

Understanding the Gender Pay Gap



Ireland Gender Pay Gap Report 2023



Increasing transparency around pay gap disclosure

SSE is committed to providing open and detailed information about its gender pay gap, and has been reporting its Irish data since 2021, ahead of government requirements.

In 2021 and early 2022, ahead of the Irish Government releasing mandatory requirements for gender pay gap disclosure, SSE voluntarily published its Irish gender pay gap alongside its statutory UK disclosure. In the absence of mandatory requirements or a methodology from the Irish Government at the time, SSE calculated its 2021 and initial 2022 Irish gender pay gap using the same methodology as UK statutory reporting requirements, based on a 5 April snapshot date. These figures are disclosed in SSE's Annual Report 2022, Sustainability Report 2022, and Inclusion and Diversity Report 2022.

In December 2022, SSE published its first Ireland Gender Pay Gap report using the new Irish Government methodology which was released in June 2022. This latest report outlines SSE's Irish gender pay gap in line with the Irish Government methodology for 2023. 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 of SSE's Inclusion and Diversity Report 2023 for more details). SSE aspires to report more pay gap information when it has enough data to do this meaningfully and anonymously.



SSE's Irish workforce

A strategically coherent business mix focused on net zero



SSE Renewables

What it does

Develops, builds, operates and invests in assets that generate electricity from renewable sources.

Employees: 152

SSE Thermal

What it does

Generates electricity from thermal sources, supporting balancing of the electricity systems.

Employees: 101

Enterprise

What it does

Focused on investing in, building and connecting localized flexible energy infrastructure, as well as developing solar and battery projects, and EV hubs, operating heat networks, and offering integration, aggregation, and trading capability.

Employees: 5

Energy Customers Solutions

What it does

Provides energy and related services to households, businesses and public sector organisations across Ireland.

Employees: 502

SSE Corporate/Other

What it does

SSE's Corporate centre provides HR, legal, finance, IT, procurement, corporate affairs, sustainability, and other services for SSE Group. Included in this group, for the purposes of gender pay gap reporting, are a small number of employees in Business Energy, Airtricity and EPMI.

Employees: 151

Employees include those employed at SSE in Ireland on 1 June 2023 (911 employees). 900 of these are included as relevant employees in the gender pay gap calculation. A relevant employee is determined by numerous factors and follows the Irish Government's gender pay gap reporting methodology.

What is the gender pay gap and how is it calculated?

The difference between pay gap and equal pay

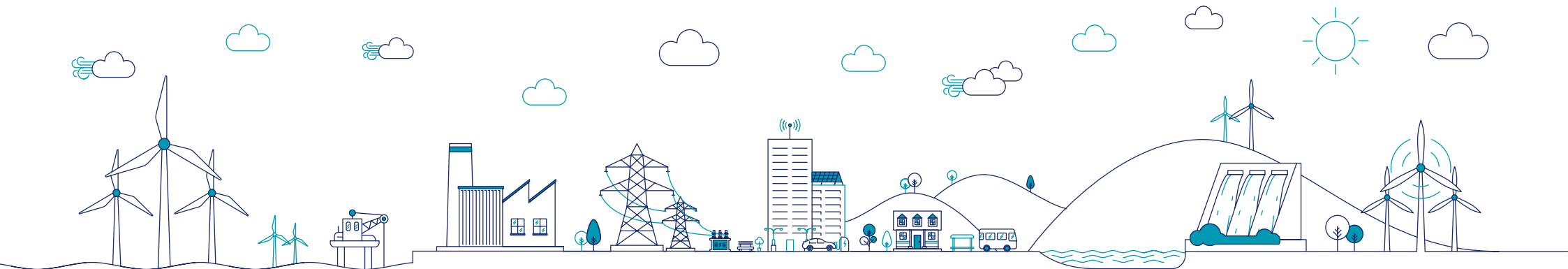
The gender pay gap is calculated at a total company level and aims to understand gender balance in relation to high paying roles, tenure, recruitment, and progression. It reflects the differences in the types of roles that men and women are carrying out and is calculated by looking at the difference 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 Ireland's Employment Equality Acts 1998-2015 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.

The gender pay gap and how it's calculated in Ireland

The gender pay gap shows the difference between average earnings of all men and women in a company, across all departments and job roles. It is calculated by looking at the difference between average hourly earnings of male and female employees. The calculation includes all employees (full-time and part-time) employed on the snapshot date (1 June) using an hourly rate derived from individuals' pay, bonus, and working hours over the preceding 12 months.

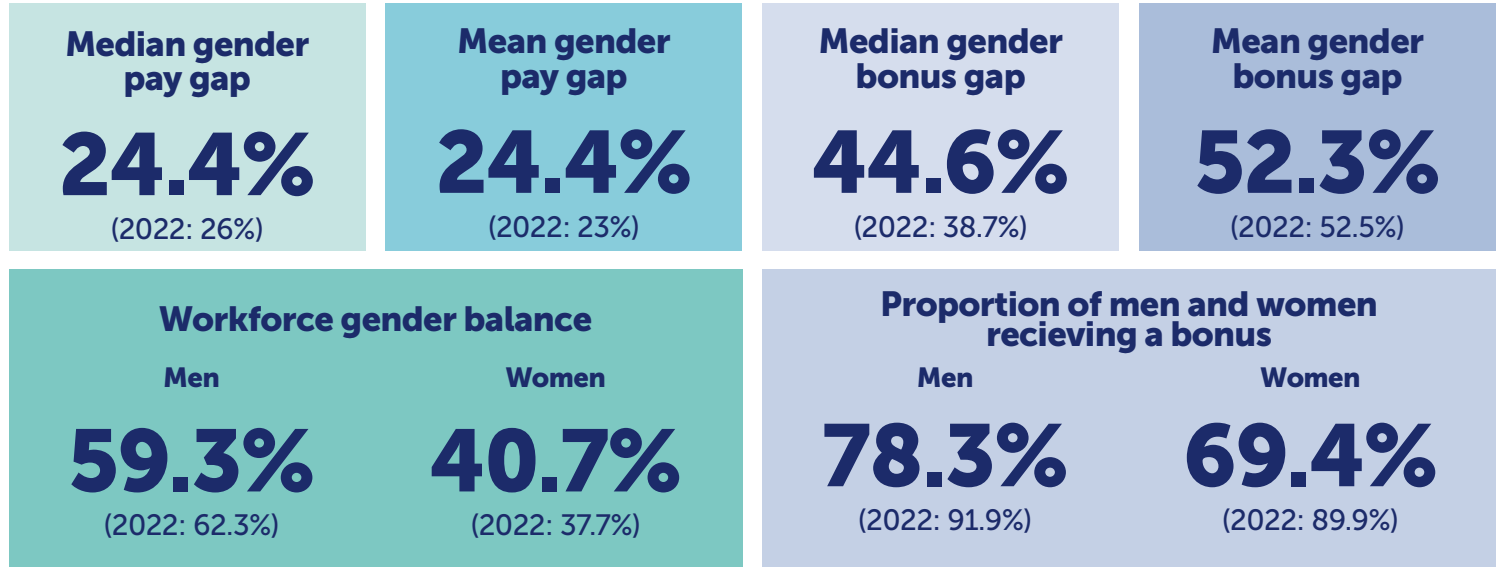
SSE's workforce is predominately located in the UK and Ireland. However, the Irish and UK government gender pay gap methodologies vary in several ways including the snapshot date used, pay period, and pay elements. Therefore, SSE's UK and Irish gender pay gap data cannot be compared.



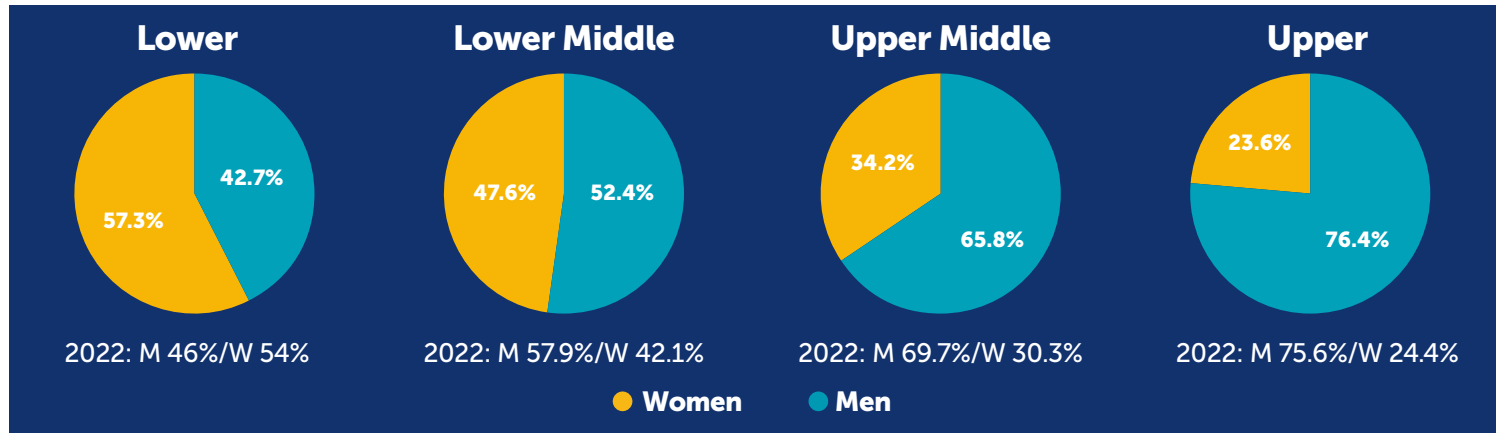
Ireland gender pay gap 2023

This data has been developed as per the 2023 Irish gender pay gap methodology from the Irish Government. This data is based on those employed by SSE on 1 June 2023.

At 1 June 2023, SSE's Irish workforce had 900 relevant employees included in the gender pay gap calculation, 40.7% of which are women. The median gender pay gap has reduced from 26% to 24.4% year-on-year, while the mean gender pay gap has increased from 23.0% to 24.4%. There is a balanced proportion of women in the lower pay quartile of 57.3%, however this reduces to 23.6% in the upper quartile. Progress has been made in increasing female representation in the overall workforce and in the upper middle pay quartile.



Proportion of women per quartile



Pay gap trends in 2023 explained

Median gender pay gap

SSE Ireland saw a positive trend in its median gender pay gap this year, which reduced by 1.6% from 26% in June 2022 to 24.4%. The reduction in SSE Ireland's median gender pay gap between 2021/22 and 2022/23 has been driven by two main contributing factors:

Interim cost-of-living pay increase:

In October 2022, SSE brought forward part of its annual cost of living increase for 2023, the structure of which prioritised those on lower salaries. In SSE Ireland, representation of women is highest in the lower and lower-middle pay quartiles, resulting in a higher percentage of women receiving a 5% pay award. However, the full impact of the 2022/23 pay award on SSE Ireland's gender pay gap is not reflected in this year's report as the remaining proportion of the award was processed after the report snapshot date of 1 June 2023. Full details of the cost of living increase can be found on page 66 of the SSE Sustainability Report 2023.

Profile of new hires:

SSE is working towards ambitious growth targets in order to meet net zero. In Ireland, SSE's employee base grew by 12.7% in 2022/23 and a significant amount of this growth took place at the lower levels of the organization. Although a higher percentage of women than men joined the business at these levels, the increase in the number of men in the lower pay quartiles has had the effect of drawing the female median hourly rate closer to the male median hourly rate.

Mean gender pay gap

Historically, representation of women has been higher in the lower pay quartiles in SSE's Irish workforce. As a result, the higher percentage of

women joining at the lower levels of the organisation has had the effect of slightly increasing the mean gender pay gap from 23% in 2022 to 24.4% in 2023.

Bonus gender pay gap

SSE's Irish workforce had a median bonus gender pay gap of 44.6% (a year-on-year increase from 38.7%) and a mean bonus gender pay gap of 52.3% (a year-on-year reduction from 52.5%). Eligibility for bonus and levels of payment at SSE are aligned to seniority in the organisation and the bonus gender pay gap reflects lower representation of women at the more senior levels of the workforce. Due to the number of variables involved in bonus payments, some year-on-year movement in the mean and median bonus pay gaps is to be expected.



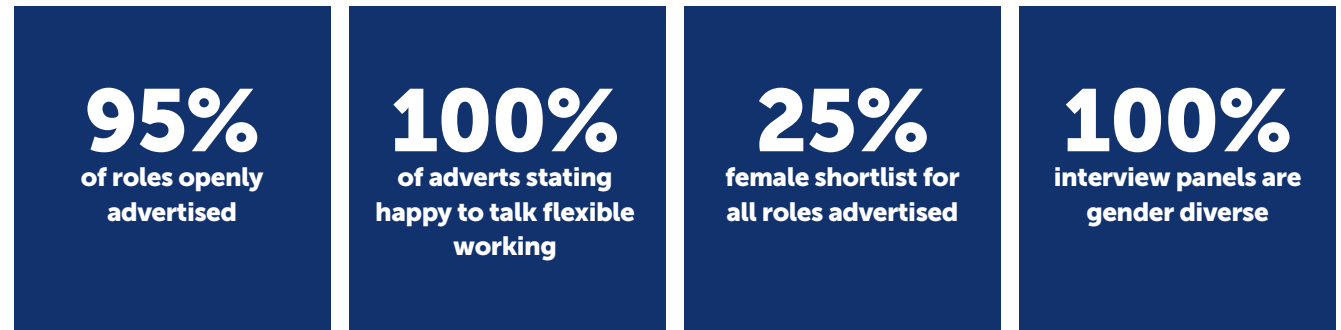
Focus on the Future

Although SSE presents a single set of pay gap data, in line with the prescribed methodology, its operations in Ireland comprise three core Business Units supported by a corporate centre. These Business Units have diverse operations, workforces and demographics which impact in different ways on SSE Ireland's overall gender pay gap.

SSE recognises that there is more work to be done. Higher paid technical roles typically have a lower representation of women across the energy sector. This is due to a number of reasons, including historically the industry being male dominated, and cultural barriers to women taking up science, technology, engineering, and maths (STEM) education and following this through to technical STEM careers. SSE works with STEM education, to encourage more young women into the industry (see more detail in the next section and on page 18 of SSE's Inclusion and Diversity Report 2023).

SSE will continue its efforts to increase female representation at all levels across its business. In 2022/23, SSE introduced key performance indicators (KPIs) targeted at increasing female representation at senior levels across the Group:

Senior hiring KPIs



Spotlight on SSE senior women:

SSE introduced a Dedicated "Women in Power" micro site on the SSE Careers site, offering links to a number of women working in SSE and their view of the industry and how flexible, ambitious and rewarding it is for them.

In the first year of focusing on these KPI's, the rate of hire for women at this level in SSE Ireland increased from 44% to 75%.

In addition, as part of SSE's commitment to Business in the Community Ireland's Elevate Pledge, SSE ensures that all hiring managers complete an inclusive recruitment upskilling programme to understand how to be consciously inclusive.

SSE is committed to ensuring a just energy transition and strives to create a workforce with a diverse mix of people from every kind of background to support an inclusive working environment where they can thrive. More information on SSE's Just Transition Strategy and progress so far can be found at [sse.com/sustainability/just-transition](https://www.sse.com/sustainability/just-transition).

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, which applies to SSE's business in Ireland, involves four areas of focus:

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

The Strategy 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 coming years.

More information about SSE's Inclusion and Diversity approach and progress made throughout 2022/23 can be found in SSE's Inclusion and Diversity Report 2023.



Ireland gender pay gap 2023, full data disclosure

All SSE's Irish employees are employed through the wholly owned subsidiary SSE Renewables Holdings Limited, including those in its Airtricity and electricity generation businesses.

SSE Business Entity with 250 or more employees	Unit	SSE Renewables Holdings Limited (All Irish employees)
Number of relevant employees in entity	Number	900
Proportion of male and female employees in business entity	% (M/F)	59.3 / 40.7
Mean hourly pay difference between male and female employees (all employees)	%	24.4
Median hourly pay difference between male and female employees (all employees)	%	24.4
Mean hourly pay difference between male and female employees (Part-time)	%	21.3
Median hourly pay difference between male and female employees (Part-time)	%	8.5
Mean hourly pay difference between male and female employees (Temporary)	%	-1.2
Median hourly pay difference between male and female employees (Temporary)	%	16.2
Proportion of men and women receiving a bonus (all employees)	% (M/F)	78.3 / 69.4
Mean gender bonus gap (all employees)	%	52.3
Median gender bonus gap (all employees)	%	44.6
Proportion of men and women receiving benefits in kind	% (M/F)	65.9 / 68.9
Lower quartile M/F	% (M/F)	42.7 / 57.3
Lower middle quartile M/F	% (M/F)	52.4 / 47.6
Upper middle quartile M/F	% (M/F)	65.8 / 34.2
Upper quartile M/F	% (M/F)	76.4 / 23.6

For more information about SSE's gender pay gaps and its Inclusion and Diversity Strategy please see SSE's Inclusion and Diversity Report 2023 or visit [sse.com](https://www.sse.com).



SSE plc
Registered Office and trading address:
Inveralmond House
200 Dunkeld Road
Perth PH1 3AQ
UK
Tel: +44 (0)1738 456000
Registered in Scotland No. 117119