

MEASURING SSE'S PERFORMANCE

This report details SSE's social, environmental and economic KPIs. For transparency, three years' worth of data is provided against each KPI where possible.

ENVIRONMENTAL

CONTRIBUTING TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:



	GRI STANDARD	UNIT	CHANGE*	2017/18	2016/17	2015/16
ENVIRONMENTAL MANAGEMENT						
Number of major incidents	307-1	Number	=	0	0	0
Number of serious incidents	307-1	Number	↑	11	8	11
Number of minor incidents	307-1	Number	↓	44	57	20
Environmental prosecutions and civil penalties	307-1	Number	=	0	0	0
CARBON EMISSIONS						
Scope 1 emissions (emissions from operations owned or controlled by the organisation) ¹	305-1	000s tonnes CO ₂ e	↑	10,155 ^(A)	8,004 ^(A)	11,021 ^(A)
Scope 2 emissions (emissions from the generation of purchased electricity, heating and cooling consumed by the organisation) ²	305-2	000s tonnes CO ₂ e	↓	832 ^(A)	1,034 ^(A)	1,138 ^(A)
Scope 3 emissions (emissions that occur outside of the organisation in support of its activities) ³	305-3	000s tonnes CO ₂ e	=	10,621 ^(A)	10,357 ^(A)	10,375 ^(A)
Total carbon emissions		000s tonnes CO ₂ e	↑	21,609 ^(A)	19,395 ^(A)	22,534 ^(A)
Carbon intensity of electricity generation	305-4	g CO ₂ e per kWh	=	307	304	397
EMISSIONS TO AIR						
SO ₂ - thermal generation	305-7	Tonnes	↑	1,791	1,564	6,704
NO _x - thermal generation	305-7	Tonnes	=	5,612	5,555	10,685
SF ₆ - thermal generation, transmission and distribution activities	305-7	KG	↑	518.6	394.5	434.1
ENERGY CONSUMPTION						
Carbon Reduction Commitment (CRC) performance (absolute)		Tonnes CO ₂ e	↓	17,675	19,923	20,276
CRC target achieved compared to base	302-4	% reduction	↑	31.0	21.0	19.0
Total electricity consumption in non-operation buildings	302-1	kWh	↑	128,741,306	120,960,005	102,485,611
Total gas consumption in non-operation buildings	302-1	kWh	↑	7,856,736	7,101,157	6,295,651
Total energy consumption in non-operation buildings	302-1	kWh	↑	136,598,042	128,061,162	108,781,263
WATER CONSUMPTION						
Total water abstracted	303-1	Million m ³	↑	24,044 ^(A)	22,658 ^(A)	28,856
Total water consumed	303-1	Million m ³	↑	7.6 ^(A)	5.0 ^(A)	8.1
Total water returned	306-1	Million m ³	↑	24,037 ^(A)	22,654 ^(A)	28,848
Total water abstracted and returned - hydro	303-1	Million m ³	↑	23,506	22,184	28,563
Total water consumed - buildings		Million m ³	=	0.089	0.092	0.078
Total water abstracted - thermal	303-1	Million m ³	↑	537.9	473.9	292.5
Total water consumed - thermal	303-1	Million m ³	↑	7.0	4.4	8.0
Total water returned - thermal	306-1	Million m ³	↑	530.9	469.5	284.6
BUSINESS TRAVEL						
Fuel used in operational plant and vehicles	302-1	Litres	=	14,383,371	14,349,772	14,231,632
Flights - distance travelled		km	↑	15,209,850	13,193,514	20,576,438
Train - distance travelled		km	↑	7,522,534	6,125,637	7,039,160
Company cars - distance travelled		km	↑	37,708,728	33,630,814	41,452,578

* Arrows denote a change of 5% or more between 2016/17 and 2017/18.

(A) SSE's GHG and water data has been independently assured by PwC LLP. The assurance statement and the criteria used for reporting, along with SSE's submission to the CDP Climate Change Programme, can be found at sse.com/beingresponsible.

¹ Scope 1 comprises electricity generation, operational vehicles and fixed generation, sulphur hexafluoride emissions and gas consumption in buildings.

² Scope 2 comprises electricity distribution losses and electricity consumption in non-operational buildings and substations - transmission and distribution.

³ Scope 3 comprises upstream emissions associated with the extraction, refining and transport of raw fuels purchased, SHE Transmission losses, gas sold and business travel.

ECONOMIC

**CONTRIBUTING TO THE UNITED NATIONS
SUSTAINABLE DEVELOPMENT GOALS:**


	GRI STANDARD	UNIT	CHANGE*	2017/18	2016/17	2015/16
FINANCIAL PERFORMANCE						
Adjusted profit before tax (PBT)	102-7	£m	↓	1,453.2	1,545.9	1,513.5
Adjusted earnings per share		Pence per share	=	121.1	125.7	119.5
Dividend per share		Pence per share	=	94.7	91.3	89.4
TAXATION						
Adjusted current tax charge	201-1	£m	↓	130.7	157.7	193.4
Payment of UK corporation tax	201-1	£m	↑	124.2	96.8	130.8
Total taxes paid in UK	201-1	£m	↑	484.1	385.0	453.9
Payment of Irish corporation tax	201-1	€m	↑	6.5	-0.9 ¹	0.04
Total taxes paid in Ireland	201-1	€m	↑	22.6	16.5	15.2
INVESTMENT AND SUPPLY CHAINS						
Total investment and capital expenditure (adjusted)	201-1	£m	↓	1,503.0	1,726.2	1,618.7
Renewable generation investment (adjusted)	203-1	£m	↓	301.7	366.4	291.8
Thermal generation investment (adjusted)	203-1	£m	↓	89.0	108.6	90.8
Networks investment (adjusted)	203-1	£m	=	760.3	789.7	831.7
Total procurement spend	102-9	£bn	=	c.2.9	c.3.0	c.2.7
Value of Open4Business contracts	204-1	£m	↓	12.9	36.9	22.8
ECONOMIC CONTRIBUTION						
Total economic contribution - UK GDP ²	201-1	£bn	↓	8.55	9.26	8.87
Total economic contribution - Scotland GDP ²	201-1	£m	=	1,819	1,899	1,555
Total economic contribution - Ireland GDP ²	201-1	€m	=	806	779	795
Total jobs supported - UK ³	203-2	Number	=	99,000	103,720	113,640
Total jobs supported - Ireland ³	203-2	Number	=	4,520	4,720	4,910
Total jobs supported - Scotland ³	203-2	Number	=	17,360	17,000	17,290
NETWORKS OPERATIONS						
Networks customers on Priority Services Register (PSR)		Number	↑	574,047	487,202 ⁴	451,490
Electricity distributed		TWh	=	39.2	39.3	39.5
Customer minutes lost - SHEPD	203-1	Average per customer	↓	55	60	55
Customer minutes lost - SEPD	203-1	Average per customer	↑	48	43	41
Customer interruptions - SHEPD	203-1	Per 100 customers	↓	57	68	66
Customer interruptions - SEPD	203-1	Per 100 customers	↑	55	48	47
Regulated Asset Value - Transmission, Distribution and SSE's share in SGN ⁵		£m	↑	8,304	7,679	7,957
Total renewable generation capacity connected to SSEN's electricity transmission network		MW	↓	398	548	320

* Arrows denote a change of 5% or more between 2016/17 and 2017/18.

1 In FY17, the ROI group received a net corporation tax refund of €0.9m. A refund of €1m was received in relation to FY14 as preliminary corporation tax was overpaid for that period. A preliminary tax payment of €0.1m was made in relation to FY17 due to the availability of capital allowances.

2 Total direct, indirect and induced Gross Value Added, from PwC analysis.

3 Measured as headcount, from analysis undertaken by PwC.

4 This number has been restated.

5 SSE's share in SGN reduced from 50% to 33% from 26 October 2016.

	GRI STANDARD	UNIT	CHANGE*	2017/18	2016/17	2015/16
ENERGY SUPPLY AND RETAIL OPERATIONS						
Total Retail customer accounts ⁶		Million	↓	8.03	8.47	8.61
Retail customer complaints to third parties (GB) ⁷		Number	↑	1,616	1,322	1,416
uSwitch overall customer satisfaction rating ⁸		%	↓	71	76	74
Satisfaction amongst domestic customers with service provided by SSE Airtricity (ROI)(gas/electricity) ⁹		%	N/A	n/a	92/88	85/89
Household/small business aged debt (GB, Ire)		£m	↑	85.8	80.2	103.2
SSE customers on Standard Variable Tariffs (GB)		%	=	c.68	c.70	c.90
Customers that have received assistance from SSE through Warm Homes Discount (WHD) scheme		Number	=	352,677	359,505 ¹⁰	325,194
Accumulative total of homes fitted with energy efficiency measures as part of Energy Company Obligation (ECO), since the scheme started in 2013 ¹¹		Number	↑	332,102	313,668	264,522
Smart meters on supply		Number	↑	>850,000	>500,000	>180,000
DIVERSITY OF ELECTRICITY GENERATION PORTFOLIO						
Total renewable generation output (inc. pumped storage)		GWh	↑	9,428	7,955	9,695
Total thermal generation output		GWh	↑	23,670	18,341	18,081
Total generation output (all plant)		GWh	↑	33,098	26,296	27,776
Renewable generation (inc. pumped storage) - proportion of total output		%	↓	28.4	30.3	34.9
Total renewable generation capacity (inc. pumped storage)		MW	↑	3,826	3,309	3,275
Total thermal generation capacity		MW	=	7,334	7,334	7,282
Total electricity generation capacity		MW	=	11,160	10,643	10,557
Renewable generation (inc. pumped storage) - proportion of total capacity		%	↑	34.2	31.1	31.0
SSE total generation capacity in construction		GW	↑	1.3	1.1	0.5
SSE total generation capacity potential pipeline		GW	↓	Over 5	Over 6	Over 4
SSE renewable generation capacity in construction		GW	↓	0.5	1	0.5
SSE renewable generation capacity potential pipeline		GW	=	Over 2.5	Over 2.5	Over 3

* Arrows denote a change of 5% or more between 2016/17 and 2017/18.

6 Includes domestic and business customers across the UK and Ireland.

7 Ombudsman: Energy Services and Citizens Advice.

8 The uSwitch independent survey asks energy customers to rate energy suppliers in a number of areas, including customer service, online service and value for money.

9 From the Commission for Energy Regulation (CER) consumer survey reports. Results for 2017/18 will be available later in 2018.

10 The WHD scheme usually runs between 1 June and 31 March annually. The 2016/17 scheme was delayed while awaiting new regulations, and was open between 23 July 2016 to 31 May 2017.

11 Historic figures may vary from previously reported figures, due to Energy Efficiency savings being verified and determined by the scheme administrator throughout the scheme. Until such time as savings are determined, the number of measures or properties treated in a scheme can change while verification checks are completed by the administrator.

SOCIAL

**CONTRIBUTING TO THE UNITED NATIONS
SUSTAINABLE DEVELOPMENT GOALS:**


	GRI STANDARD	UNIT	CHANGE*	2017/18	2016/17	2015/16
SAFETY						
Accident Frequency Rate - employees and contractors combined	403-2	Per 100,000 hours	↓	0.10	0.11	0.1
Accident Frequency Rate - employees/contractors	403-2	Per 100,000 hours	↑/↓	0.07/0.21	0.05/0.30	0.07/0.22
Total Recordable Injury Rate - employees and contractors combined	403-2	Per 100,000 hours	↓	0.20	0.22	0.23
Total Recordable Injury Rate - employees/contractors	403-2	Per 100,000 hours	↓/↓	0.12/0.44	0.13/0.51	0.15/0.56
Fatal incidents - employees/contractors	403-2	Number	=/↓	0/0	0/1	0/0
Accountable Road Traffic Collision (RTC) Class 1 (Potential for major harm to people and the environment)		Number	↑	23	19	29
Accountable RTC Class 1 and RTC Class 2 (Potential for serious harm to people and the environment)		Rate per million miles	↓	1.14	1.43	-
WORKFORCE COMPOSITION						
Total SSE employees ¹	102-7	Number	=	20,785	21,157	21,118
Contingent labour force size ²	102-8	Number	↑	4,851	4,074	-
Average age of employees ³	405-1	Years	=	40.5	40	40
Mean/median length of service		Years	=/=	9.52/7.52	9.27/7.17	9.43/7.22
Average employee earnings ⁴		£	↑	43,144	40,723	39,990
Employees with flexible working arrangements ⁵		%	=	11.9	11.5	11.4
Employees covered by Living Wage (UK only)		%	=	100	100	100
Employees covered by Minimum Wage		%	=	100	100	100
GENDER BALANCE						
Proportion of employees that are female	405-1	%	=	31.1	31.4	30.9
Diversity of Board of Directors	401-1	% female	↓	30.0	33.3	33.3
Total SSE plc (UK) median gender pay gap	405-2	%	=	19.6	19.3	18.7
Male/female employees earning over £40,000	405-2	%	=/↑	25.7/14.3	24.7/12.8	25.3/11.9
Executive Committee and Direct Reports to the Executive Committee (excluding administrative roles) ⁶	405-1	% female	↑	19.1	18.2	-
WORKFORCE STABILITY AND WELLBEING						
Total number of hours worked ⁷		Number	=	38,780,846	39,534,659	39,128,900
Employees on permanent/temporary/non-guaranteed or short hour contracts		%	=/↑/↓	95.3/4.4/0.2	96.3/3.4/0.3	-
Employee retention rate ⁸	401-1	%	=	86	86	89
Regrettable or voluntary turnover ⁹		Number (% of total turnover)	= (↑)	1,817 (63.7%)	1,751 (57.9%)	-
Lost days due to sickness	403-2	Number	↑	215,738	204,122	182,058
Employees covered by the negotiating arrangements under the Joint Negotiating and Consultative Committee	102-41	%	=	65	66	75
Ratio of CEO earnings to average employee earnings ¹⁰	102-38	Number:1	↓	62:1	72:1	42:1
Employee productivity - Direct contribution to GDP per capita (UK)		£	↓	148,120	172,000	129,700
Employee productivity compared to national averages - UK ¹¹		Number:1	↓	2.6:1	3.1:1	2.4:1

* Arrows denote a change of 5% or more between 2016/17 and 2017/18.

	GRI STANDARD	UNIT	CHANGE*	2017/18	2016/17	2015/16
Employee productivity compared to national averages - Scotland ¹¹		Number:1	↓	2.9:1	3.4:1	2.7:1
Employee productivity compared to national averages - Ireland ¹¹		Number:1	=	2.3:1	2.4:1	2.4:1
EMPLOYEE SKILLS AND CAPABILITIES						
Investment in learning and development ¹²	404-2	£m	=	9.8	9.5	-
Investment in pipeline programmes ¹³	404-2	£m	↑	15.4	9.4	12.7
Average training hours per full-time equivalent	404-2	Number	=	22	21	-
EMPLOYEE ENGAGEMENT						
Employee engagement survey participation ¹⁴		%	N/A	82	-	89
Employee engagement survey result ¹⁴		% engagement index	N/A	73	-	77
Employees participating in the share incentive plan		%	↓	58	75	64
Employees participating in the sharesave plan		%	=	42	43	41
BUSINESS ETHICS						
Speak up contacts made	102-17	Number	↑	105	92	45
Formal grievances raised		Number (Rate per 100 employees)	↓ (=)	143 (0.69)	153 (0.72)	73 (0.35)
Formal disciplinary procedures instigated		Number (Rate per 100 employees)	↓ (↓)	234 (1.13)	254 (1.20)	271 (1.29)
Human rights grievances filed through formal mechanisms	102-17	Number	=	0	0	0
COMMUNITY						
Employee days donated to charity		Number	↓	2,494	3,407	3,422
Employees involved in community volunteering		%	↓	11.4	16	17
Value of employee days donated to charity ¹⁵		£	↓	274,282	361,155	355,361
Community Investment Funds		£m	=	5.70	5.78	3.69
Investment in communities ¹⁶		£m	↓	6.51	6.93	4.83

* Arrows denote a change of 5% or more between 2016/17 and 2017/18.

1 Headcount as at 31 Mar in each financial year – figure includes all SSE UK and ROI employees, excludes contingent/agency staff.

2 A contingent worker describes external personnel where the business determines that it cannot fulfil the requirement internally. A contingent worker can be a Consultant, Contractor or Temporary Agency Worker.

3 Based on average of all ages as at 31 March in each financial year.

4 Average employee earnings are based on staffing costs calculated on the same basis as Note 8.1 of the accounts in SSE's Annual Report 2018 (page 167), excluding social security costs.

5 Defined as employees with working hours of <1.0 FTE. From 2017/18, SSE has begun asking employees via its annual employee survey whether they have the ability to 'work differently', which provides a wider definition of agile working. SSE intends to report employee responses to this question from 2018/19 onwards.

6 The figures for the Executive Committee include the relevant members of the Committee in each financial year, as well as the Company Secretary and MD, Corporate Affairs, who attend all Committee meetings. Administration employees have not been included when calculating the direct reports to these individuals.

7 Based on standard contractual hours over a 52-week period (excludes Overtime and Standby).

8 Excludes end of fixed term contracts and internal transfers.

9 Based on turnover reason of 'Regretted' as at 31 March of each financial year.

10 See page 131 in SSE's Annual Report 2018 for further details.

11 Based on GVA per capita and data provided by the UK's Office for National Statistics (ONS) and Ireland's Central Statistics Office (CSO), from PwC analysis.

12 Total internal and external learning and development expenditure excluding pipeline programme investment. 2016/17 has been restated to remove pipeline programmes.

13 Total cost of apprentice, engineering graduate and Technical Skills Trainee programmes, including salary costs.

14 SSE undertakes its employee 'Great Place to Work' (GPTW) survey every two years.

15 Calculated using the median base salary for those financial years (2015/16: £27,000, 2016/17: £27,561, 2017/18: £28,594).

16 Total across UK and Ireland, including: charitable donations through matched funding, Community Investment Funds, Resilient Communities Fund and financial value of employee volunteering.