



# Powering tomorrow through inclusion

SSE plc Inclusion & Diversity Report 2023



## About SSE

SSE is a UK-listed energy company, a leading generator of renewable electricity and one of the largest electricity network companies in the UK. SSE develops, builds, operates and invests in low-carbon electricity infrastructure in support of the transition to net zero. This includes onshore and offshore wind, hydro power, electricity transmission and distribution grids, and efficient gas-fired generation, alongside providing energy products and services for businesses. SSE has interests across Great Britain and Northern Ireland, Republic of Ireland, Japan, Spain, Portugal, Denmark and Poland.

For more detail about SSE's strategy and its business activities, see [sse.com](https://www.sse.com)



### Aligning business and social objectives

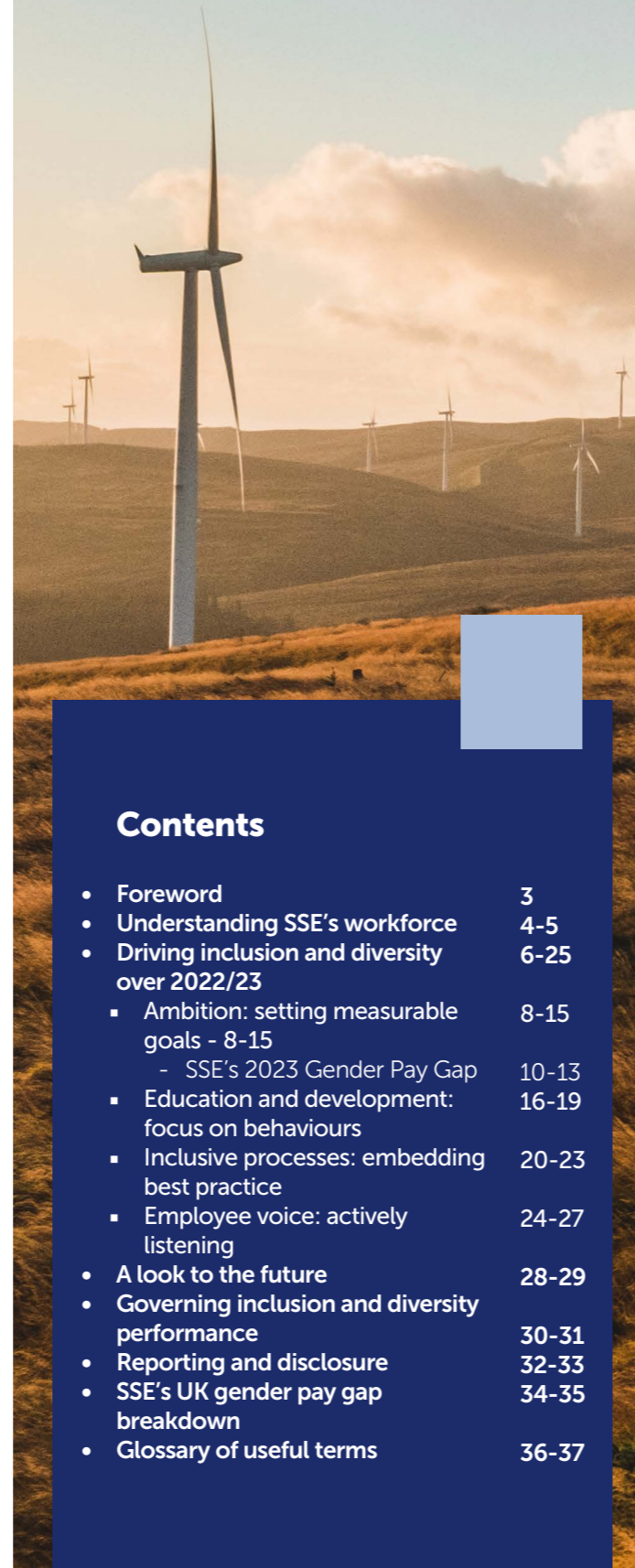
SSE has set four core 2030 business goals directly linked to the four UN Sustainable Development Goals (SDGs) most material to its business. SSE's 2030 Goals address climate change at their core and provide important milestones on the journey to net zero, placing sustainability firmly at the heart of SSE's business strategy.



## About this report

Reflecting a strategic focus on inclusion and diversity across the business and supply chain, SSE annually publishes an Inclusion and Diversity Report, providing comprehensive information on SSE's Inclusion and Diversity Strategy, progress made, and key performance indicators. This report represents SSE's performance over the period 1 April 2022 to 31 March 2023.

SSE pays close attention to the FTSE Women Leaders Review and the Parker Review. It also reports in line with the UK Corporate Governance Code, the relevant Disclosure Guidance and Transparency Rules, and the Companies Act 2006 on people matters. SSE discloses its UK gender pay gap according to the UK gender pay gap legislation, and the equivalent in Ireland. This report provides additional transparency around SSE's gender pay gap data, KPIs, and initiatives to reduce the gap and create a more inclusive culture that attracts and retains a diverse workforce. SSE welcomes feedback on this report and its approach to increasing inclusion and diversity. Please get in touch via [sustainability@sse.com](mailto:sustainability@sse.com)



## Foreword from SSE's Chief Executive

# Driving inclusion, powering change

There has never been a more exciting time to join the energy industry and help us power change – and never been a greater need for a diverse workforce to meet the challenges to deliver that change. Today, the need for diversity of thought in the workplace is no longer negotiable. The world is increasingly complex, and business leaders must make harder, more layered decisions that meet the needs of a diverse society. To deliver the transformative change needed for net zero, we need the innovation and creativity that only diversity of thought can bring.

**Inclusion and Diversity is an important element of reaching SSE's goal to 'Champion a fair and just energy transition', as a workforce needs to be diverse and inclusive to provide fair work.**

Creating an inclusive workplace where all voices are heard, all ideas are welcomed, and diversity celebrated is crucial. Over the past year, SSE continued to implement its well-established initiatives to encourage greater diversity across all levels of the business and also introduced new ones, including enhanced family leave policies. Its top-down, bottom-up approach has resulted in increased gender diversity at both senior and junior levels in the company in 2022/23, and combined with cost-of-living and skills-based pay reviews has resulted in the biggest year-on-year reduction in SSE's gender pay gap. SSE has also made progress towards its wider diversity targets, however, there is still much work to be done.

Good quality data is a significant contributor to the ability to understand our workforce and ensure we put the right initiatives and processes in place to drive positive change, as well as enabling us to measure and monitor progress. We have seen this with gender, where having full data has allowed us to understand our performance and put in place targeted initiatives to increase gender balance in

the workforce and steadily reduce the gender pay gap. However, wider diversity data which is self-disclosed voluntarily, continues to represent a challenge. Therefore, encouraging more employees to disclose their diversity data is a key focus for SSE over the next year.

This report is the second annual Inclusion and Diversity Report that SSE has published. It outlines the journey we've been on over the past year, how our approach to inclusion and diversity is performing against ambitions, and aims to share learnings from across the business that will hopefully stimulate conversations and be of use to others. It also details the next phase of SSE's Inclusion and Diversity Strategy, ensuring a continued focus on creating a more inclusive and diverse workforce, and holding ourselves to account for driving action against our four strategic pillars.

To ensure that everyone at SSE is well represented in this report, it was reviewed by members of the Belonging in SSE communities which cover a broad range of diversity at SSE. Feedback on the content of this report is welcomed and encouraged. You can get in touch by contacting [inclusion@sse.com](mailto:inclusion@sse.com).

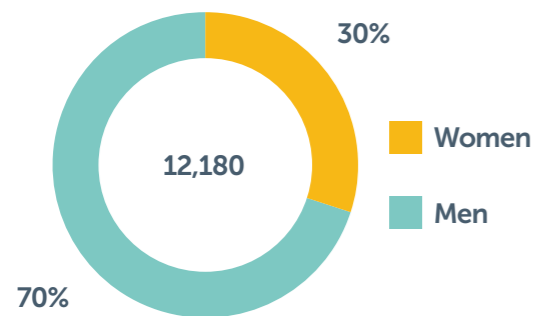
**Alistair Phillips-Davies**  
Chief Executive



# Understanding SSE's workforce

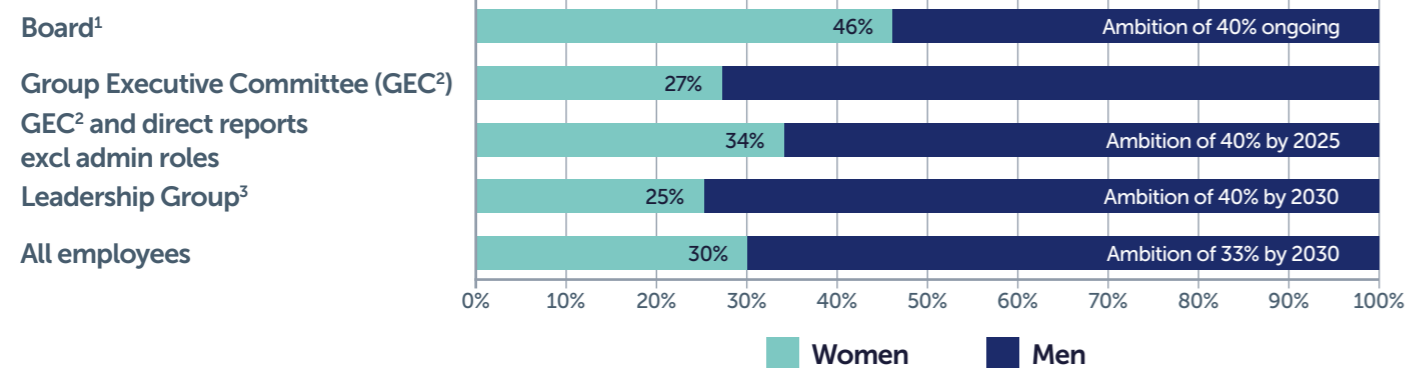
## Gender

### Total workforce



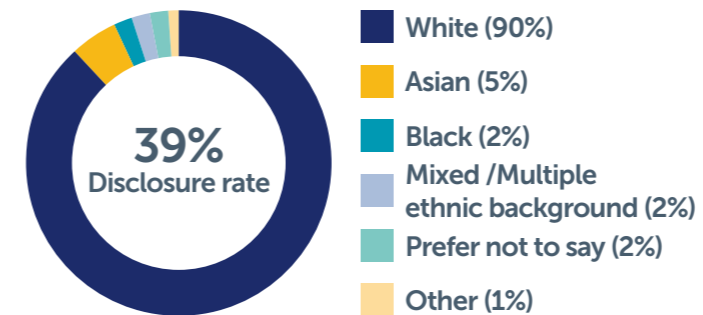
Internal and external hires  
**34% women**

### Women in leadership



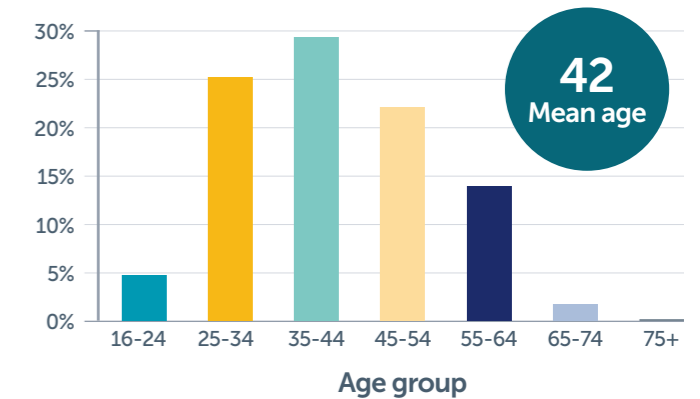
## Diversity

### Ethnicity Composition at SSE

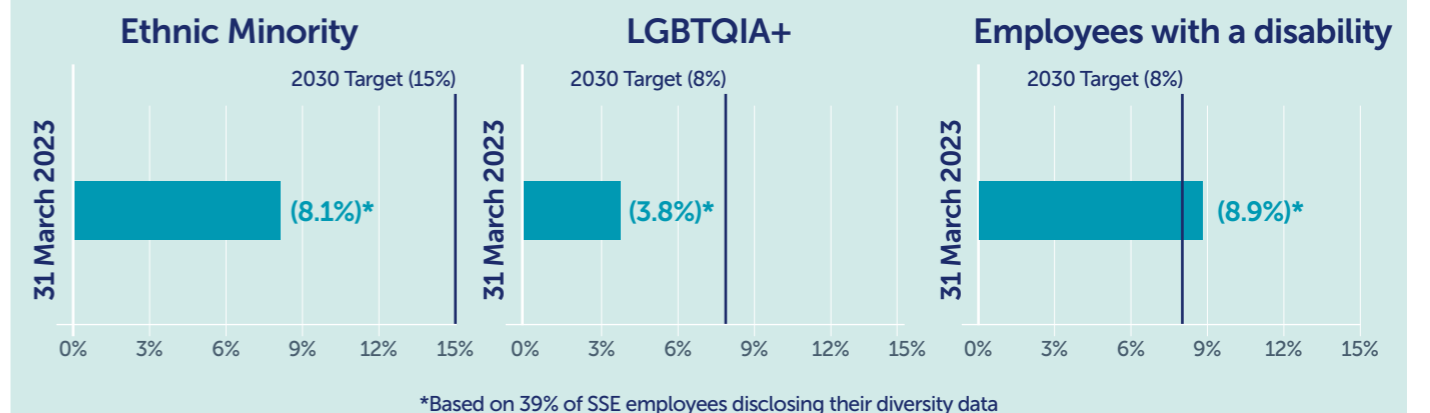


**39%**  
Disclosure rate

### Age distribution at SSE



## 2030 Ambitions and progress



<b>15.3%</b> Median UK gender pay gap	<b>14.7%</b> Median UK bonus gender pay gap
<b>12.1%</b> Mean UK gender pay gap	<b>44.3%</b> Mean UK bonus gender pay gap

<b>33%</b> Workforce target by 2030 	<b>Ambition of 40%</b> women in SSE's Leadership Group <sup>3</sup> by 2030 
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1. As at 31 March 2023 the Board comprised 7 men and 5 women.  
 2. In the context of gender reporting, the GEC includes all members of the GEC and the Company Secretary. This is the definition of senior managers in SSE for the purposes of s414C(8)(c)(ii).  
 3. Employees in SSE's senior level pay grades.



# Driving inclusion and diversity over 2022/23

The way SSE supports, engages, and includes its people has become more crucial than ever, if it is to attract and retain the diverse workforce required to deliver net zero. SSE is working towards becoming an employer of choice for all, ensuring every employee in the business understands the importance of diversity, creating a work environment that allows everybody to thrive, and providing support and a sense of belonging for everyone.

## SSE's inclusion and diversity strategy

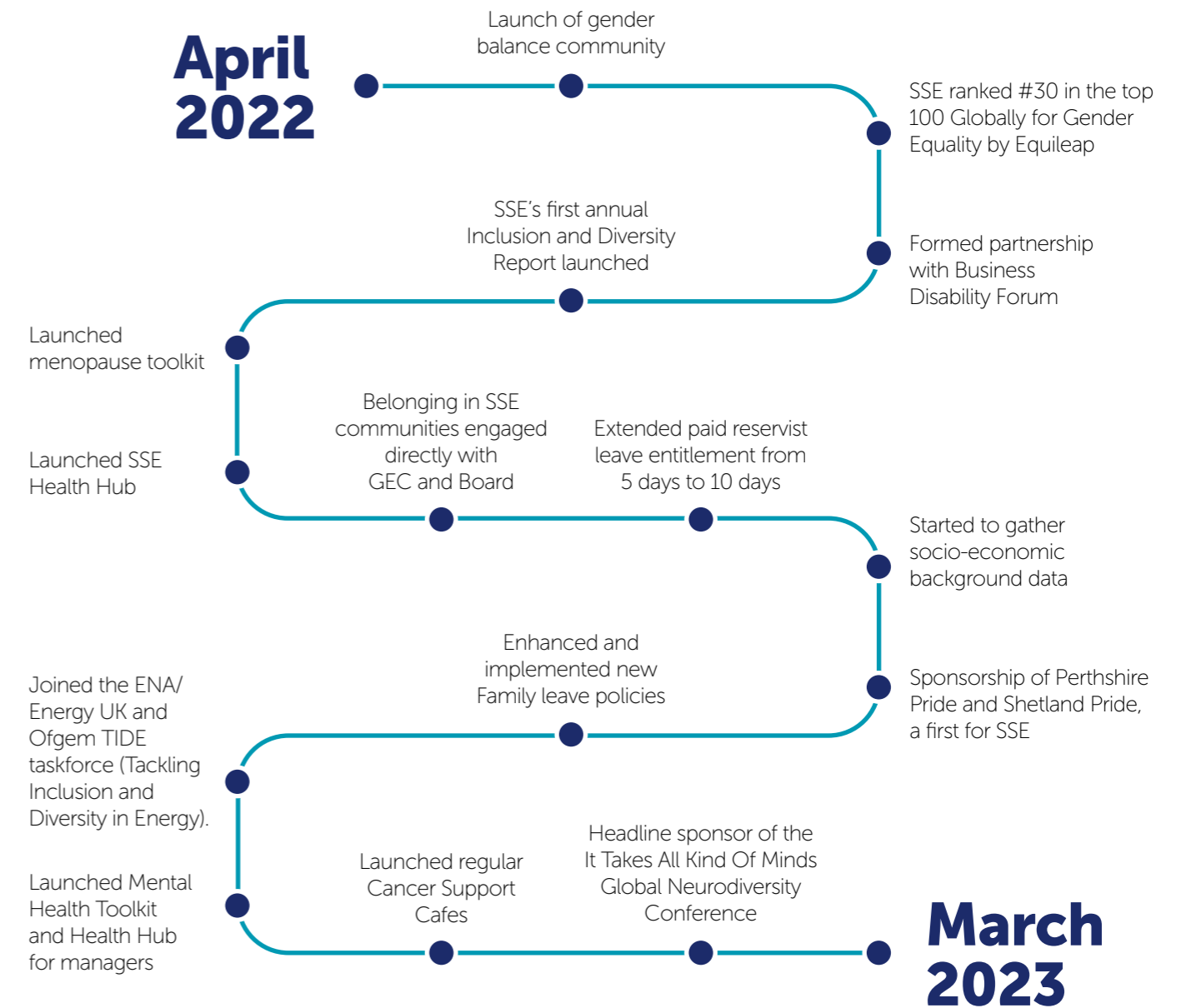
SSE's current Inclusion and Diversity Strategy, launched in 2021, builds from the inclusion and diversity initiatives that have run since 2014 to bring diversity into SSE, create an environment where everyone wants to stay on at SSE, and provides equal opportunities to move up the business. The Strategy involves four areas of focus: Ambition; Education and Development; Inclusive Processes; and Employee Voice. It focuses on inclusion for all by listening to underrepresented groups and their unique experiences,

to help shape and influence the actions needed to drive positive change across all levels of the business.


Delivery of the Strategy relies on engagement and effort from many in SSE, and has been informed through collaborating with external partners to identify opportunities for further improvement. Learnings from these initiatives will continue to develop the strategy further, over the next two years (see 28-29 for the next phase of the strategy).

<b>AMBITION</b>	<b>INCLUSIVE PROCESSES</b>
 <p><b>Setting measurable goals</b> Setting ambitions and KPIs, and using external benchmarking</p>	 <p><b>Embedding best practice</b> Ensuring policies and processes are inclusive to support everyone</p>
<b>EDUCATION AND DEVELOPMENT</b>	<b>EMPLOYEE VOICE</b>
 <p><b>Focusing on behaviours</b> Building leadership confidence and raising awareness for all to create an inclusive workplace</p>	 <p><b>Actively listening</b> Understanding what matters to employees to inform and shape the improvements needed</p>

## Progress over 2022/23



See SSE's full inclusion and diversity journey since 2014 on [sse.com](https://www.sse.com)



**Ensuring an inclusive and just transition:**  
In April 2023, SSE published 'Just transition: measuring progress', its third just transition report since the publication of its Just Transition Strategy in November 2020. Following continued consultation with a wide range of stakeholders, SSE sets out to demonstrate the impact its 20 principles for a Just Transition have had across the business, which specifically aim to promote a smooth, fair and just transition to net zero by disclosing progress against its Just Transition Strategy. Several key examples of engagement on the current way in which the just transition is viewed and which have helped shape SSE's future areas of focus are detailed within the report including principle four: Boost Inclusion and Diversity within the principles for good, green jobs which spotlights the impact of hiring for difference.



## Ambition: setting measurable goals

SSE sets itself stretching ambitions that align with best practice, against which it measures and monitors progress. SSE has been tracking progress against a wide range of diversity metrics within the business since 2015, as well as tracking workforce metrics such as leadership, attraction, recruitment, retention and progression.

### Progress against gender ambitions

In 2021/22, SSE simplified its gender reporting and set stretching gender ambitions in line with the FTSE Women Leaders Review. These are outlined in the table below and are approved by the Group Executive Committee (GEC) and Board-level Nomination Committee. Over 2022/23, progress has been made across the business, moving SSE closer to achieving its medium- and long-term targets. Following changes to the Board which took effect post 31 March 2023, female representation on the Board is currently 42%, which remains above the 40% Board Policy target. Full details of changes across membership and Nomination

Committee focus are set out on pages 115 and 142 to 149 of SSE's Annual Report 2023. The representation of women in the GEC and direct reports has increased from 22.4% at 31 March 2022 to 34% at 31 March 2023, representing maintenance of the progress disclosed in SSE's Annual Report 2022 and offering a strong platform for continued work towards the 2025 ambition of 40%.

SSE also reports on the representation of women across all management levels, junior management, and management positions in revenue generating functions. See SSE's Sustainability Report 2023 data tables for details.

Gender split of:	Ambition year	Ambition	31 March 2023	31 March 2022
			% Female (Male/ Female headcount)	% Female (Male/ Female headcount)
Board Group <sup>1</sup>	Ongoing	50%, with no less than 40% female representation	<b>46% (7/6)</b>	50% (6/6)
Group Executive Committee (GEC) <sup>2</sup>			<b>27% (8/3)</b>	25% (6/2)
GEC <sup>2</sup> and direct reports (excl. administrative roles)	2025	40% female	<b>34% (54/28)</b>	22.4% (45/13)
Leadership Group <sup>3</sup>	2030	40% female	<b>25% (812/274)</b>	23.7% (681/212)
All employees	2030	33% female	<b>30% (8,525/3,655)</b>	28.8% (7,658/3,096)

1. As at 23 May 2023, the Board has 42% female representation (seven men and five women), see page 149 of SSE's 2023 Annual Report for more detail.
2. In the context of gender reporting, the GEC includes all members of the GEC and the Company Secretary. This is the definition of senior managers in SSE for the purposes of s414C(8)(c)(ii).
3. Employees in SSE's senior level pay grades.



# SSE's 2023 gender pay gap

SSE is committed to providing open and detailed information about its gender pay gap. In 2016, SSE became the first FTSE company to publicly disclose this information. 2023 is SSE's eighth year of reporting its UK gender pay gap. In December 2022, SSE published its Ireland Gender Pay Gap in line with the Irish Government's methodology which was released in June 2022. SSE is continuing to encourage employees to voluntarily disclose their ethnicity, sexual orientation, and disability data, and has increased the disclosure rate to 39% over 2022/23 from 32% in 2021/22 (see page 14 for more details), and aspires to report more pay gap information when it has enough data to do this meaningfully and anonymously.

### What is the gender pay gap?

The gender pay gap is calculated at a total company level and aims to understand gender balance in relation to high paying roles, tenure, recruitment, and progression. It reflects the differences in the types of roles that men and women are carrying out and is calculated by looking at the difference between average hourly earnings of all male and all female employees.

Gender pay gap is not the same as equal pay, which is the difference in pay between men and women doing the same job. Equal pay is legally required under the Equal Pay Act 2010 which SSE adheres to. SSE has robust processes in place to review pay levels and job gradings, and carries out an annual review of performance ratings by gender. This ensures SSE has a fair and consistent approach to pay and performance for people of all genders and backgrounds.

### Mean pay gap

The mean gender pay gap is the difference between the average hourly earnings of men and women. It is calculated by summing the salaries of women and dividing this by the number of women. This is then repeated for men. The difference between the two answers is the mean gender pay gap.

### Median pay gap

The median pay gap is the difference between the middle salary of men and women in the business. It is calculated by lining up the women's salaries from lowest to highest and picking the middle salary. The same is done for men and then the two are compared to give the median gender pay gap.

Both methodologies are used in order to get a full picture of a company's gender pay gap as they both have benefits and challenges with representing workforce pay.

## SSE's 2023 progress

### UK gender pay gap

Median

**15.3%**

(2022: 18.0%)

Mean

**12.1%**

(2022: 13.2%)

### Workforce gender balance (M/W)

**70% / 30%**

(2022: 71% / 29%)

### UK bonus gender pay gap

Median

**14.7%**

(2022: 17.6%)

Mean

**44.3%**

(2022: 45.9%)

### Proportion of M/W receiving bonus

**32% / 29%**

(2022: 32% / 28%)



SSE reports against 11 individual legal entities in the UK, as well as its overall UK figures. At 5 April 2023, the SSE Group (UK) had a mean gender pay gap of 12.1% (2022: 13.2%) and a median gender pay gap of 15.3% (2022: 18.0%). While both the mean and median gender pay gap are the lowest since SSE began reporting in 2016, there is clearly more work to be done to close the pay gap.

The reduction in UK median gender pay gap between 2021/22 and 2022/23 has been driven by three main contributing factors:

- Interim cost-of-living pay increase:** in recognition of the cost-of-living pressures affecting its employees, on 1 October 2022 SSE brought forward part of its trade union negotiated cost-of-living increase for 2023, by awarding up to a 5% increase to all employees earning less than £100,000 annually. The structure of this pay award was to prioritise helping those on lower salaries who are most affected by the rise in living costs, therefore employees received either a 5%, 3%, or 0% increase depending on their salary, with those in the lower pay brackets receiving the highest percentage increase. At SSE representation of women is highest in the lower and lower-middle pay quartiles, resulting in a higher percentage of female employees receiving a 5%

pay award. The full impact of the 2022/23 pay award on SSE's gender pay gap will not be fully understood until the second part of the award is made for full-year in the first quarter of 2023/24 (backdated to 1 April 2023).

- Salary uplift for employees on Joint Agreement contracts:** SSE introduced a new skill-based Pay Progression model in 2021, which saw employees' salaries being mapped according to their skill-level. This resulted in many employees receiving salary uplifts, mainly those in the lower pay quartile. As SSE has higher female representation in this quartile, this meant a high number of women received a pay increase. Over 2022/23, the positive impact of this new pay model on the gender pay gap has continued with a slightly higher proportion of female employees progressing through the pay progression framework.
- Increasing representation of women in high-paid roles:** over 2022/23, women representation in high-paid roles, classed as those earning over £100,000 per year, has increased by over 100% from 25 to 53 female employees, compared to a 50% increase for male employees, from 145 to 217. Due to SSE's female population representing 30% of its workforce, changes such as these have an impact on the median pay gap.

## SSE's UK Gender Pay Gap 2019-2023

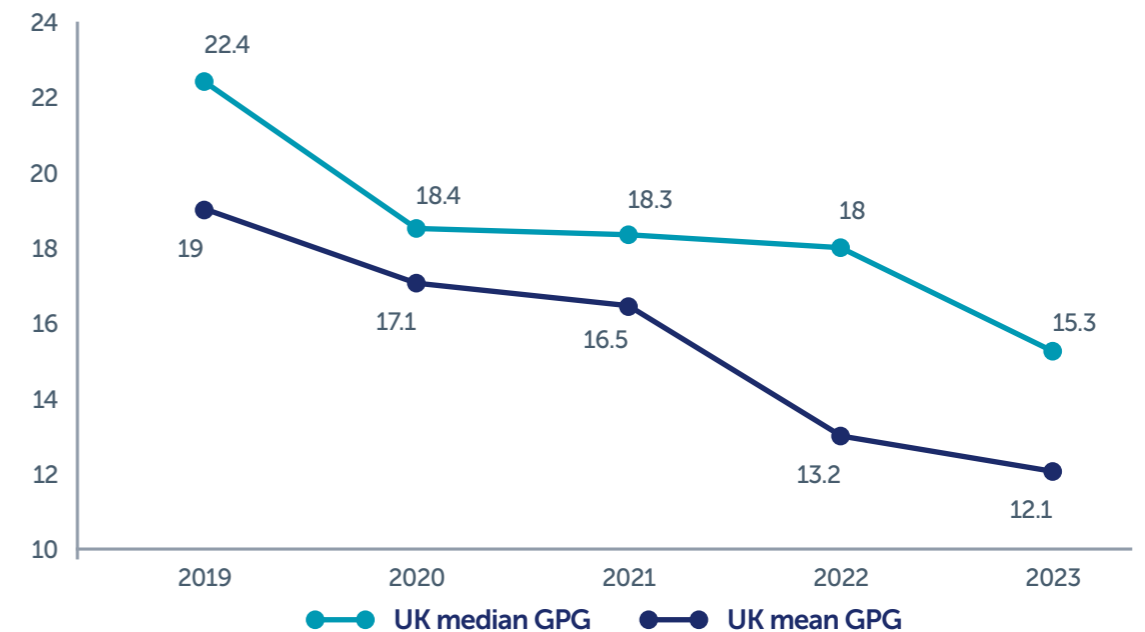


Table 1: SSE has been measuring its gender pay gap since 2016. The above table shows its gender pay gap from 2019, which is the earliest data SSE has which excludes SSE Energy Services which was sold to OVO Energy Ltd in January 2020. This sale resulted in a significant change in composition of SSE's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

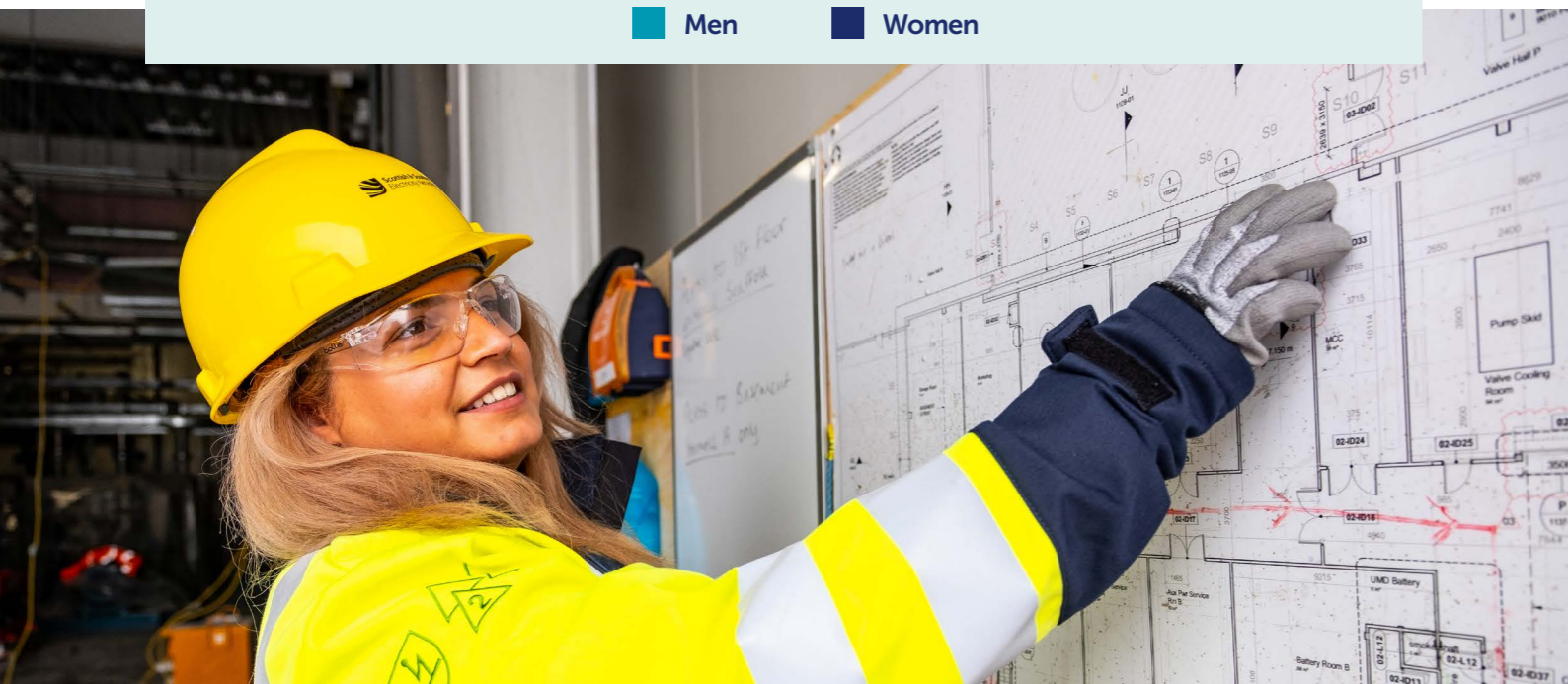
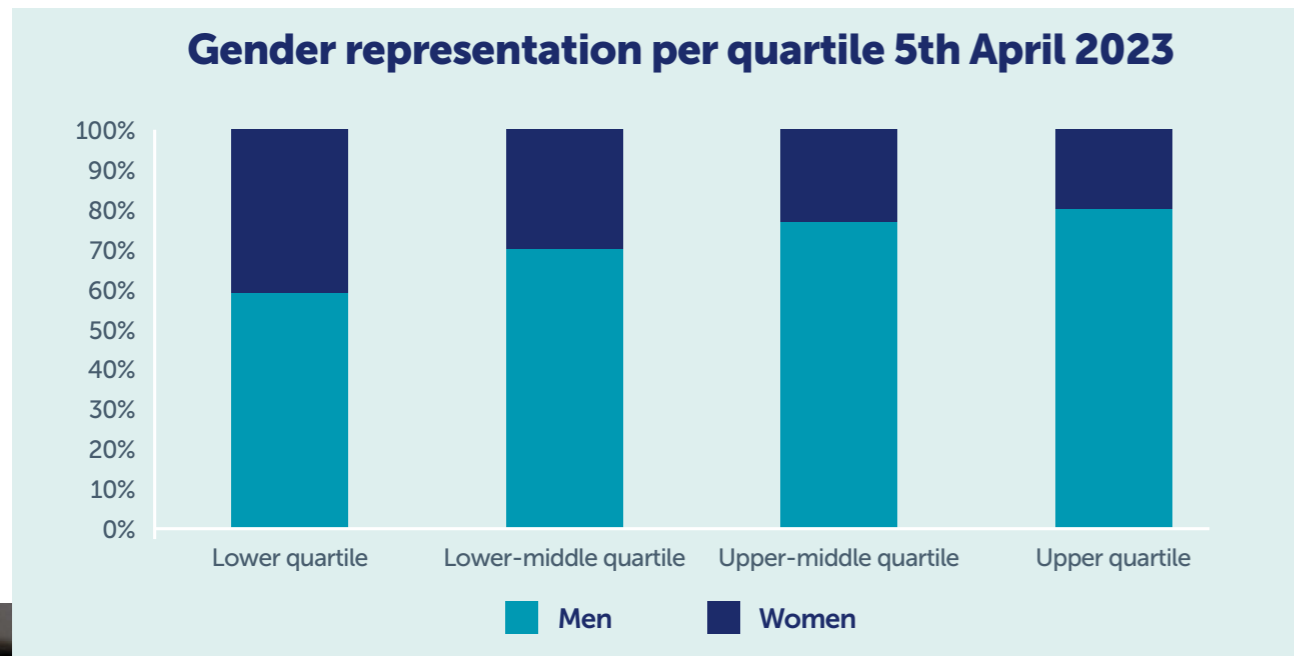
Between 2022 and 2023, SSE saw a positive trend in its UK bonus gender pay gap reducing from 17.6% at 5 April 2022 to 14.7% at 5 April 2023. SSE's bonus applies to a sub-set of employees and by its nature will fluctuate annually subject to corporate, business, and personal performance.

The main annual incentive arrangement accounts for around 60% of the total value of the bonus. A smaller and more senior population also participate in one or two of SSE's three longer term share arrangements which account for a further 25% of the overall value.

To ensure everyone at SSE is compensated fairly, SSE has moved to a new skills-based reward system, which will create a better opportunity for all employees to move through the pay scales as they acquire new skills.

SSE's approach to reduce its gender pay gap is embedded within its Inclusion and Diversity Strategy and initiatives are provided throughout this report. The full breakdown of 2023 gender pay gap data for UK statutory reporting can be found on pages 34-35.

SSE has voluntarily disclosed its Ireland Gender Pay Gap since 2021, calculating it in line with the UK Gender Pay Gap methodology, based on a snapshot date of 5 April. In December 2022, SSE disclosed its first set of Ireland gender pay gap data in line with the Irish Government's new mandatory gender pay gap requirements which launched in May 2022. This data is calculated using a 30 June snapshot and SSE will publish its 2023 Ireland gender pay gap disclosure later in 2023. More detail on SSE's 2022 Ireland gender pay gap can be found at [sse.com/sustainability](https://www.sse.com/sustainability).



## Enabling women into Tech

SSE has sponsored the Everywoman in Tech Forum and Early Careers Day since 2018 to increase awareness of the variety of tech roles in the energy industry and encourage more women to apply for these. Technology roles commonly have a low representation of women across the sector, and within this, roles which are challenging to recruit for generally face further difficulties increasing the number of women applicants.

In 2022, SSE sponsored the Apprentice Award category as part of the FDM Woman in Tech Awards. It broadened its sponsorship to support wider activities that identify and grow future talent and raise SSE's profile in the Tech community. This included the launch of an SSE Women in Tech

community, providing a safe space for SSE colleagues to share experiences and support each other.

SSE's available technology roles are not commonly known to graduates and the wider tech community, therefore, at the Everywoman in Tech Forum SSE hosted a panel session at an Early Careers Day event which provided information about careers at SSE and mentoring opportunities for graduates with the aim of increasing the representation of female talent in its growing IT team. The Chief Information Officer for SSE Thermal and EPM took part in a key panel session on sustainability and SSE's IT Portfolio Manager took part in a panel on 'Hot roles within IT'. SSE employees could join in person or

virtually, and through the Everywoman in Tech hub global platform, SSE shared materials and recordings of panel sessions on topics such as sustainability and technology, successful careers, burnout, and dyslexia. As male allyship was a key element of the event, all genders were welcome to attend. Following the event, delegates ran sessions to share learnings with colleagues that couldn't attend.

Sponsorship has been agreed for the Apprentice Award category for the next 3 years, including sponsorship of future events and the use of the tech hub platform, to recognise the importance of early careers talent and fulfil specialist IT roles.

**Wider diversity ambitions**

SSE tracks progress against a range of diversity metrics, including the proportion of ethnic minority, disabled, and LGBTQIA+ employees. Senior leaders focus on progress as part of broad internal inclusion and diversity quarterly ambitions, and these metrics are reviewed twice yearly by the GEC and the Board. SSE understands that transparency supports inclusion and diversity progress, and therefore is working to increase the proportion of employees disclosing their diversity data to SSE, so that it can improve external disclosure as it becomes feasible to do so.

Over 2022/23, SSE has developed its ethnicity pay gap analysis, in line with the UK Government guidelines published in April 2023. SSE is using this data for internal

analysis and aims to publish its ethnicity pay gap when disclosure rates are high enough to ensure anonymity and provide meaningful insight.

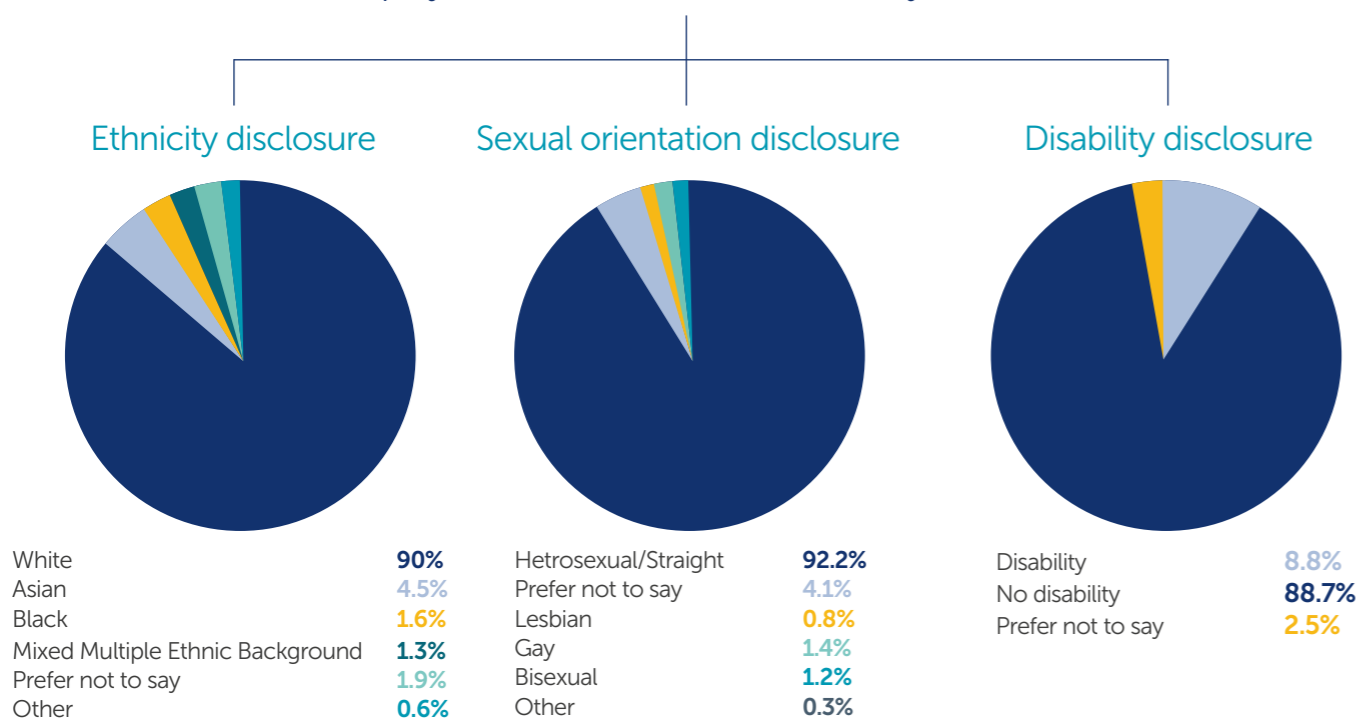
At 31 March 2023, SSE had an employee disclosure rate of 39% of the total employee population for diversity metrics including ethnicity, sexual orientation, and disabilities. This is an increase from 32% since 31 March 2022. Increasing employees' voluntary disclosure of their diversity data, even if they select 'prefer not to say', is essential in order for SSE to set ambitions, develop strategies, and gain learnings that will increase diversity within the business. See page 14 for details about how SSE is working to increase diversity data disclosure rates by engaging with employees as part of its mandatory training.

Diversity category	Year	Ambition	31 March 2023	31 March 2022
Employees with a disability	2030	8%	8.9%	6.8%
Ethnic Minority	2030	15%	8.1%	6.3%
LGBTQIA+	2030	8%	3.8%	3.6%

Data is collected on SSE's HR data reporting system 'Harmony'. Disability, Ethnic Minority, and LGBTQIA+ data is voluntarily disclosed by employees, with a 39% disclosure rate at 31 March 2023 and a 32% disclosure on 31 March 2022. Data excludes those without facility to share information on Harmony.

**39%**

Of SSE employees have disclosed their diversity data disclosure



**Industry-wide collaboration to progress inclusion and diversity in the energy sector**

SSE joined the Tackling Inclusion and Diversity in Energy (TIDE) Taskforce, supported by Energy Networks Association (ENA), Energy UK, and Ofgem, which is an industry-wide initiative working towards shared objectives to drive progress on inclusion and diversity. The focus will be sharing best practice, gathering insights, and engaging leaders. SSE is part of the 'Insight Strategy Group', which is tasked with creating and delivering a strategy to better understand the energy industry's current equality, diversity and inclusion performance and suggest ways of benchmarking so that progression can be measured.

**Delivering against the Business in The Community (BiTC) Race at work charter**

SSE has committed to the seven actions of the Race at Work Charter, and set KPIs to deliver against these as part of its Inclusion and Diversity Strategy to ensure that Black, Asian, Mixed Race and ethnically diverse employees are represented at all levels at SSE, creating an inclusive culture where everyone wants to stay at SSE, with fair opportunities to progress to senior levels.



Race At Work Charter commitments	SSE's actions and progress against this
Appoint an Executive Sponsor for race	SSE has two Managing Director Sponsors
Capture ethnicity data and publicise progress	SSE's ethnicity data and disclosure rates are detailed in this report on page 14
Commit at board level to zero tolerance of harassment and bullying	SSE has a zero-tolerance approach to harassment and bullying. See SSE's Group Employment Policy, available at <a href="https://www.sse.com/sustainability">sse.com/sustainability</a>
Make equity, diversity, and inclusion the responsibility of all leaders and managers	SSE's Igniting Inclusion programme was developed to educate leaders and managers on their responsibilities. See page 16 of this report
Take action that supports Black, Asian, Mixed Race and other ethnically diverse employee career progression	SSE has developed a process for identifying diverse future talent. See pages 20-23 of this report
Support race inclusion allies in the workplace	SSE's Ethnicity and Culture 'Belonging in SSE' community develops allies. See page 24
Include Black, Asian, Mixed Race and other ethnically diverse-led enterprise owners in supply chains	SSE's Sustainable Procurement Code includes diversity requirements of suppliers. The Code is available at <a href="https://www.sse.com/potential-suppliers">sse.com/potential-suppliers</a>





## Education and development: focus on behaviours

Raising awareness of the importance of inclusion and diversity to all employees is essential for creating an inclusive workplace and to help drive positive change. To ignite behaviour change, SSE has three areas of focus: developing leadership to drive inclusion from the top, creating an inclusive culture through employee education, and educational outreach to increase diversity in the sector.

### Developing leadership to drive inclusion from the top

Great leadership enables SSE's people to deliver its business strategy. SSE's leadership programmes are designed to build leadership confidence and raise awareness for all to create an inclusive workplace.

**SSE's Igniting Inclusion Programme:** Supports managing directors and business unit executive committees to learn about three key diversity inclusion topics: the Neuroscience of Inclusion and Diversity, Growth Mindset and Psychological Safety. It focuses on practical application of these topics in the workplace. Support is provided from trained facilitators, and content and resources are available via an online intranet to cascade information across business units. Senior leaders from SSE's business units are responsible for cascading learnings from the Igniting Inclusion programme down to their management teams.

**SSE's Leadership Blueprint:** Defines what powerful leadership means at SSE and sets expectations of its 2,000+ leaders. It captures the essence of SSE's leadership culture, its strong values, and the behaviours required to innovate and solve business challenges. It is used during recruitment, in leadership and management development, and in performance reviews. Over 2022/23, with endorsement from the Board, inclusivity was embedded throughout the Blueprint ensuring that leaders build proud and inclusive teams.

SSE embeds the three topics of its Igniting inclusion programme, and its Leadership Blueprint principles into wider leadership development opportunities, including its leadership conferences, graduate event, and its Inclusive Leadership Development Programme

### Creating an inclusive culture through employee education

SSE has a range of initiatives to train and develop employees' knowledge of inclusion and diversity. SSE continues to provide inclusive training for hiring managers to drive inclusive recruitment, as well as promoting 'Building Capability' brochures which ensure all colleagues are aware of the range of opportunities for career development available to everyone at SSE. In August 2022, a dedicated 'Inclusion & Diversity' section was launched on SSE's My Learning Hub covering Allyship, Microaggressions, and Privilege, supporting SSE's Igniting Inclusion programme. SSE also hosted listening circles on key topics such as

"My two key take outs from reverse mentoring are, firstly, if I'm having a bad day and don't feel like we are making progress against inclusion and diversity I can go home and 'switch off' and go about my business no issues, there is no real impact on myself. My mentor can't. Discrimination and prejudice are always around the next corner. She and her family don't have the luxury of switching off. It's a 24/7, 365 day a year issue for them. Secondly, Privilege. Before reverse mentoring, privilege was not a word I would use to describe my background, as I was brought up on free school meals and uniforms in a northern working-class town, I left school at 15, and worked under ground in the Lancashire coal field at 16. However, I now realise I have 'two aces' in my hand. I'm a bloke and I'm white. If I didn't have those, how different my world would be."

**Mentee: Marc Rudd,**  
Director of Engineering and Asset Management, SSE Thermal



gender equality. This identified a lack of understanding around the gender pay gap, so a masterclass was delivered to help employees better understand the drivers behind SSE's pay gap.

### Reverse mentoring

SSE understands that its employees are great sources of knowledge, contribute a diverse range of perspectives and experiences, and can help each other learn and improve. Therefore, SSE has focused on encouraging cross-generational learning through its Reverse Mentoring programme which involves senior leaders being mentored by junior colleagues. With help from School for CEOs, SSE uses reverse mentoring to close the generational knowledge gap, encourage new ways of strategic thinking, and demonstrate the importance of diversity. School for CEOs supports mentors and mentees by guiding the process, defining expectations, and inspiring confidence in mentors. To date, SSE has 60 participants involved in the programme. A pre-programme questionnaire revealed that mentees felt they had the poorest understanding and/or highest personal motivation to learn and understand age, race/ethnicity, gender, neurodiversity, and multiculturalism.

3

### The three key Igniting Inclusion topics:

- Neuroscience of Inclusion and Diversity
- Growth Mindset
- Psychological safety

60

participants in the Reverse Mentoring programme to date



### Embedding inclusion and diversity into mandatory training

In March 2023, SSE launched its revised mandatory inclusion and diversity e-learning training. All employees are required to complete this training annually, alongside essential subjects such as anti-fraud, financial crime, and cyber security. Aligning with SSE's Igniting Inclusion programme (see page 16), the training covers allyship, privilege, and microaggressions, providing learners with the skills and confidence to become supportive colleagues, increase diversity, and comply with legal requirements. SSE engaged with its 'Belonging in SSE' communities to input on the subjects covered and ensure there is representation for everyone.

As part of this course, SSE has introduced the functionality to capture voluntary diversity data from employees. It asks employees to voluntarily submit their data or select 'prefer not to say', providing the opportunity to submit feedback on the rationale behind their choice. This approach keeps disclosure voluntary whilst ensuring all employees are aware

of how to disclose their data. It aims to better understand why people may not be sharing data at present, so SSE can work to create a culture where everyone feels comfortable disclosing their diversity data.

### Educational outreach to increase diversity in the sector:

During 2022/23 SSE continued its Barnardo's programme welcoming 11 new participants last year. The Career Ready programme grew this year, with 27 young people being offered places within the business, an 18% increase on last year. SSE supported 6 Foundation Apprenticeships in Scotland and 11 equivalent 'T Level' apprenticeships in England. SSE recorded 319 STEM Interventions last year up from 159 in 2021/22, resulting in 5148 student interactions, and its STEM volunteer community grew from 365 in 2021/22 to 581 over 2022/23. SSE published STEM education materials on its website to support Teachers, Parents and Pupils to access this content for free on careers [sse.com/sse-stem-primary](https://sse.com/sse-stem-primary) and [careers.sse.com/sse-stem-secondary](https://careers.sse.com/sse-stem-secondary)



## Making inclusion practical for colleagues to implement

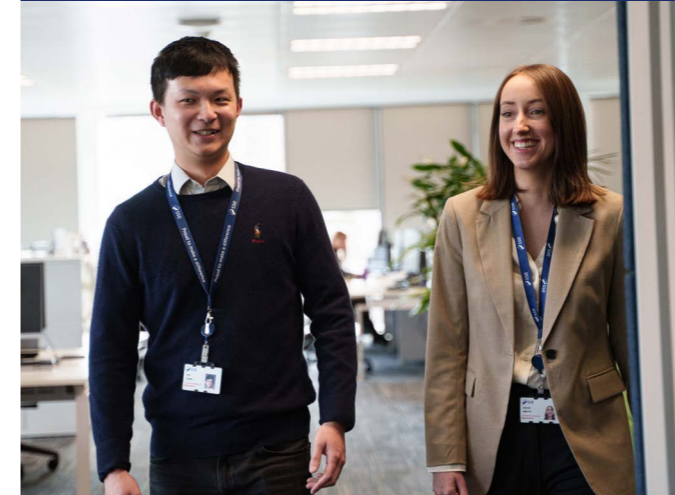
In early 2022, SSE Renewables relaunched its Inclusion and Diversity Challenger Group, a group consisting of over 30 employees from across the business. Over 2022/23, the group identified that while there is a wealth of fantastic inclusion and diversity material available, it can be difficult for colleagues to know how to put learnings into practice.

This led to the creation of a set of 'Inclusion Principles' to help guide inclusive behaviours consisting of a simple 'go-to guide' that explains

why inclusive behaviours are important and provides practical examples of how to include them in everyday interactions. The guide takes the broad topic of inclusion and pulls out three key areas: willingness and openness to learn; encouraging inclusive and diverse thinking; and being your authentic self at work.

After positive endorsement from the SSE Renewables Executive Committee, the Inclusion Principles were launched during National

Inclusion Week 2022 and managers were provided with a toolkit to help them implement the Principles. Feedback shows the Inclusion Principles have sparked interesting conversations and debate around inclusion amongst colleagues. Embedding the Inclusion Principles is an ongoing priority for one of the Inclusion and Diversity Challenger Group subgroups and, over 2023/24, SSE Renewables Executive Committee members will be endorsing them through a programme of internal engagement.



## Working with Salvesen Mindroom to embrace neurodiversity

In September 2023, SSE formed a partnership with Salvesen Mindroom, a Scottish charity that supports, informs, and empowers children and young people with neurodivergent conditions. SSE was the headline sponsor of Salvesen Mindrooms global "It Takes All Kinds Of Minds" (ITAKOM) 2023 conference in March 2023, with colleagues across SSE attending to share their learnings.

The ITAKOM conference allowed SSE to learn from experts how to support neurodivergent employees, and to share its ambitions and journey to date with other employers through a cross industry panel discussion.

SSE also facilitated a workshop to gain insight on the progress other employers are making and to excite other employers to take action by reassuring them that although neurodiversity is a complex area, by focusing on the needs of every unique individual and supporting leadership it is possible to provide support. In addition, SSE is working with Salvesen Mindroom to upskill SSE's trainers to understand different learning styles and apply neurodiverse-friendly techniques to its communications content.

To raise awareness of neurodiversity internally, in March 2023, SSE's Disability, Neurodiversity and Chronic Health belonging in SSE community hosted Neurodiversity Week with events and sharing content about understanding and embracing neurodiversity. Salvesen Mindroom hosted a live session on ADHD and Autism, covering diagnosis and assessment criteria. In addition, SSE hosted a speech language therapist session on Autism, ADHD, Development Language Disorder, and Stammering, to enable discussion between colleagues on their experiences.



## Inclusive processes: embedding best practice

Developing robust policies and processes, to embed inclusion and diversity, ensures SSE creates a workplace that supports all current and future employees. SSE works to ensure it embeds best practice around inclusion and diversity into existing processes across the business, and routinely reports on key drivers of inclusion.

### Driving inclusive recruitment

SSE is focused on improving recruitment practices to ensure a more diverse range of people are aware of SSE's opportunities and can join SSE. SSE has continued with the process changes implemented over 2021/22, which included adjusting job adverts to ensure inclusive language and including 'happy to talk flexible working' on all job adverts. SSE has also revisited the format of job adverts to keep the essential requirements to 5 key asks, remove unnecessary jargon, and provide contact details on adverts to support with candidate questions. SSE continued its focus on essential skills and strength-based recruitment, swapping technical skills for transferable skills where possible, and continued its relationships with specialist recruitment platforms to help reach people with a wide range of backgrounds, skills, and requirements.

SSE has been working with hiring managers to develop the skills required for diverse recruitment via hiring manager toolkits, building inclusive nudges into job profile templates to allow them to implement training in their day-to-day roles, and track the inclusive hiring processes that are driving change at a senior level. Over 2022/23, SSE worked to help attract wider audiences in different industries and have recently launched the Women in Power campaign which features several senior SSE women sharing their stories on how they came to SSE and what it is like to work here. In addition, SSE refreshed its careers site to make the language more conversational. In addition, SSE has partnered with Black Professionals Scotland (BPS) to support their Scottish Internship Programs. BPS exists to empower Black professionals and students with the skills and information they need in their chosen careers, and partner with organisations to support their inclusion & diversity ambitions.

SSE has seen mixed progress over 2022/23, with its Leadership Group gender hiring KPIs. Some metrics have improved whilst others have not. The use of diverse shortlists, diverse recruitment panels, and jobs promoting flexible working have marginally decreased since 2021/22 (see the table below). This was due to increased technical recruitment at senior levels which are currently less diverse. SSE has more than doubled the ethnic minority representation in graduate hires in the last two years from 14.5% on 2020/21 to 33% in 2022/23. The energy sector currently has 19% female and 6% ethnic minority representation. Energy and Utilities Sector Profile: [euskills.co.uk/wp-content/uploads/2022/04/sector\\_2022.pdf](https://euskills.co.uk/wp-content/uploads/2022/04/sector_2022.pdf) Progress can be seen for hiring managers trained on diverse recruitment, which is now at 100% (96% in 2021/22), and 99.5% of roles are openly posted to enable more people to apply (97% in 2021/22).

In 2022/23, 29% of leadership group hires were women (32% in 2021/22), and as a result the proportion of women in the leadership group has increased to 25% from 23.7%. SSE launched its Women in Power campaign in January 2023, which aims to encourage more women to apply for senior roles at SSE. Women on pipeline programmes has also increased. For apprenticeships the representation of women has increased to 13.7% in 2022/23 from 11.4% in 2021/22. However, women on trainee engineer programmes has decreased to 14.5% from 21% in 2021/22 and women on graduate programmes has decreased to 37% from 39% in 2021/22. Over 2022/23 SSE will be reviewing promotional job material and routes to market ahead of the next intake with the aim of increasing female representation on these programmes.

**29%** of leadership hires were women over 2022/23

**39%** of employees on graduate programmes are women

Leadership Group <sup>1</sup> gender hiring KPI's	2022/23 (%)	2021/22 (%)
Roles with diverse shortlists	64.5	80
Roles with diverse recruit panels	96.7	99.5
Hiring managers trained	100	96
Roles openly posted	99.5	97
Job adverts promoting flexible working	99	100

1. Employees in SSE's senior level pay grades.



## Ensuring employee banter makes everyone feel like they belong at SSE

Creating an inclusive culture is an essential part of making everyone feel like they belong at SSE. In the UK and Ireland, banter is often used amongst colleagues to make light of situations, increasing productivity, and helping form bonds between colleagues and teams.

However, when not used in a respectful and conscientious way, banter can lead to people feeling isolated and hurt. SSE Transmission wanted to educate people on how to maintain a fun and friendly culture, whilst ensuring everyone is included.

To do this it developed and launched the Banter Line, a campaign that embraces banter whilst highlighting the importance of not crossing the 'Banter Line'. It was delivered as a series of one-hour online awareness sessions open to all SSE Transmission employees, which provided opportunity for questions and engagement from attendees. The training focused on understanding that banter can be subjective and everyone has different tolerance levels in relation to what feels appropriate.

Furthermore, a dedicated intranet space has been created to hold additional supporting resources and assets for colleagues to access, at their own pace.

## SSE Thermal increasing diversity through its graduate pipeline programme

Since 2020, SSE Thermal set out to improve its diversity measures by using its graduate scheme as a vehicle to do so. The aim was to help increase diversity of thought within the business and ensure it is representative of the communities in which it operates. In 2020, external recruitment was reduced due to changing business circumstances however SSE Thermal recognised the need to prepare for future growth. A decision was therefore made to use the graduate pipeline programme as the best way to increase both talent and diversity. An ambition was set to ensure that at least 50% of graduates recruited to SSE Thermal would be female and/or ethnically diverse. Since setting this ambition three years ago, 51% of graduates recruited are female and/or ethnic minorities which has resulted in an improvement in diversity representation across the business.

### Removing internal barriers

SSE promotes informal flexible working arrangements to make work-life balance easier for everyone, especially those with caring responsibilities. Flexible first, a set of principles that offers employees flexibility, enables people to consider roles that they would usually not be able to apply to. The proportion of employees who have the ability to work flexibly across SSE has now increased from 36% in 2017 to 83% in 2023.

In November 2022, SSE announced significant improvements to its family leave offering. While previous enhancements to family policies focused on additional paid leave for primary carers, the enhancements made over 2022/23 aimed to ensure that all new and prospective parents at SSE feel supported, regardless of personal or family circumstances and where they are on the journey to becoming a parent.

The new policies introduced in 2022 were:

- **Partner's Leave** – an additional seven weeks' paid leave for partners of parents who take maternity or adoption leave. Together with Paternity Leave, this gives partners nine weeks' paid leave in total. Partner's Leave is separate from and in addition to statutory leave entitlements in the UK and Ireland.

- **Pregnancy Loss Leave** – two weeks' leave at full pay for employees who suffer a pregnancy loss, including partners. Pregnancy Loss Leave is available in addition to any statutory leave which might apply in the UK and Ireland.
- **Leave for Fertility Treatment** – up to two weeks' leave at full pay for those undergoing fertility treatment, including partners.

In addition, SSE extended its existing Gradual Return from Maternity or Adoption Leave Policy so that all new parents who take at least three months' leave (rather than just the birth parent or primary adopter) can return on 80% of contractual hours whilst still receiving full pay and benefits for a period of time. SSE also enhanced the amount of paid leave available to partners to attend antenatal, adoption and fostering appointments. These new measures complement SSE's existing family leave offering which includes:

- Maternity and adoption leave paid at full pay for the first 21 weeks and paternity leave at full pay for two weeks
- Both formal and informal flexible working arrangements to support work-life balance
- Provision of private and safe spaces for breastfeeding parents to express (wherever possible)

## Supporting working families at SSE



**21 weeks full paid maternity and adoption leave.**



**9 weeks' paid leave for partners**



**2 weeks' full paid pregnancy loss leave**



**2 weeks' full paid leave for fertility treatment**



**Formal and informal flexible arrangements to support work life balance**



**Provision of private and safe spaces for breastfeeding parents to express (wherever possible)**

97%

of women returned after maternity leave over 2022/23 (2021/22: 90%)

## Developing part-time opportunities to increase diversity

Over 2022/23, Airtricity ran a pilot to encourage part time applicants to its customer advisor roles after realising there were limited part time working opportunities being made available by Hiring Managers, despite a difficult recruitment market. The pilot positioned part-time working as a career option with opportunities for future growth which both increased the number of potential candidates and included diverse candidates into the hiring process that would not have applied previously. A targeted advertising campaign was launched to promote part-time working opportunities. The pilot received 340 applications and of the 19 offers accepted, 89% were female and 26% were ethnically diverse. Part-time working opportunities as careers are now available as standard and are fully embraced by the Airtricity business.

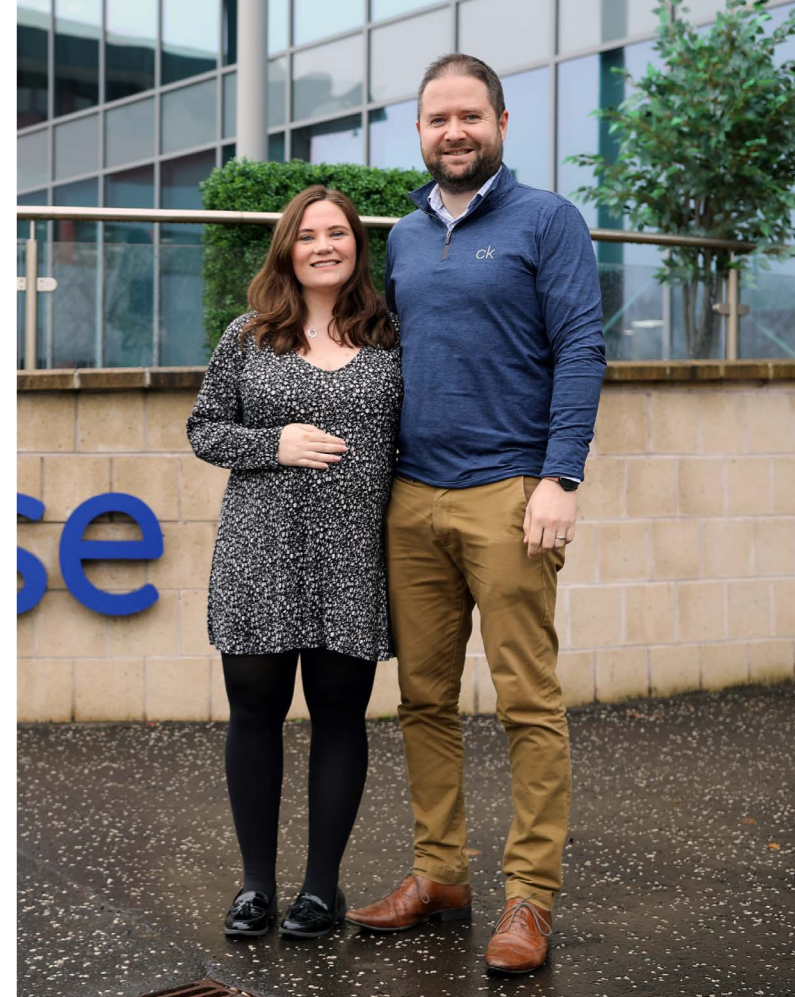
### Encouraging diversity and inclusion across SSE's supply chain

SSE is committed to promoting inclusion and diversity throughout its supply chain, supporting businesses and people in the areas it operates by ensuring inclusion and diversity are part of the supplier selection process. SSE's Sustainable Procurement Strategy, underpinned by the Sustainable Procurement Code, includes expectations that suppliers will promote greater inclusion. Over 2022/23, this was updated to include further requirements of suppliers such as ensuring their policies and processes are inclusive to support everyone, providing evidence of policies and practices that result in improved inclusion and diversity of the workforce and providing information on the results of those practices, if requested by SSE. In addition, the update encourages suppliers to monitor, report and understand their diversity data, and to engage and collaborate in meaningful partnerships, such as UN Global Compact, #Equalby30 or a relevant equivalent, to deliver successful inclusion and diversity initiatives within their direct and supply chain operations. To read the full requirements of suppliers relating to inclusion and diversity see SSE's Sustainable Procurement Code and Supplier Guidance available at [sse.com/potential-suppliers](https://www.sse.com/potential-suppliers).

To drive informed decision making and enhanced supplier engagement, SSE Transmission and SSE Renewables have been trialling the use of a supply chain data capture tool, created with Action Sustainability. The tool asks suppliers about local spend with minority owned companies (including women, LGBTQIA+, and Black-owned). In October 2022, suppliers participated in a consultation of the tool, with an overall positive response to the proposed metrics to be implemented, and in March 2023, reporting requirements were built into new tenders.

To improve collaboration within its supply chain, SSE has created the Powering Net Zero Pact (PNZP). This involves a number of SSE's strategic suppliers and aims to drive the just energy transition through collaboration, agreed goals, and sharing best practice. One of the PNZP working groups is focused on sustainable supply chains, with an initial aim of developing a diverse STEM learning resource pack, designed to showcase the variety of careers associated with the development, construction and operation of a wind farm. This will be aimed at school and college-aged children and young adults. See [sse.com/pnzp](https://www.sse.com/pnzp) for more information.

SSE has a commitment to the Business in the Community (BiTC) Race At Work Charter. Through the Charter (see page 15), SSE commits to seven key actions to improve equality of opportunity in the workplace, one of which is to include Black, Asian, Mixed Race and other ethnically diverse-led enterprise owners in supply chains. To deliver against this, over 2023/24, SSE will establish a Supplier Diversity Strategy, which will outline SSE's planned actions to embed supplier diversity into its business and processes. As part of this,



SSE aims to incorporate inclusion and diversity into supply chain sustainability training, working with the Supply Chain Sustainability School to deliver this. For more information on SSE's refreshed Sustainable Procurement Strategy see SSE's Sustainability Report 2023, available at [sse.com/sustainability](https://www.sse.com/sustainability).

### Supporting inclusion and diversity within the community

In 2022/23, SSE Renewables' community investment funds awarded £596,000 in 22 projects that drive inclusion and diversity, supporting communities close to renewables assets. These included £200,000 to the Rise Educational Programme in South Lanarkshire for Not in Education, Employment or Training (NEET) young people, and a £150,000 fund to Elsie Normington Foundation which provides a specialist Haven centre for children and young people with learning disabilities. In addition, Scottish Crannog Centre won the Diversity Apprentice Award at the Scottish Apprentice Awards. SSE provided them with £72,800 of funding, which was rewarded in 2021/22 and delivered over 2022/23.

**£596,000**

Funds awarded to 22 inclusion and diversity related community projects



## Employee voice: actively listening

Listening to SSE's employees enables SSE to focus business priorities and improve initiatives. It builds trust, helps employees feel valued, and increases opportunities for development, resulting in better job satisfaction and higher employee engagement. SSE gains insight on employee voice through its Belonging in SSE communities, launched in September 2020, which aim to bring people together across the organization. They encourage open and constructive employee-led discussion, promote the latest thinking by employees, offer peer support, and drive education.

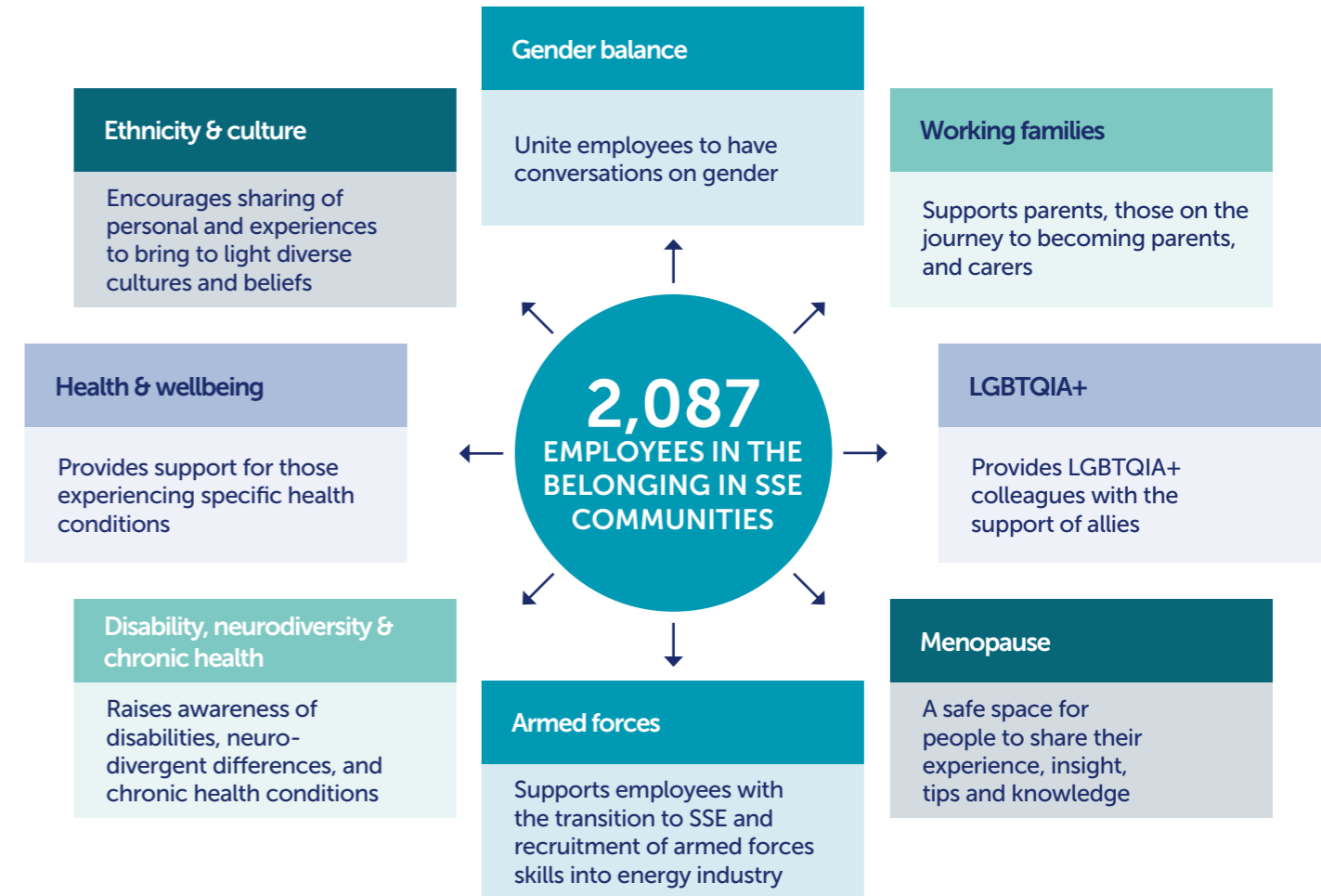
Over 2022/23, SSE increased its members in the 'Belonging in SSE' communities to just over 2,000 and continued to listen to and engage with employees on subjects such as intersectionality, culture, ethnicity, and neurodiversity.

Communities are open to everyone, and through awareness campaigns, such as celebrating neurodiversity week, Race Equality Week and Black History month the communities have increased and membership. For example the Disability, Neurodiversity & Chronic Health community had a 114% increase in membership and the Ethnicity and Culture community had a 121% increase.

Over 2022/23 the 'Belonging in SSE' communities have been working towards delivering their action plans, which were developed in line with SSE's wider Inclusion and Diversity Strategy (outlined on page 6 of this report). Actions that have been delivered over the past year include:

updating SSE's diversity survey to include a neurodiversity category; hosting live calls and Q+As around cultural heritage and racial equality; launching Cancer Cafes to create a safe place for employees and families to talk about their cancer journey, and updated key policy documents to include gender-neutral pronouns. The action plans are regularly reviewed to ensure 'Belonging in SSE' communities are inclusive spaces.

The 'Belonging in SSE' communities, led by employees, meet with their sponsors from SSE's Group Executive Committee (GEC) every two months to discuss progress and opportunities to move forward with their action plans. In addition, biannual sessions with members of SSE's Board took place in July and November in which the Belonging in SSE leads shared updates on progress and to answer questions directly from the Board about SSE's approach to employee listening.



"We have inclusive and vibrant engagement on a whole range of topics in the Ethnicity and Culture Group, celebrating and recognising different festivals, cultures, and experiences. This approach is growing and developing with webcasts, surveys, and information sharing. The Group offers real opportunities to challenge and develop how we think about ourselves and our colleagues in a safe way."

**Chris Burchell,**  
Managing Director SSEN Distribution and Sponsor of Ethnicity and Culture Belonging Community





## Valuing the skills armed forces professionals can bring to SSE

Over 2022/23, SSE carried out a review of its Human Resources Policies to identify key areas for change to align with the Armed Forces Covenant. Since this review, annual paid leave for Reservists has been doubled to two weeks. SSE recognises that people in the armed forces have sought-after values, skills, training, and experience suited to SSE roles. Initiatives such as the Armed Forces Pathway and ringfenced specialist roles for veterans in SSE Enterprise and SSE Renewables are in place to help attract this highly skilled talent to the energy industry. SSE continues its engagement with the Career Transition Programme and Mission Renewables and has attended recruitment events across the country to engage with people in the armed forces transitioning into civilian life.

## Making the LGBTQIA+ community feel more at home at SSE

Following employee-led focus groups, a dedicated action plan was created to help support and track SSE's progress on LGBTQIA+ inclusivity. To ensure all colleagues have access to facilities they require sanitary bins have been included in all gendered and fully accessible toilets on SSE sites. SSE also sponsored Perthshire Pride in August 2022 helping to highlight, celebrate, and support the local LGBTQIA+ community and colleagues in Perth. Comments on the day were overwhelmingly positive and showcased SSE's diversity, creativity, and inclusivity.



## Encouraging cultural exchange at SSE

Over 2022/23, SSE's Ethnicity and culture working group held several events to encourage cultural exchange. During Black History Month colleagues celebrated African cultures by enjoying food from a different country each week, and the '#MyNameIsCampaign' during Race and Equality week highlighted the diversity of names across the business and the cultural importance of pronunciation. SSE held an all-employee call that gave over 1,600 colleagues the opportunity to ask questions to Non-executive Director Mel Smith and hear about her career journey that led her to SSE's board. There are over 2000 active employees engaging regularly on the Ethnicity and Culture community yammer page.



# A look to the future

The next phase of SSE's Inclusion and Diversity strategy will run from 2023 to 2025, and builds on the existing strategy, integrating learnings over the past two years.

Between 2023 and 2025 SSE's Inclusion and Diversity strategy, will aim to move SSE from a centrally driven approach to one which is truly leader-led. Its longer-term aim is to create a culture where inclusion and diversity is not experienced as a stand-alone activity but is embedded across the business. SSE will continue to build on its four strategic pillars Ambition, Education and development, Inclusive processes, and Employee voice, with the planned activity within each pillar being further shaped by the most recently available data.

## Ambitions

As a responsible employer SSE recognises the need to promote and encourage social mobility. Over the next two years, SSE will be building on its existing approach of setting gender and wider diversity ambitions and implementing initiatives to deliver against these. Focus will be on gaining a greater understanding of SSE's workforce by performing more detailed data analysis on social mobility and aligning its ambitions with the latest census data to ensure its workforce is reflective of the communities in which it operates.

## Education & Development

To continue to develop SSE's leaders' the approach to education and development will be centered around

aligning with the natural way people learn, focusing on day-to-day practice and implementation, as well as ensuring leaders deliver against SSE's Leadership Blueprint Framework to build proud and inclusive teams. The next phase will continue to build development into people processes.

In addition, support will be provided to the leaders of each of SSE's businesses so they can continue to tailor inclusion and diversity requirements to the individual workforces, enable inclusion and diversity to deliver the business strategy, and consider how an inclusive culture is developed as SSE develops internationally.

## Inclusive Processes

SSE adopts a continuous improvement mindset when reviewing processes to ensure inclusivity is embedded across the business. In the next two years, SSE will work to identify a broader range of process owners to ensure the accountability for driving cultural change is shared widely across the business.

As a result of employee feedback from the 'Belonging in SSE' communities, SSE will focus on developing key processes to drive inclusive behavior and create a culture of allies, where everyone feels comfortable



challenging non-inclusive behaviour. The approach will be to provide an educational offering to guide colleagues to consistently behave inclusively.

In addition, SSE will increase support for colleagues with neurodivergent conditions to ensure their managers understand what they require to perform their best at work.

## Employee Voice

The 'Belonging in SSE' communities will continue to deliver their action plans and identify and implement improvements to create a more inclusive workplace.

Over 2023/24, SSE will be engaging with the community leads to help inform group strategic direction by leveraging the diversity of thought from the communities.

SSE aims to increase engagement with field-based colleagues which have a lower inclusion & diversity engagement score. The focus will be on understanding their beliefs around inclusive cultures and educate them on how diversity of thought helps improve business performance for their teams and departments.

# Governing inclusion and diversity performance

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

The diagram on the opposite page the governance structure around inclusion and diversity at SSE, which starts at the highest level of the organisation. A dedicated Inclusion and Diversity team creates, delivers, and measures the success of the Inclusion and Diversity Strategy. A network of key business process owners, centres of excellence, business function leads, working groups, and external partners work in collaboration to support delivery of actions. To increase accountability, inclusion and diversity performance metrics are included in the Operational element of the Annual Incentive Plan for SSE's Executive Directors. See pages 168-169 of SSE's Annual Report 2023 for details of Executive remuneration for 2022/23.



## Board of Directors/ Nomination Committee

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

## Group Executive Committee (GEC)

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

## The Organisational Capability Forum

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

## Inclusion and Diversity Centre of Excellence

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

## Collaborating for change with partners

SSE works with key partners to enable it to achieve inclusion and diversity progress that it would not be able to do alone. In addition, pledges and signatories enable SSE to demonstrate support for initiatives that are driving vital change to make the workplace more fair and inclusive. Driving accountability through pledges and signatories SSE signs pledges and commitments to demonstrate its dedication to inclusion and diversity, set ambitions in alignment with external expectations, and to keep it accountable. See SSE's Social Mobility report at [sse.com/sustainability/reporting](https://www.sse.com/sustainability/reporting).



# Reporting and disclosure

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

Key:

- Framework
- Legislation and regulation

## Diversity reporting in ESG surveys

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

Benchmark metric	Reported in	Requested by
40% women's representation on the Board by end of 2025	Annual Report 2023 page 62, 115-120 and 149, this report page 8, and <a href="https://www.sse.com/who-we-are/our-leadership">sse.com/who-we-are/our-leadership</a>	● FTSE Women Leaders Review
40% women's representation in leadership teams by end of 2025	Annual Report 2023 page 62 and this report page 8	● FTSE Women Leaders Review
One in four of the most senior roles to be held by a woman by end of 2025 (Chair/Senior Independent Director, Chief Executive Officer/Financial Director)	Annual Report 2023 page 115-121 and page 149 and <a href="https://www.sse.com/who-we-are/our-leadership">sse.com/who-we-are/our-leadership</a>	● FTSE Women Leaders Review
At least one director from a minority ethnic group on the Board by the end of 2021	Annual Report 2023 page 115-121 and <a href="https://www.sse.com/who-we-are/our-leadership">sse.com/who-we-are/our-leadership</a>	● Parker Review
Disclosure of the number of male and female Directors, senior managers, all employees,	Annual Report 2023 page 62, this report page 8, and SSE's Employee Policy see <a href="https://www.sse.com/sustainability/policies-and-assurances/">sse.com/sustainability/policies-and-assurances/</a>	● Companies Act 2006 (s414C(8)(c)) ● UK Corporate Governance Code
The Company has a policy on inclusion and diversity, its objectives, link to company strategy, implementation, and progress	Board Diversity policy see Annual Report 2023 page 148-149	● UK Corporate Governance Code ● Listing Rules
UK Gender Pay Gap	Annual Report 2023 page 61 and this report page 34	● UK Government's UK Gender Pay Gap legislation
Ireland Gender Pay Gap	SSE's Ireland Gender Pay Gap Report on <a href="https://www.sse.com/reporting">sse.com/reporting</a>	● Irish government Gender Pay Gap legislation



# SSE's UK gender pay gap breakdown

The below data shows SSE's gender pay gap for all eligible legal entities under the UK Government's gender pay gap reporting requirements. The below data is for the snapshot date 5 April 2023. For more information on SSE's gender pay gap, see pages 10-13 of this report.

SSE Business Entity with 250 or more employees	Southern Electric Power Distribution Plc	SSE Services Plc	Scottish Hydro Electric Power Distribution Plc	SSE Renewables Services (UK) Ltd	Scottish Hydro Electric Transmission Plc	SSE Energy Supply Ltd	Utility Solutions Ltd	Scottish and Southern Energy Power Distribution Ltd	SSE Airtricity Energy Supply (NI) Ltd	TESGL Ltd	SSE Group (UK)
Number of relevant employees in entity	2,314	1,953	1,281	1,172	1,168	826	434	384	312	308	<b>10,953</b>
Proportion of male and female employees in business entity (M%/F%)	78 / 22	51 / 49	78 / 22	78 / 22	72 / 28	55 / 45	71 / 29	96 / 4	67/33	82 / 18	<b>71 / 29</b>
Median hourly pay difference between male and female employees (%)	12.9%	21.8%	6.3%	10.4%	18.7%	14.4%	26.1%	20.6%	-3.4%	42.8%	<b>15.3%</b>
Mean hourly pay difference between male and female employees (%)	11.9%	21.3%	8.9%	11.6%	16.4%	22.2%	22.7%	23.5%	-2.4%	32.6%	<b>12.1%</b>
Proportion of men/women in lower quartile pay band (M%/F%)	66 / 34	33 / 67	72 / 28	72 / 48	54 / 46	45 / 56	51 / 49	86 / 14	71 / 29	49 / 51	<b>59 / 41</b>
Proportion of men/women in lower middle quartile pay band (M%/F%)	81 / 19	51 / 49	78 / 22	75 / 25	71 / 29	50 / 50	67 / 33	98 / 2	71 / 29	91 / 9	<b>71 / 29</b>
Proportion of men/women in upper middle quartile pay band (M%/F%)	80 / 20	54 / 46	78 / 23	82 / 18	81 / 19	59 / 41	80 / 20	99 / 1	68 / 32	96 / 4	<b>76 / 24</b>
Proportion of men/ women in upper quartile pay band (M%/F%)	85 / 15	67 / 33	85 / 15	83 / 17	84 / 16	66 / 34	85 / 15	100 / 0	60 / 40	92 / 8	<b>79 / 21</b>
Median difference in bonus payment between male and female employees (%)	11.2%	28.3%	20.6%	1.7%	17.4%	26.5%	11.8%	100.0%	19.4%	41.4%	<b>14.7%</b>
Mean difference in bonus payment between male and female employees (%)	52.5%	61.9%	20.5%	38.2%	47.9%	78.4%	52.6%	100.0%	13.2%	49.2%	<b>44.3%</b>
Proportion of men/women receiving bonus pay (M%/F%)	9 / 6	36 / 34	13 / 14	65 / 60	34 / 28	39 / 28	42 / 24	5 / 0	38 / 36	72 / 73	<b>32 / 29</b>

# Glossary of useful terms

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

## INCLUSION

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

## DIVERSITY

Diversity is understanding and recognising difference. A diverse workforce is one with a range of people from different backgrounds, ethnicities, races, cultures, accessibilities, sexual orientation, beliefs, ideologies and more. At SSE, the benefits that diversity brings are referred to as the four D's: greater Diversity leads to broader Debate, better Decisions, and better business Delivery.

## RACE

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

## ETHNICITY

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

## LGBTQIA+

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

## STEM

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

## ETHNIC MINORITY

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

## UNDERREPRESENTED GROUP

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

## EQUALITY

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

## EQUITY

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

## GENDER PAY GAP

The gender pay gap (GPG) is an equality measure that shows the difference in average earnings between women and men. It is reflective of the types and seniority of roles that are commonly held by men and women. The gender pay gap is different to equal pay which ensures men and women are paid the same for doing the same role. See page 26-28 for details on SSE's gender pay gap.

## ACCESSIBILITY

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

## OFFICE FOR NATIONAL STATISTICS (ONS) DATA

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

## NET ZERO

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

## ESG RATINGS AND INDICES

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

## PROXY ADVISOR

Proxy advisors represent shareholders at the general meetings of the companies in which they hold an interest and provide voting recommendations for decision-making at general meetings. The services of proxy advisors are used in particular by institutional investors. Examples include the Investment Association (IA) and the Institutional Voting Information Service (IVIS) which support the changes to the Listing Rules and the FTSE Women Leaders Review

recommendations, as well as Institutional Shareholder Services (ISS), Pensions and Investment Research Consultants (PIRC) and Glass Lewis mentioned in the table on page 32.

## FTSE WOMEN LEADERS REVIEW FTSE

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

## JUST TRANSITION

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





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