

## Investing in our talent pipeline

Our early careers programmes remain a key focus, with £22.8m invested in graduates, apprentices, trainees and

partnerships that promote social mobility. These programmes create opportunities to join the industry at a range of levels. We also connect with our future talent pipeline at an early stage through internships, work experience and STEM outreach, engaging the next generation of employees delivering STEM outreach and supporting individual development to build a more diverse workforce.

In 2025/26, we centralised external skills and early careers activity into one team, helping us to align priorities, maintain our focus on impact and forge stronger partnerships as a Group.

This approach is already helping us to accelerate progress and respond more effectively to sector-wide challenges.

Highlights of our talent pipeline and STEM activities are provided in the adjacent pull-out box.



## Wired Through Time: Sharing knowledge across generations

In December 2025, the Heritage team launched Wired Through Time, an intergenerational event bringing together current and retired SSEN Transmission employees. The initiative created a forum for sharing knowledge and experience between those who helped build and operate the Highland Grid and those shaping its future.

Through storytelling and open dialogue, employees explored themes of pride in our heritage, commitment to innovation, and custodianship for future generations. The event reinforced that today's network is built not only on technology, but on decades of expertise, teamwork, and ingenuity.

Retired employees shared their valuable knowledge of working in challenging terrain, including how teams managed access, weather disruption, fault response and the practical realities of building and maintaining remote infrastructure.

In 2025/26:

**213**

people in our graduate programme, including 82 new joiners (2024/25: 328/141)

**463**

people on the apprenticeship programme (2024/25: 445)

**131**

people on the Trainee Engineer Programme (2024/25: 138)

more than

**360**

STEM activities for over 33,000 young people delivered by our employees (2024/25: 430/40,000)

**4,677**

young people engaged through SSE-funded STEM initiatives delivered by partners (2024/25: 1,603)

## Engaging with employees

We engage with employees and trade union representatives through different forums to understand what matters to them, strengthen our culture, and respond in ways that support our people and business.

### Learnings from our all-employee survey

Our annual employee engagement survey provides important insights into employee sentiment and the health of our culture, gathering employee views on a range of topics including inclusion, safety, strategy, ethics and trust in senior leaders.

The 2025 survey saw a strong response rate, with 85% of employees sharing their views. Feedback showed strong positive views towards our safety culture, wellbeing and flexible working. The results also highlighted the impact of organisational change during the year, as SSE progressed the Group Operating Model and Efficiency Review. While participation was high, the sustainable engagement index fell to 78% (2024: 86%) and we saw a relative decline across all scores compared to last year, with employees citing uncertainty caused by efficiency work as a key concern.

We are using the insights from the survey to inform targeted action plans at Group and Business Unit level to strengthen engagement and enhance the employee experience.

### Working with trade unions and employee representatives

We provide a fair and decent working environment for all employees, whether on personal or collectively negotiated contracts. Our four recognised trade union partners - Unite, Prospect, Unison and GMB - engage with us through the principal forum, the Joint Negotiation and Consultation Committee (JNCC). Employees not covered by collective bargaining agreements are represented through the Personal Contract Forum. During 2025/26, we worked closely with the JNCC and sub forums to support information sharing and engagement

on efficiency-related organisational restructures. This included extended collective consultation involving more than 1,200 employees.

As part of the organisational restructures, we appointed over 700 potentially affected employees into roles within the new structures, or redeployed them into alternative roles, helping us retain valuable experience and skills across our diverse business areas. Where employees left the business due to redundancy, we were able to accommodate most preferences and requests, resulting in more than 90% of redundancies arising from the efficiency

review being made on a voluntary basis. Throughout this period, we continued engagement with trade union partners on core areas such as safety standards and employment policy development. We continue to work with trade unions through the Policy Review Group to prepare for changes arising from the Employment Rights Act 2025.

In keeping with our commitments to transparency and the right to freedom of association, we monitor the percentage of UK and Ireland employees covered by collective bargaining agreements (48.5% at 31 March 2026 / 46.4% in March 2025).



1 SSE's eight Belonging Communities are: Ethnicity and culture, Gender balance, Working families, LGBTQIA+, Menopause, Armed forces, Disability, Neurodiversity and Chronic Health and Health and Wellbeing. Overall membership at 31 March 2026 was 4,842, up from 4,450 in March 2025.  
2 Data is collected on SSE's HR data reporting system. Gender information is captured from legal documentation at employee onboarding and recorded in SSE's HR data system, which maintains a 100% completion rate. In instances where employees transitioned after joining, the gender field on the HR data system is changed upon receipt of a formal employee request. Wider diversity data is based on an overall employee diversity disclosure rate of 2025/26: 77.5% and 2024/25: 76.7%.  
3 Our disability ambition has been increased from 8% in previous years.

## Building an inclusive team

Our Inclusion and Diversity strategy IN, ON, UP drives lasting change by bringing talent into SSE, building a culture where people choose to stay, and ensuring fair progression.

The strategy is focused on four areas: Ambition; Education and Development; Inclusive Processes; and Employee Voice. As we navigate a changing external environment in a sector shaped by historical underrepresentation, our commitment to inclusion and diversity remains resolute. We will continue to take action to help address the challenges that the energy sector has in attracting diverse candidates.

More about our Inclusion and Diversity Strategy, action plans and initiatives can be found at [sse.com/inclusion](https://sse.com/inclusion) and in the Annual Report 2026.

### Progress against our inclusion and diversity ambitions

SSE's all-workforce diversity ambitions enable us to monitor workforce composition across a broad range of metrics. These ambitions, and performance for 2025/26, are shown in Table 4. While representation has improved consistently across all groups in recent years, this year's more varied data reflects less overall recruitment, a higher proportion of internal appointments, and increased turnover.

#### Raising the bar on disability

Disability representation reached 15.6% in 2025/26, surpassing our original 2030 target of 8%. To reflect this progress, we have reset our ambition to 16%, guided by external benchmarking and an Inclusion and Diversity maturity assessment.

We continue to drive progress by embedding inclusive behaviours across core business activities through the delivery of policies, intersectional action plans, and continuous improvements aligned to the four pillars of our Inclusion and Diversity Strategy. Through our eight Belonging in SSE communities, we listen to and engage with employees on a range of diversity issues<sup>1</sup>. We remain focused on increased diversity disclosure to help us better understand representation across our workforce.

We also set stretching diversity ambitions for senior leadership that are aligned

Table 4: Workforce diversity ambitions<sup>2</sup>

Employee representation	Ambition	Ambition year	31 March 2026	31 March 2025
Women	33%	2030	31.4% 10,100 men/ 4,622 women	31.6% 10,185 men/ 4,695 women
Disability	16% <sup>3</sup>	2030	15.6%	14.5%
Ethnic minority	15%	2030	11.4%	11.2%
LGBTQIA+	8%	2030	4.2%	4.3%

### Supporting colleagues to work, learn and focus at their best

We recognise that people work, learn and process information in different ways. In SSEN Transmission, we have been piloting an Individual Support Plan (ISP) to create a more inclusive and effective working environment.

The ISP is a voluntary, employee-owned tool that enables conversations between employees and their managers about what helps them perform at their best. It provides a simple, consistent way to identify practical adjustments, giving employees choice and control over what they share, without requiring disclosure of personal or health information.

**"Launching the Individual Support Plan is a meaningful step forward for SSE. This approach recognises that there's no one-size-fits-all way of working and creates a simple, consistent way to**

**shape what support looks like. When used alongside awareness tools such as the DNACH interactive eBook with its learning cards, this will help build a more joined-up, inclusive experience where support is understood and enabled."**

**Benjamin Hardiman,**

Release Manager (Energy Customer Solutions) and Disability, Neurodiversity and Chronic Health (DNACH) steering group member.

The pilot, involving managers, apprentices and trainees, has improved consistency in how adjustments are identified and applied, helping to embed more inclusive day-to-day ways of working. Positive feedback is informing plans to roll out the ISP across the Group in September 2026.

with best practice. Details of these ambitions and performance for this year can be found on page 52 of the Annual Report 2026.

### Our pay gaps

In 2025/26, our median gender pay gap remained broadly stable at 11.9% (11.5% in 2024/25). This small year-on-year change reflects lower external recruitment and a higher proportion of internal mobility as a result of organisational restructures. Both these factors reduced opportunities to recruit new, diverse talent, including at senior levels.

Over the longer term, we have reduced the median pay gap from 18% in 2022 reflecting sustained action to improve gender representation and support progression for women across our business.

Our UK gender and ethnicity pay gaps for 2025/26 are reported in full at [sse.com/inclusion](https://sse.com/inclusion) along with our inclusion and diversity action plans. We will publish our Ireland Gender Pay Gap Report 2026 later in the year, in line with the Irish Government requirements.

# Empowering communities

We are committed to working with communities to build their capacity and leave lasting, positive legacies for the local areas we work in. Alongside our community investment programme, we use our scale to advocate for improved policy and practice on community investment nationally and across the energy sector.

## Creating social value as we build our energy infrastructure

### Championing the Highland Social Value Charter

In November 2025, SSEN Transmission became the first company to sign up to the Highland Social Value Charter. By signing the Charter, we have committed to deliver key social value benefits for Highland communities through SSEN Transmission's £22bn programme of infrastructure investment, subject to planning consent.

These benefits include jobs, new housing, contracts for local businesses, and investment in roads and infrastructure. This will deliver long-term socio-economic value and create opportunities for more people to live and work in the region.

Our commitment to the Charter supports our place-based approach to a fair transition, helping ensure that the Highlands, an area at the heart of the energy transition, share in the opportunities it presents.



### Leaving a housing legacy

In 2024/25, SSEN Transmission committed to enabling the delivery of more than 1,000 new homes across the north of Scotland, supporting essential local infrastructure communities depend on.

The housing will accommodate our workforce and the majority will then become affordable and social housing. This will unlock wider economic opportunity and ultimately address housing shortages across the region.

### Key benefits under the Highland Social Value Charter:

**£1.8bn**

of contracts for local businesses

**+£200m**

spending on roads and bridges

Development of

**500**

permanent homes supported

### Key housing milestones over 2025/26

- Nov 2025** **First housing agreements signed** for delivery of nearly 100 homes in the Western Isles and 47 in Angus.
- Dec 2025** **Largest housing agreement to date signed** for nearly 300 homes across Aberdeenshire, the Highlands and Moray.
- Feb 2026** **New partnership announced with Highland Council** to refurbish 18 vacant properties in Wick into energy-efficient homes.

## Scaling up community investment

### Our community investment funds

Our community investment funds have been in operation for nearly three decades and now support over 300 communities across the UK and Ireland. Through the funds, we work with local partners to create long-term social and economic value.

Total community investment increased from £16.3m in 2024/25 to £24.9m<sup>1</sup> in 2025/26, largely driven by the first awards from the new Generation Green and Yellow River funds in Ireland, alongside significant growth in established funds such as the Viking Community Fund. This exceeds the ambition of awarding at least £10m a year set in 2024 as one of our 10 KPIs measuring progress towards a just transition. From 2026, we are doubling that ambition to at least £20m, reflecting the scale of growth in our programme.

The full list of Just Transition KPIs can be found on page 47.

Our 2025/26 funding split by Business Unit can be seen in Table 5. We also publish an annual review of our community investment funds outlining how we support the local communities which host our assets. It provides detail of every project which receives a grant from our funds and the 2026 review will be available at [sse.com/sustainability](https://sse.com/sustainability) later in the year.

### Leading the way in Ireland

In 2025/26, SSE Airtricity made the first awards from the Generation Green Community Fund. Reflecting stakeholder priorities, the fund focuses on practical community solutions on climate, biodiversity, education and community resilience. 56 projects have been funded including Grow It Yourself, a social enterprise which supports communities throughout Ireland to cultivate their own food and develop a deeper awareness of its origins.

Alongside funding, the Generation Green programme supports communities with social and economic capacity-building, innovation and collaboration. By coupling financial investment with wider support, SSE Airtricity maximises impact and has positioned itself as a leader in sustainability action across Ireland.



Table 5: Community investment highlights from across our business in 2025/26

Business Unit	Investment	Key achievements
SSE Renewables	£17.1m	<ul style="list-style-type: none"> <li>Launching the Yellow River Community Fund, our first fund under Ireland's Renewable Electricity Support Scheme (RESS) and capacity building 20 projects in County Offaly.</li> <li>Supporting 81 community energy projects including a community owned micro-grid on Fair Isle.</li> </ul>
SSEN Transmission	£3.0m	<ul style="list-style-type: none"> <li>Investing in 14 legacy projects from the SSEN Transmission Regional Fund.</li> <li>Launching the Eastern Green Link Community Fund and supporting 13 projects in Aberdeenshire.</li> </ul>
SSE Airtricity	£4.0m	<ul style="list-style-type: none"> <li>Supporting 56 projects through the Generation Green Community Fund, our first community fund that operates across the island of Ireland.</li> </ul>
SSEN Distribution	£0.7m	<ul style="list-style-type: none"> <li>Supporting 37 communities to build climate resilience and 20 communities to transition to a clean energy future through the SSEN Distribution Powering Communities to Net Zero Fund.</li> </ul>
SSE Thermal	£0.1m	<ul style="list-style-type: none"> <li>Supporting communities and stakeholders to redevelop six community funds focusing on increased value and impact.</li> </ul>

1 A narrower definition of community investment has been externally assured for the purposes of sustainable finance. In 2025/26, SSE awarded £20.8m<sup>(a)</sup> through its voluntary community investment funds. This excludes community investment funds required by regulation or in SSE's regulated businesses.  
 (a) This data has been extracted from the SSE plc Annual Report 2026 where it is subject to external independent limited assurance by Ernst & Young LLP ('EY'). For the results of that assurance, see EY's assurance report and SSE's Sustainability Reporting Criteria 2026 on [sse.com/sustainability](https://sse.com/sustainability).

## Championing a fair transition

### Advocating for communities in a clean energy future

SSE takes part in the Review Advisory Groups for UK and Scottish Governments' consultations on community benefit, ensuring that our expert knowledge and practical experience inform national guidance. We welcome the balanced approach set out by the UK Government, recognising the need to maximise both community value and commercial viability. This aligns with key principles we have championed, including community-led decision making, mandatory transparency, investment in capacity building, and clear national guidance.

We also welcome the updated Scottish Government Good Practice Principles for Community Benefits from Onshore Renewables Energy Developments with technology-specific guidance and a focus on continuous improvement and transparency. We continue to advocate for consistent funding levels across the UK and we look forward to turning these ambitious policies into real benefits for communities.

### Supporting community capacity

There is a growing national focus on community capacity and wealth building, which shifts community benefit from short-term spend to long-term outcomes. Capacity building strengthens governance, improves project design and supports more inclusive decision making, ultimately helping communities secure lasting social value from major investment.



### A community investment milestone at Clyde Wind Farm

Clyde Wind Farm, one of Europe's largest operational onshore wind farms, has now delivered over £20.8m through local and regional community benefit funds since 2012. The funds have supported more than 1,000 projects across Scotland's southern uplands, helping to improve community assets and services for those living closest to the wind farm.

The funds focus on local priorities and decisions are made by local people for their communities. This approach has ensured that while the funds address immediate needs for community services such as village shops, longer-term priorities including housing and skills development are also addressed.

This year our capacity building initiatives included a networking event for 24 south of Scotland communities, peer learning for 15 community development agencies, a community wealth building collaboration in South Lanarkshire and hosting development sessions for the

County Offaly community, ahead of the first funding support from the Yellow River Community Fund. Through our funds, we supported 214 new or retained community jobs, including seven apprenticeship schemes to ensure community capacity for the future.



# Protecting our natural environment



Our approach to nature	42
Protecting and enhancing the environment	43
Connecting people with nature	44
Contributing to research and innovation	45
Managing environmental impacts	46

Nature is an essential consideration in the delivery of our clean energy infrastructure. Our approach prioritises careful environmental management, habitat restoration and biodiversity net gain across the places where we operate.

### Our progress

During the year we continued to strengthen our approach, expanding restoration activity, deepening partnerships and improving how we measure nature-related outcomes. All in-scope projects met our ambition of having biodiversity net gain incorporated into design. We saw a slight increase in the number of serious environmental incidents, which we continue to monitor as we see increasing levels of activity to deliver our investment programme.

## 28

All in-scope projects have designed in biodiversity net gain

## 2.32 million m<sup>3</sup>

Total water consumed (2024/25: 2.51\* million m<sup>3</sup>)

\*The 2024/25 data for the 'Total water consumed' metric has been restated by 0.14 million m<sup>3</sup>, for further details see SSE's Sustainability Reporting Criteria 2026 on [sse.com/sustainability](https://www.sse.com/sustainability)



# Our approach to nature

We have a well-established approach to protecting nature, with a long history of working in remote and sensitive landscapes built on strong stakeholder relationships.

## An embedded approach

We operate across a wide range of environments, from upland landscapes and peatlands, to freshwater and marine habitats. As we deliver the infrastructure needed for the energy transition, we manage our interactions with the natural environment carefully. Our approach focuses on avoiding and minimising impacts, restoring habitats and delivering biodiversity net gain, supported by robust environmental management and alignment with evolving global frameworks.

Working with regulators, environmental partners, research organisations and local communities is central to the way we do things, helping to strengthen evidence-based decision making and ensure impacts are managed responsibly in practice. This is embedded across our operations through established management systems, governance and clear nature-related targets.

We use a structured environmental management system (EMS) to manage the environmental risks associated with our activities. The system sets out the controls and processes that apply wherever our operations interact with the environment, helping to ensure impacts are identified and managed consistently. This approach is embedded across the Group, with all SSE certified to ISO14001. Further information is available at [sse.com/sustainability](https://sse.com/sustainability).

## Our nature-related targets and progress

We have two nature-related targets for our onshore large capital projects in the UK and Ireland, focused on enhancing biodiversity and protecting native woodland.

Following on from our previous 'no net loss' in biodiversity ambitions, 2025/26 marks the first year of our Group biodiversity net gain (BNG) target for in-scope onshore large capital projects

### Nature-related frameworks

We look to independent frameworks to guide our work with nature, ensuring we keep up with best practice.

#### Global Biodiversity Framework

We are currently evaluating how our business can contribute to the Global Biodiversity Framework and its targets. There is clear alignment across many areas including priorities to protect and restore ecosystems and share benefits with local communities.

#### Nature-related disclosures

In 2025, we completed a TNFD-aligned LEAP assessment to identify and assess our impacts and nature-related risks and opportunities. We are analysing the results to inform our approach and future disclosures, while continuing to monitor developments in nature-related reporting frameworks. This includes the ISSB, which will shape the UK Sustainability Reporting Standards.



### For in-scope onshore large capital projects in the UK and Ireland:



**no 'net loss' of native woodland**

on those consented from April 2024 onwards

27 of 28 projects met the 'no net loss' of native woodland commitment



**'net gain' in biodiversity**

on those consented from April 2025 onwards

All 28 projects incorporated 'net gain' in biodiversity

in the UK and Ireland. All 28 in-scope projects incorporated BNG in design. For one project, SSEN Distribution incorporated BNG in design, which included native woodland where impact was unavoidable. This was achieved by enhancing existing offsite woodland

habitat. However, this did not meet 'no net loss' in native woodland measured by area, meaning 27 of the 28 projects met our 'no net loss' of native woodlands target.

# Protecting and enhancing the environment

We actively manage our environmental footprint, working carefully with stakeholders to maximise positive and minimise negative impacts.

## Working to protect habitats

SSE operates in some of the UK and Ireland's least populated places, home to a wide variety of valuable ecosystems and habitats. These landscapes play an important role for biodiversity, carbon storage, and water regulation, making careful management and restoration essential where our infrastructure is located.

### Peatland restoration

Peatlands play an important role in supporting biodiversity, water regulation and long term carbon storage. In recent years there have been major declines in the extent of blanket bog habitat in the UK, principally due to afforestation, drainage, burning and overgrazing. When peatland becomes degraded, it releases carbon into the atmosphere, rather than acting as a terrestrial carbon store.

Peatland is a key habitat in the areas in which our businesses operate, especially in the north of Scotland and Ireland. As part of our projects, we implement a variety of peatland management techniques to restore this habitat back to good health.



### Supporting landscape-scale peatland restoration

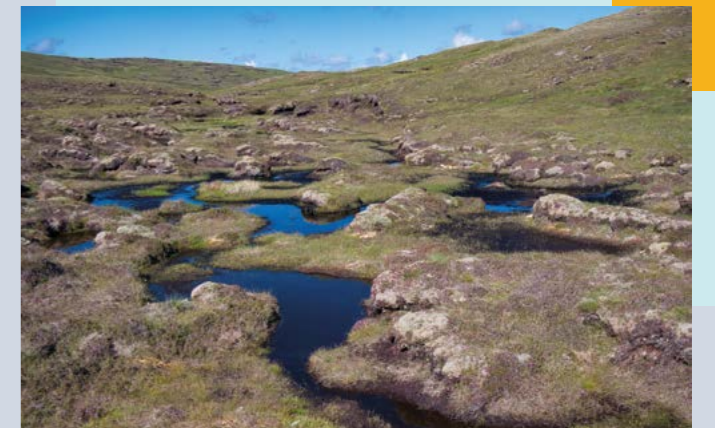
SSEN Distribution supports long-term peatland restoration by contributing to landscape-scale delivery through third-party partners. Through its work across Scottish and English regions, it has supported four peatland and high-carbon soil restoration projects.

This includes RSPB's Forsinard Flows peatland restoration at the Nam Breac reserve in the Flow Country of the Scottish Highlands, where SSEN Distribution has funded 95ha of restoration to date. The project focuses on restoring bog hydrology and stabilising water table levels, helping to improve water quality, reduce erosion and slow the degradation of existing peatland habitats. Over time, this contributes to more resilient landscapes, enhanced biodiversity and reduced carbon emissions from previously degraded peat.

### Partnering on peatland restoration training

SSE Renewables' Strathy South Wind Farm is currently under construction in the north of Scotland. Due to historic land use the peatland it is located on is badly degraded. SSE Renewables' is restoring 1,600ha of this peatland to improve the conservation value of the site and create a larger, connected restoration landscape.

In partnership with Peatland ACTION and NatureScot, SSE is delivering free training courses for contractors at Strathy South in forest-to-bog peatland restoration. By using the site as a training environment, the project supports practical skills development, addressing a national skills shortage, while delivering restoration at scale.



SSE Renewables actively manages peatland across a number of its operational wind farm sites and their associated Habitat Management Plan (HMP) areas in Scotland. Under its ED2 business plan, SSEN Distribution has committed to restoring 522ha of peatland across its licence areas over the five years to 2028.

Across the business we have restored c.2,300ha of peatland to date in the UK and Ireland, with commitments in place to restore a further c.3,100ha\*.

This work helps restore carbon stores, as well as providing benefits for biodiversity, such as food and shelter to a diverse range of wildlife.

\*Restored peatland defined as restoration works completed or in progress by 31 March 2026. Committed value represents peatland restoration yet to begin in relation to committed initiatives, projects in construction and consented projects. Figures represent restoration in relation to sites SSE currently owns and/or operates, as well as restoration delivered on third-party land through partnership projects. Includes livestock reduction and no burn policies.

## Connecting people with nature

We actively build awareness of biodiversity and conservation, encouraging employees and communities to connect with and value the natural environment.

Connecting with nature and having access to outdoor spaces can provide many benefits for people's physical and mental wellbeing. One way we enable this is through our community investment

funds. Over 2025/26, £1.4m was awarded to nature-related projects through the funds. In addition, our employee volunteering scheme allows employees to take one paid working day per year to

volunteer for initiatives that are important to them. Our employees dedicated over 100 days to nature-related projects over the year.



### Protecting marine life through volunteering

Our employee volunteering scheme can be a great way for colleagues to spend time protecting and enhancing the natural environment. Last year through the scheme, one of our colleagues helped out the British Divers Marine Life Rescue seal hospital in Cornwall during the winter pupping season, supporting the care and rehabilitation of grey seal pups. This is a particularly challenging period, as storms and rough seas increase the risk of pups being injured

or separated from their mothers.

Working alongside specialist staff and volunteers, the placement supported day-to-day operations at the hospital and the care of injured, sick, or orphaned seals. The experience provided first-hand insight into the pressures facing marine wildlife and the important role that conservation organisations play in protecting coastal ecosystems and supporting animal welfare.

### Supporting community action on nature

SSE Airtricity's €5m Generation Green Community Fund is designed to help communities deliver practical local projects that support biodiversity, learning, and climate resilience. One of the projects supported through the fund is the Burrenbeo Trust's Hare's Corner – an initiative that helps landowners make more space for nature through creation of habitats and provision of bespoke 'Plans for Nature'.

In 2025, the project implemented around 1,450 biodiversity actions and engaged with over 1,000 participants across Galway, Limerick, Sligo, Offaly, Carlow and Meath, with further actions across more counties planned for 2026. Each participant plays a direct role in restoring nature locally, collectively contributing to genuine, landscape-scale change that supports Ireland's commitment to reversing biodiversity loss.



## Contributing to research and innovation

Evidence based approaches are essential for effective biodiversity management, which is why we contribute to research and build knowledge to support stronger environmental outcomes.

SSE contributes to nature-related research by working with academic and industry partners to build evidence on ecosystem impacts and restoration. In many cases the information we gather contributes to national knowledge bases and our research is especially important as we work increasingly in understudied environments, such as marine habitats. Through this we share best practice and use research insights to inform biodiversity management, restoration activities and long-term, nature positive infrastructure decisions.



Image credit - Alasdair O'Dell

### Advancing research into the marine environment

Recognising the growing pressure placed on marine environments by offshore infrastructure, SSEN Transmission is supporting research to build the evidence needed to inform effective marine restoration.

Enterprise, which delivered critical insight into seagrass and native oysters – two foundational species vital to coastal health and marine biodiversity. These reports outline the state of play for these two keystone species in UK waters, which have both declined significantly over time, including an overview of the current restoration

efforts, techniques and research gaps. They also highlight the key areas and opportunities that, if resolved, can facilitate the success of restoration initiatives for seagrass and native oysters to help protect and enhance marine biodiversity.

In 2025, it published two research led studies in collaboration with SAMS



### An innovative approach to peatland monitoring

As companies work to deliver BNG at scale, there is an increasing need to explore innovative technologies that can complement or reduce reliance on traditional, resource-intensive survey and monitoring methods – particularly in large, remote areas. SSE Renewables is piloting plant-powered monitoring technology at Galway Wind Park and Strathy South Wind Farm to improve understanding of peatland conditions and inform long-term management.

In 2025, a small number of Plant-e SensorSticks were installed across the wind farms. The self-powered devices generate electricity from plant-soil interactions, enabling continuous monitoring of water levels and ground conditions without batteries or frequent site visits. Data is transmitted remotely via satellite, supporting long-term monitoring in exposed and remote locations and strengthening evidence-led decision-making as onshore infrastructure develops.

# Managing our environmental impacts

To reduce our impact, we monitor and manage environmental performance across emissions to air, water use and environmental incidents.

## Water use

Water is an essential resource for our operations, particularly as a source for power generation in hydroelectric plant and as a coolant in thermal power stations. As a shared resource, water must be used responsibly and sustainably for our business, local communities and ecosystems. None of our generation assets are located in water-stressed areas.<sup>1</sup>

thermal assets which fell to 505 million m<sup>3</sup> (2024/25: 545 million m<sup>3</sup>). Total water consumption remained stable year-on-year.

Our Peterhead Power Plant in Scotland is one of the main contributors to water abstraction from our thermal assets due to its 'once through' cooling system. A reduction in output of around 23% from Peterhead, compared to 2024/25, was a significant driver of the downward trend for water abstraction.

due to Lerwick Power Station needing to meet increased demand, as other fossil generation sources on the island were unavailable.

In previous years, SSE disclosed data for particulate matter (PM10) and mercury emissions from thermal generation plant, above a de-minimis threshold of 10 tonnes and 1kg respectively. In 2025/26, no plant produced emissions above those thresholds, and therefore were considered immaterial in terms of impact.

## Environmental incident performance

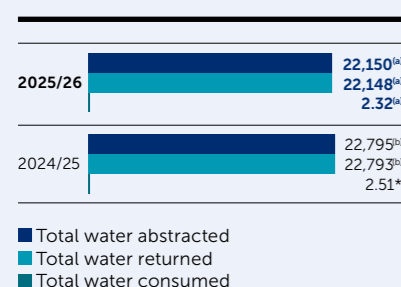
While we work to reduce the risk of environmental incidents, they can still occur. When they do, we act promptly to contain impacts, investigate causes and put measures in place to prevent recurrence, working constructively with environmental regulators where needed.

In 2025/26 we had one major environmental incident and saw our serious environmental incidents rise slightly to 29 (2024/25: 0 and 27 respectively). This is within the performance expectation we set for the year which was 32 serious and major environmental incidents. Our minor environmental incidents fell to 72 over 2025/26, compared to 88 last year.

We remain focused on reducing environmental incidents, particularly as we see increased activity related to delivering our investment programme. Over the year, we improved environmental guidance and requirements across all contracts and have developed enhanced environmental training for roll-out during 2026/27.

Our diesel-fired Lerwick Power Station on Shetland, operated by SSEN Distribution and supplying electricity since the 1950s, accounts for the majority of our NO<sub>x</sub> and SO<sub>2</sub> emissions. As outlined in Figure 8, last year we saw an increase in these emissions, driven by several factors, including a 31% increase in output from Lerwick Power Station compared to the previous year. This increase in output was

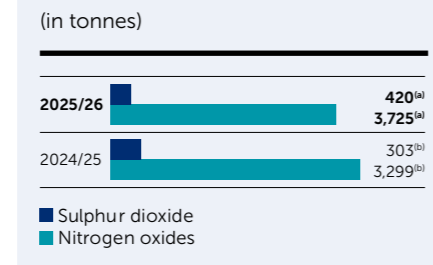
**Figure 7: Water performance** (in million cubic metres)



As outlined in Figure 7, last year our total water abstraction slightly reduced to 22,150 million m<sup>3</sup>, compared to 22,795 million m<sup>3</sup> in 2024/25. The vast majority of the water we abstracted this year, 98%, was used in our hydro generation operations. The volume of water passing through our hydro plants fell by 3% compared to the previous year. Although this water is technically recorded as abstracted, it is channelled through turbines to generate electricity and is returned to the environment almost immediately, resulting in minimal environmental impact.

Excluding hydro operations, our total water abstraction decreased by 7%. This was driven by a drop in water abstracted for electricity generation from our

**Figure 8: Air emissions performance** (in tonnes)



1 As defined by the relevant environmental regulators in the jurisdictions where SSE's assets are located.

(a) This data has been extracted from the SSE plc Annual Report 2026 where it is subject to external independent limited assurance by Ernst & Young LLP ('EY'). For the results of that assurance, see EY's assurance report and SSE's Sustainability Reporting Criteria 2026 on [sse.com/sustainability](https://www.sse.com/sustainability).

(b) This data has been extracted from the SSE plc Annual Report 2025 where it is subject to external independent limited assurance by Ernst & Young LLP ('EY'). For the results of that assurance, see EY's assurance report and SSE's Sustainability Reporting Criteria 2025 on [sse.com/sustainability](https://www.sse.com/sustainability).

\*The 2024/25 data for the 'Total water consumed' metric has been restated by 0.14 million m<sup>3</sup>, for further details see SSE's Sustainability Reporting Criteria 2026 on [sse.com/sustainability](https://www.sse.com/sustainability).

# Appendix

This table outlines the basket of KPIs which SSE uses to track progress against its Just Transition Strategy. Performance is provided for the last two financial years.

KPI	Unit	2025/26	2024/25	
<b>PILLAR 1: Principles for good, green jobs</b>				
1	Monitor trends in employee satisfaction across a range of measures through the Great Place to Work Survey including, wellbeing, reward, safety, and inclusion <sup>1</sup>	%	Sustainable engagement index: 78 Work-life balance: 84 Reward: 58 Safety: 91 Inclusion and Diversity: 86	Sustainable engagement index: 86 Work-life balance: 88 Reward: 67 Safety: 93 Inclusion and Diversity: 90
2	Monitor annual change in total SSE employee headcount <sup>2</sup>	Number	(622)	989
3	Employee diversity profile and 2030 targets: Gender (33%), ethnicity (15%), disability (16%), and LGBTQIA+ (8%) <sup>3</sup>	%	Gender: 31.4 Ethnicity: 11.4 Disability: 15.6 LGBTQIA+: 4.2	Gender: 31.6 Ethnicity: 11.2 Disability: 14.5 LGBTQIA+: 4.3
<b>PILLAR 2: Principles for consumer fairness</b>				
4	SSEN Transmission: achieve the advanced stage of the Accountability Stakeholder Engagement Maturity Ladder (AA1000SES) <sup>4</sup>	Rating	Transmission: Advanced rating	Transmission: Advanced rating Distribution: Advanced rating
5	SSEN Distribution only: onboard 100% of local authorities who express an interest in Local Energy Net Zero Accelerator (LENZA) tool, supporting them to develop and deliver effective whole system and net zero initiatives	%	100	100
6	SSEN Transmission only <sup>5</sup> : Capital investment in the north of Scotland transmission system, and energy <sup>6</sup> entering the system	£m TWh	1,717.6 / 19.3	953.5 / 19.0
<b>PILLAR 3: Principles for building and operating assets</b>				
7	Tier one suppliers categorised from medium low to high risk for human rights, assessed through EcoVadis	%	Medium low: 25.5 Medium high: 11.2 High: 0.0	Medium low: 26.4 Medium high: 13.2 High: 0.0
8	Monitor trends in total supply chain spend	£bn	6.5	5.6
<b>PILLAR 4: Principles for people in high-carbon roles</b>				
9	Monitor trends in the proportion of new recruits who have transitioned from high- to low-carbon roles	%	35	34
<b>PILLAR 5: Principles for supporting communities</b>				
10	Invest at least £20m <sup>7</sup> per year into local and regional projects through community investment activities	£m	24.9	16.3

1 Metrics for work-life balance, reward, safety and inclusion and diversity are based on scores for specific survey questions which do not change from year to year: Work-life balance: I am able to balance my work and my personal responsibilities; Reward: Regarding my total compensation (fixed pay, bonus/incentive, benefits), I think I am paid fairly for the work I do; Safety: My manager sets the right example when it comes to safety, health and environment (SHE); Inclusion and Diversity: I can be myself at work without worrying about how I will be accepted by colleagues.

2 Total headcount in 2025/26: 15,197 (2024/25: 15,819). Headcount data includes a small number of employees outside of the UK and Ireland and Envevo Ltd. Data excludes contingent and agency workers.

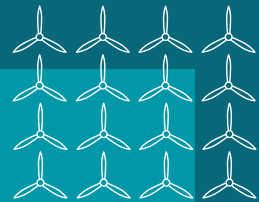
3 Gender information is captured from legal documentation at employee onboarding and recorded in SSE's HR data system, which maintains a 100% completion rate. In instances where employees transitioned after joining, the gender field on the HR data system is changed, upon receipt of a formal employee request. Disability ambition was previously 8%.

4 In previous years, a rating was reported for both SSEN Transmission and SSEN Distribution. From 2026, SSEN Distribution has replaced the annual external benchmark with an internal audit, alongside engagement scoring carried out through a triangulation process which is conducted up to three times a year.

5 These data are the key components involved for electricity transmission, recognising network investment enables renewable energy growth.

6 As methodology used for reporting electrical losses.

7 Previously £10m per year.



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