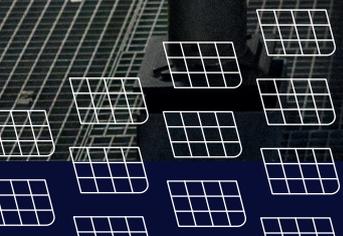
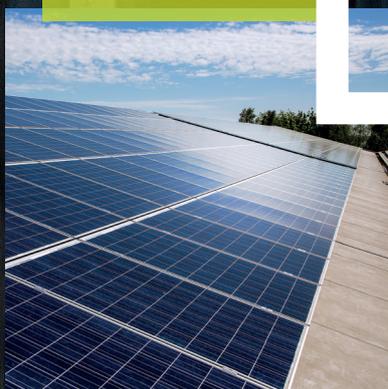
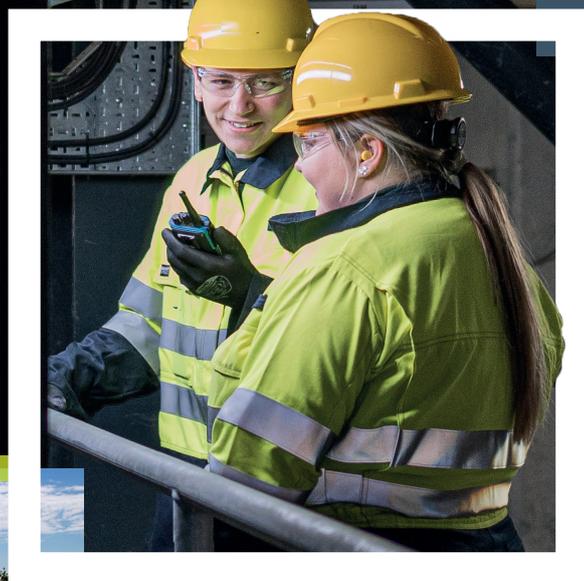




Taking action for net zero

SSE plc Net Zero Transition Report 2024



About SSE

SSE is a leading generator of renewable electricity in the UK and Ireland and one of the largest electricity network companies in the UK. It is driven by a purpose to provide energy needed today while building a better world of energy for tomorrow. It develops, builds, operates, and invests in low-carbon electricity infrastructure in support of the transition to net zero, including onshore and offshore wind, hydro power, flexible thermal generation, electricity transmission and distribution networks, alongside providing energy products and services to customers. SSE's ambitions for the development of renewable energy now extend beyond the British Isles to carefully selected international markets, including Asia-Pacific, Europe, and North America.

UK-listed and headquartered in Perth, SSE is a major contributor to the economies in the UK and Ireland. It employs around 14,000 people and is real Living Wage and Fair Tax Mark accredited.

About the report

This Net Zero Transition Report for the period 1 April 2023 to 31 March 2024 aims to support shareholders understand the progress SSE has made in pursuing the targets and actions established in its Net Zero Transition Plan. It has been designed to be read alongside the climate-related disclosures in both the Sustainability Report 2024 and the Annual Report 2024. Both documents can be found on [sse.com](https://www.sse.com).

Feedback is encouraged and very welcome. Please get in touch by emailing sustainability@sse.com if you have any comments or queries relating to the content of this report.



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Front cover image: SSE apprentices at work at SSE's Keadby 2 gas-fired power station in North Lincolnshire, which is the most efficient plant of its type in Europe.

Progressing towards net zero

SSE is committed to reporting against its emissions targets and the actions it is taking to achieve them. This transparency supports high-quality stakeholder engagement on climate-related issues.

Enhanced climate-related engagement

Net Zero Transition Plans play a critical role in outlining company pathways to net zero, supporting both delivery and accountability. With SSE's opportunities for growth defined by the imperative to decarbonise power sectors at home and abroad, its Net Zero Transition Plan spells out how greenhouse gas emissions will be removed from its operations.



SSE's Net Zero Transition Plan was first published in March 2022 and updated in October 2022 in response to shareholder and stakeholder feedback. The updated Net Zero Transition Plan outlines SSE's net zero aligned targets and describes both the actions required to reduce material GHG emissions across scopes 1, 2 and 3 and actions on interdependencies, including a just transition and climate adaptation.

The Plan establishes both targets and actions that will support the achievement of it becoming a net zero business. In support of that plan, a process of scrutiny and accountability has been established through an annual

shareholder 'say on climate' resolution at its AGM (see Appendix A). This Net Zero Transition Report supports that shareholder advisory vote at its July 2024 AGM. The first such vote, in July 2022, received 98.92% of votes in favour. The second vote last year, in July 2023, received 97.63% of votes cast in favour.

A plan for a net zero transition

This is SSE's third Net Zero Transition Report which summarises progress by reference to climate disclosures from SSE's Annual Report 2024 and SSE's Sustainability Report 2024. resolution to receive SSE's Net Zero Transition Report is proposed in Resolution 18 at the 2024 SSE plc Annual General Meeting.



Developing and promoting transition planning

SSE's transition plan builds on three principles: targets to set direction; actions to deliver targets; and integrity with the aim of being open and honest about the pathways to achieve net zero. This has led SSE to gain invaluable experience in the development and publication of transition plans and reports giving it an early insight and allowing the development of its arrangements for scrutiny and accountability through the annual shareholder vote.

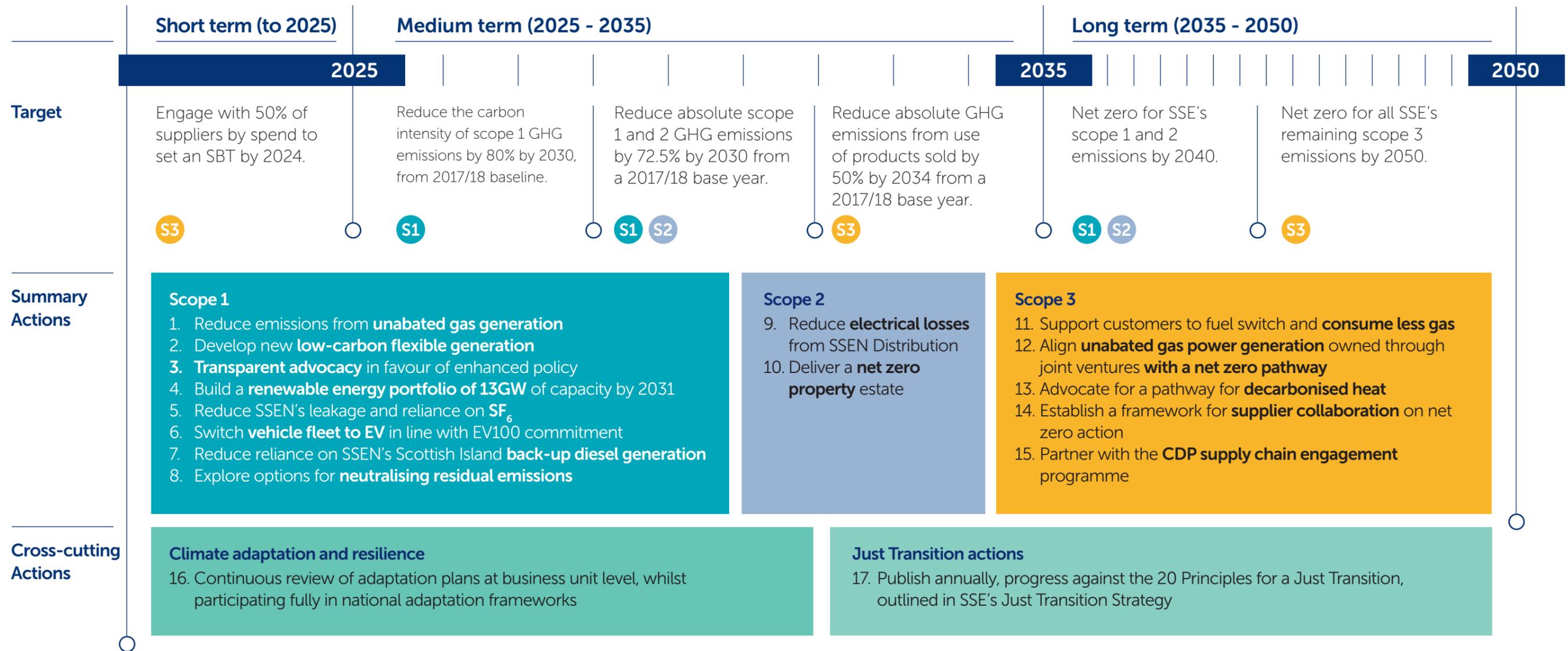
Throughout 2023/24 SSE actively supported the Delivery Group of UK HM Treasury led Transition Plan Taskforce (TPT) because of its experience as an early adopter of climate transition planning; SSE was invited to join three Working Groups: Electric Utility and Power Generators; Adaptation; and Just Transition. SSE supported these Working Groups with developing topic and sector-specific guidance on transition plans.

The TPT published its Disclosure Framework in October 2023, followed by its final Sector Deep Dive Guidance in April 2024. SSE remains committed to best practice planning and disclosure and over the coming year will review this latest guidance as part of the TPT's recommendation to update standalone transition plans on a three-yearly cycle.



Net Zero Transition Plan on a page

S1 Scope 1 **S2** Scope 2 **S3** Scope 3



SSE's performance against its Net Zero Transition Plan

As set out in SSE's Net Zero Transition Plan, SSE aims to reduce its GHG emissions in line with the power sector 1.5°C pathway and has set interim science-based targets en route to net zero.

SSE's Net Zero Transition Plan pathway

S1 Scope 1 S2 Scope 2 S3 Scope 3

	2025	2035	2050
TARGET	SHORT TERM (TO 2025)	MEDIUM TERM (2025–2035)	LONG TERM (2035–2050)
	Engage with 50% of suppliers by spend to set an SBT by 2024	Reduce the carbon intensity of scope 1 GHG emissions by 80% by 2030, from 2017/18 baseline	Reduce absolute scope 1 and 2 GHG emissions by 72.5% by 2030 from a 2017/18 base year
	Reduce absolute scope 1 and 2 GHG emissions by 50% by 2034 from a 2017/18 base year	Net zero for SSE's scope 1 and 2 emissions by 2040	Net zero for all SSE's remaining scope 3 emissions by 2050
	S3	S1 S2	S3

Note: for definitions of Scopes 1, 2 and 3 SSE follows the GHG Protocol. For further information on SSE's GHG and Environmental Reporting Criteria 2024 see sse.com/sustainability



The challenge of the next decade for power systems the world over is, of course, to remove greenhouse gas emissions. The good news is that we know exactly how we will do that. The complexity comes as the market changes: new demand is coming, but what will its shape and trajectory be? Old generation units are becoming less reliable, and there are delays in deploying new low-carbon flexible alternatives. So – our job at SSE – is to make that transition pathway as smooth and orderly as we can, for the benefit of everyone."

Martin Pibworth
Chief Commercial Officer



SSE's suite of climate-related disclosures

SSE's climate-related information is disclosed across a number of reports in SSE's annual corporate reporting suite, alongside its submission to the CDP Climate Change programme. These disclosures are designed to complement each other and provide stakeholders with a holistic view of SSE's performance in managing climate-related opportunities and risks. All reports are available at sse.com/sustainability.



Climate performance in 2023/24

In 2023/24, SSE's total reported GHG emissions consisted of 47% scope 1 emissions, 5% scope 2 emissions and 48% from scope 3 emissions measured. Overall, SSE's total reported GHG emissions fell by 18% between 2022/23 and 2023/24.

Figure 1 shows SSE's changing carbon footprint over time and that absolute scope 1 GHG emissions in 2023/24 were the lowest recorded by SSE. Between 2022/23 and 2023/24, GHG emissions arising from electricity generation, decreased by around 29%.

This is balanced by an increase in scope 3 emissions which for the first time represented the largest portion of SSE's total GHG emissions in 2023/24.

Performance against science-based carbon targets

SSE reviews progress against its SBTi-verified carbon targets annually as outlined in Figure 2. In 2023/24, SSE experienced a strong year of performance, recording its lowest scope 1 GHG emissions, maintaining its trajectory towards its 2030 science-based carbon targets having exceeded its supplier engagement target since 2022/23.

Figure 1: SSE's GHG emissions by scopes between 2017/18 and 2023/24 (million tonnes CO₂e)

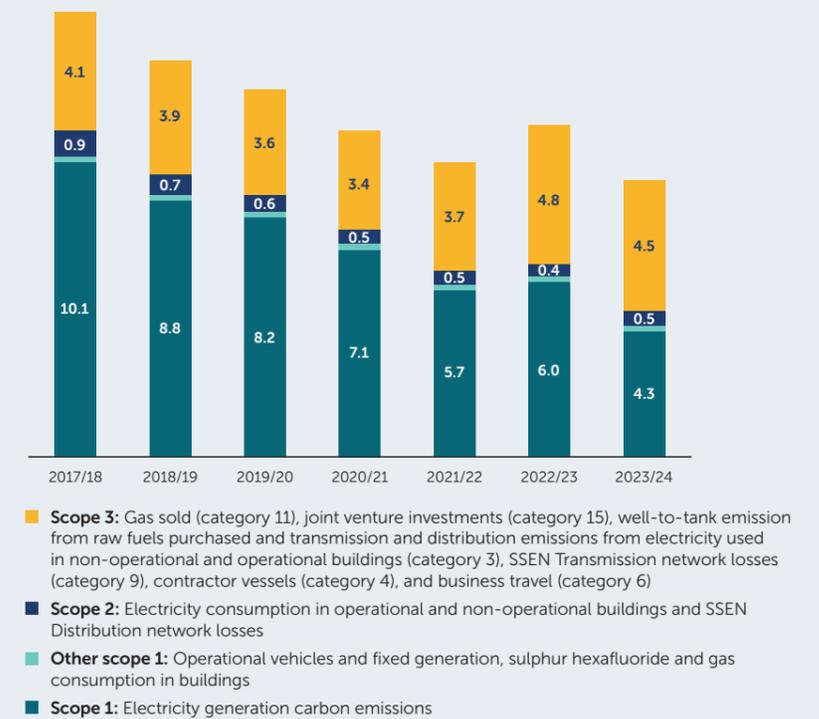


Figure 2: SSE's performance against its science-based carbon targets

Target	Unit	2017/18	2022/23	2023/24	Target	Progress against target
Reduce the GHG intensity of scope 1 GHG emissions by 80% by 2030, from a 2017/18 base year	gCO ₂ e/kWh	307	254	205	61	2023/24: 33% 2030 target: 80% 41% of targeted reduction achieved
Reduce absolute scope 1 and 2 GHG emissions by 72.5% by 2030 from a 2017/18 base year	MtCO ₂ e	11.06	6.52	4.81	3.04	2023/24: 57% 2030 target: 72.5% 78% of targeted reduction achieved
Reduce absolute GHG emissions from use of products sold by 50% by 2034 from a 2017/18 base year	MtCO ₂ e	2.53	2.16	2.01	1.27	2023/24: 21% 2034 target: 50% 41% of targeted reduction achieved
Engage with 50% of suppliers by spend to set an SBT by 2024	%	0	51	51	50	2024 target (50%): 51% 2023/24: 102% of target achieved

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

Electricity generation is the largest contributor to SSE's direct climate impact and its focus is to transitioning to low-carbon generation, supporting the delivery of a net zero electricity system. SSE is also working hard to reduce its wider operational emissions from its business activities.

SSE's transition pathway 'levers' for scope 1 and 2 emissions

SSE is committed to best practice net zero transition planning and disclosure. For the first time, SSE has set out its scope 1 and 2 transition pathway that clearly presents the key levers required to meet its 2030 science-based targets and 2040 net zero commitment as shown in Figure 3.

An orderly transition to net zero may not be linear, however, it is clear that over time the energy system needs to emit less by transitioning away from unabated gas generation, at the same time as developing new low-carbon flexible generation. SSE will also continue to decarbonise its wider and less material operational emissions related to SF₆, losses, standby generation, fleet, and buildings energy use, which combined accounted for 9% of scope 1 and 2 emissions in 2017/18. Finally, residual emissions will be neutralised by 2040 at the latest.



Performance to-date

Over 2023/24, SSE made important progress against its SBTi-validated science-based target, achieving a 57% reduction in scope 1 and 2 emissions compared to its 2017/18 baseline. SSE targets a 72.5% decrease in emissions by 2030/31.

Most of the historic emissions reductions were attained through strategic measures, including the phase out of coal-fired power generation. SSE closed its final coal-fired power station in 2020, four years ahead of the UK Government's decision to ban coal-fired power generation from October 2024. The closure of Fiddlers Ferry in 2020 followed the closure of SSE's Ferrybridge coal-fired power station in 2016.

Additionally, SSE has adapted to evolving market dynamics, with lower load factors across its power station fleet due to the changing nature of electricity supply on the GB power system, including a higher share of intermittent renewable generation.

SSE's portfolio has also changed since 2017/18, following the end of its Power Purchase Agreement with Seabank Power Station in 2021. SSE now reports 50% of

Seabank's GHG emissions in its scope 3 inventory, recognising its 50% ownership share.

Further emissions reductions were realised as a result of a lower-carbon impact of electricity distribution losses, the electrification of operational vehicles, and enhanced energy efficiency in non-operational buildings.

2030 science-based target

To meet its ambitious science-based target, SSE plans to continue reducing emissions by further decreasing load factors across its existing thermal fleet. While SSE anticipates older unabated gas-fired power stations will reach the end of their economic and engineering design life between 2030 and 2040, or reach the end of their life as a result of policy decisions, it expects shorter running hours and increased deployment of flexible response mechanisms to adopt to changing system needs and weather patterns.

With further emissions reductions across its distribution network and from other initiatives, such as using lower Global Warming Potential (GWP) SF₆ alternative insulation and interruption gases (IIGs),

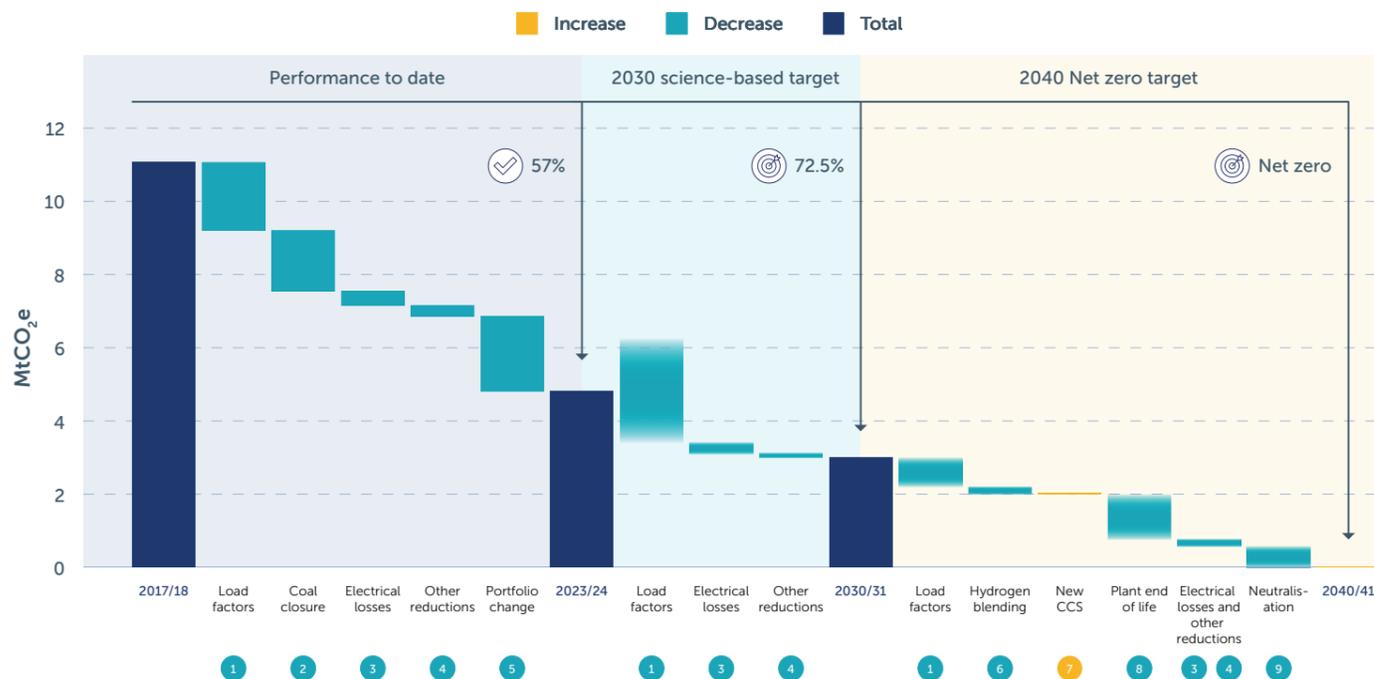
SSE remains focused on meeting its science-based target by 2030/31.

2040 net zero target

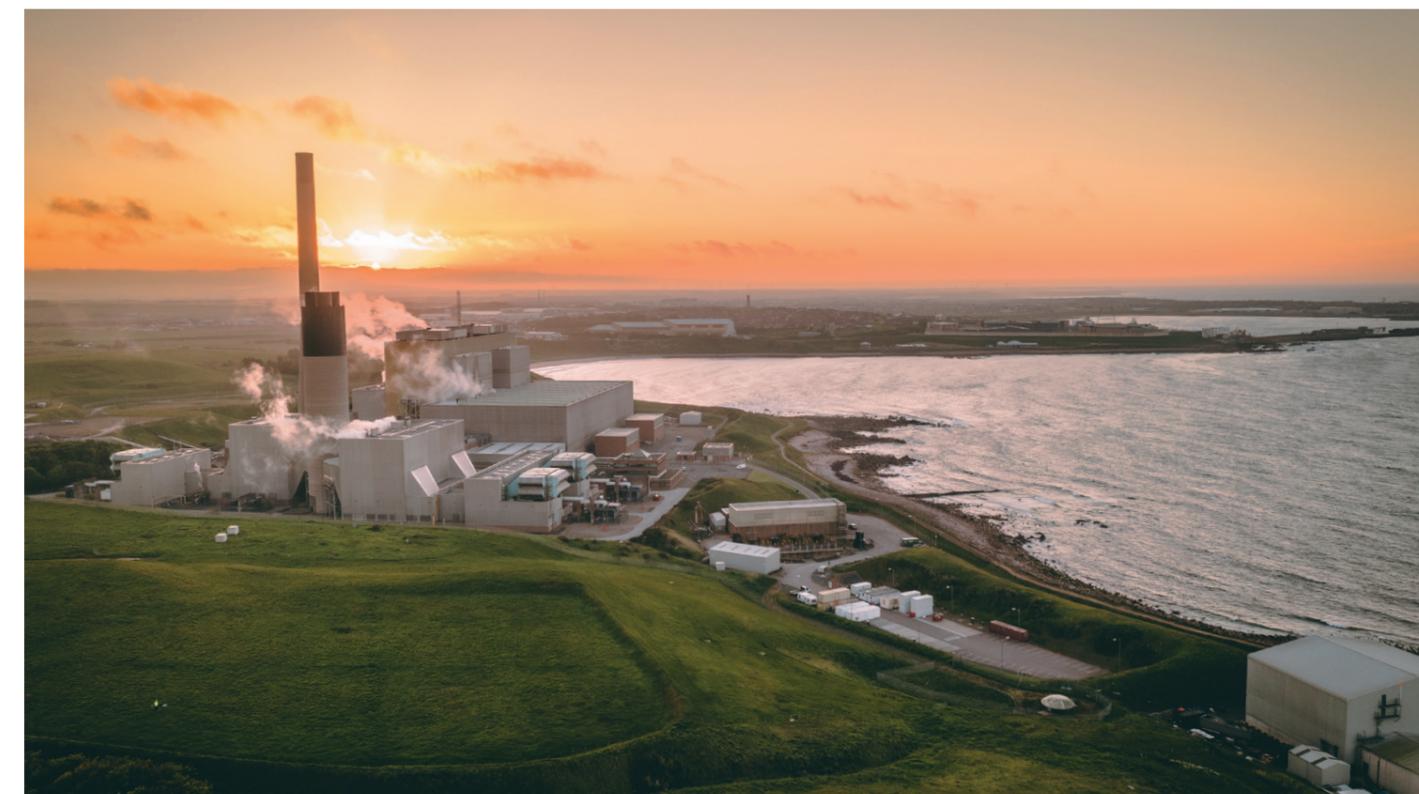
Looking ahead to its net zero commitment by 2040/41, SSE has identified five key levers to achieve its goal. These include further load factor reductions, integrating low-carbon hydrogen into its newest CCGT power stations, and systematically phasing out older, high-carbon gas-fired power stations at their end of life to a low-carbon flexible thermal fleet using technologies like hydrogen and carbon capture and storage (CCS). Whilst new CCS will result in a small increase in emissions in the future, SSE is also spearheading efforts to enhance carbon capture rates to between 95% and 99%, thus mitigating residual emissions.

While residual emissions are anticipated in 2040/41, SSE expects to neutralise remaining emissions through a combination of engineered and nature-based carbon removal solutions, verified against best available science and independent standards. By leveraging a diverse array of decarbonisation levers, SSE aims to achieve net zero emissions across its scope 1 and 2 emissions by 2040 at the latest.

Figure 3: SSE's net zero transition pathway levers for scope 1 and 2 emissions



Levers post 2023/24 are forward-looking estimates to transparently present SSE's scope 1 and 2 transition pathway for its stakeholders. It is expected that these estimates will change in the future, in line with market developments.



Lever descriptions

Lever	Description
1 Load factors	As markets continue to transition towards increased intermittent renewable generation over the next decade, and low-carbon flexible options such as carbon capture and storage, hydrogen and pumped hydro storage begin to be deployed, reduced running hours are expected from existing thermal plant. A flexible response, and a strategic reserve will be required from these assets, to respond to system needs and weather patterns, however this is expected to be for shorter periods of time, therefore reducing the emissions impact.
2 Coal closure	SSE closed its final coal-fired power station in 2020, four years ahead of the UK Government's decision to ban coal-fired power generation from October 2024. The closure of Fiddler's Ferry in 2020 followed the closure of SSE's Ferrybridge coal-fired power station in 2016.
3 Electrical losses	Emissions arising from technical and non-technical distribution losses are falling, mainly as a result of the lower-carbon intensity of the average unit of electricity on the power system. Further reductions will be achieved by installing lower loss assets, optimising network configuration, and tackling electricity theft.
4 Other reductions	SSE has achieved emissions reductions arising from other, less material sources of scope 1 and 2 emissions. Further reductions will be achieved by electrifying SSE's fleet of operational vehicles, reducing SF ₆ leakage rates at the same time as deploying alternative insulation and interruption gases (IIGs) with lower global warming potentials and improving energy efficiency in its operational and non-operational buildings.
5 Portfolio change	Under the guidance from the GHG Protocol, SSE follows the 'operational control' method for carbon accounting. Changes to the operational structure of its joint venture power stations therefore impacts on SSE's greenhouse gas inventory. For example, in 2021 SSE's Power Purchase Agreement with Seabank Power Station ended. For the duration of the Power Purchase Agreement, SSE reported 100% of Seabank's GHG emissions in its scope 1 inventory. SSE now reports 50% of Seabank's GHG emissions in its scope 3 inventory, recognising its 50% ownership share.
6 Hydrogen Blending	Blending low-carbon hydrogen into existing power stations is an iterative step towards decarbonisation of power generation, displacing higher-carbon gas with a lower-carbon fuel. New and efficient stations like Keadby 2 can take a blend of low-carbon hydrogen when the fuel and supporting infrastructure is available.
7 New CCS	New flexible power stations, using technologies like hydrogen and carbon capture and storage (CCS), are expected to replace existing high-carbon flexible power stations. Power stations with CCS will be capable of capturing at least 90% of CO ₂ emissions associated with power generation, however there are residual emissions that will slightly increase SSE's scope 1 inventory. SSE is leading a project to increase capture rates to between 95% and 99%, limiting the residual emissions from these new assets.
8 Plant end-of-life	It is expected that SSE's older unabated gas-fired power stations will reach the end of their economic and engineering design life between 2030 and 2040, or reach the end of their life as a result of policy decisions.
9 Neutralisation	SSE will remove and store any residual greenhouse emissions. These are defined as emissions that remain after all action has been taken to remove them from SSE's direct and indirect activities because they are too difficult or expensive to abate. Both engineered and nature-based carbon removal solutions verified against the best available science and independent frameworks will be considered in 2040.



SSE's Net Zero Transition Report summary

SSE understands that net zero targets are only credible when backed up by a clear plan of actions. SSE's Net Zero Transition Plan was designed to provide this clarity for its stakeholders. It outlines 17 key actions to ensure its net zero ambitions are met.

The key actions focus primarily on addressing SSE's largest source of GHG emissions from electricity generation, alongside actions to address remaining GHG emissions across all scopes. This section provides updates on the actions taken for the key sources of emissions for SSE's scope 1, 2 and 3 GHG emissions, with further information provided throughout this report.

Scope 1	
Actions	Key progress in 2023/24
1. Reduce emissions from unabated gas generation	SSE Thermal continues to manage its existing unabated generation fleet carefully, ensuring plant availability to respond to system needs and weather patterns. Output from SSE's thermal generation decreased by 22% from the previous year, principally reflecting a normalisation of the market environment over the course of the year while Tarbert oil-fired power station ceased generation. Annual Report – pages 78 and 106 Sustainability Report – page 15
2. Develop new low-carbon flexible generation	While the speed of deploying next generation decarbonised power stations has slowed, SSE Thermal is determined to help the UK get back on track. SSE continues to progress its plans to develop new low-carbon flexible generation, including carbon capture and storage projects as part of the UK cluster sequencing programme at Keadby in the Humber and Peterhead in the north of Scotland alongside hydrogen projects at Keadby and Saltend and the repurposing of SSE's Aldbrough gas storage site for the safe storage of hydrogen. In December 2023, SSE Thermal announced it had become joint owner of a blue hydrogen production project (H2NorthEast) that could help to kickstart a hydrogen economy in the Tees Valley and has been working to repurpose Tarbert power station in County Kerry, Ireland with sustainable biofuels. Annual Report – pages 77 to 79 Sustainability Report – pages 58 to 59
3. Transparent advocacy in favour of enhanced policy	SSE continued to advocate for more ambitious – and practical – climate change policy to achieve net zero, focussing on the acceleration of renewables deployment, transforming the electricity networks, clear commitments for low carbon flexible generation and a just transition. In 2023/24 SSE publicly supported the European Commission's proposal for an EU climate target to cut emissions by at least 90% by 2040 from 1990 levels. Annual Report – pages 19 Sustainability Report – pages 30 to 31
4. Build a renewable energy portfolio of 13GW of capacity by 2031	SSE Renewables total renewable generation capacity (including pumped storage) was 4.46 GW at the end of March 2024. SSE's Net Zero Acceleration Programme Plus (NZAP Plus) targets ~9GW renewables net capacity in 2027 and SSE has wider ambitions to build over 16GW of capacity by 2032. In October 2023, Seagreen offshore wind farm, the world's deepest fixed-bottom asset, became fully operational, more than doubling SSE Renewables' offshore wind capacity. Annual Report – pages 13 and 75 Sustainability Report – pages 54 to 55
5. Reduce SSEN's leakage and reliance on SF6	In 2023/24, SSE's reported SF ₆ emissions decreased to 265kg from 424kg the previous year. SSEN Transmission and SSEN Distribution continued to adopt SF ₆ alternatives in substations, where appropriate, as well as managed SF ₆ leakage on the networks. Sustainability Report – page 16 and 24
6. Switch vehicle fleet to EV in line with EV100 commitment	SSE made good progress towards its EV100 commitment with over 66% of its light vehicle fleet now fully electric, with fully electric vehicles (EVs) comprising 35% of its total committed fleet. Sustainability Report – page 25
7. Reduce reliance on SSEN's Scottish Island backup diesel generation	During 2023/24 there was a 24% increase in the volume of fuel combustion from standby generation compared to the previous year. This was due to increased distribution and transmission outages and maintenance work. SSEN Distribution continued to work towards reducing reliance on backup diesel generation and more widely has trialled alternative technologies in mobile generators such as Hydrated Vegetable Oil (HVO) and a battery generator at the end of 2023. Sustainability Report – page 25
8. Explore options for neutralising residual emissions	During 2023/24, SSE Thermal has been monitoring and engaging in UK government policy development on greenhouse gas removals (GGRs), including as part of DESNZ's GGR Expert Group. Sustainability Report – page 30

Scope 2	
Actions	Key progress in 2022/23
9. Reduce electrical losses from SSEN Distribution	Between 2022/23 and 2023/24 there was an increase in emissions from electricity lost across SSEN Distribution's network, contributing to a 7% increase in scope 2 emissions compared to the previous year. This is primarily due to an increase in the grid emission intensity in 2023 and a marginal increase in power transported across the distribution networks. SSEN Distribution continues to focus on reducing emissions arising from electrical losses on its network and refreshed its RIIO-ED2 losses strategy during 2023/24. Sustainability Report – page 24
10. Deliver a net zero property estate	Energy consumed in SSE's offices, depots and data centres increased by 15% compared to the previous year, driven by an increase in building occupancy as SSE staff returned to business-as-usual practices after the pandemic. SSE purchased 100% of its electricity for use in its facility managed offices from renewable sources, backed by renewable guarantees. Annual Report – page 49

Scope 3	
Actions	Key progress in 2022/23
11. Support customers to fuel switch and consume less gas	In 2023/24, SSE Airtricity continued its focus on enabling access to low carbon solutions for its customers including the delivery of 500 home energy upgrades including working in partnership with Northern Ireland's Bryson Charitable Group to deliver solutions for financially vulnerable groups. Annual Report – page 81 Sustainability Report – page 41
12. Align unabated gas power generation owned through joint ventures with a net zero pathway	SSE is working closely with its joint venture partners to ensure that its gas-fired joint ventures are aligned with a net zero pathway to support the long-term decarbonisation of the UK's power system whilst contributing to security of supply and grid stability. During 2023/24, SSE has been promoting the Transition Plan Taskforce (TPT) disclosure framework with its joint venture partners to deliver a credible and trusted net zero transition pathway. Sustainability Report – page 27
13. Advocate for a pathway for decarbonised heat	SSE continues to advocate for solutions to decarbonise heat networks and low carbon heat incentives and, at the beginning of 2024, SSE responded to the UK Government on proposals for a new regulatory and zoning regime to support investment in heat networks in England. More widely, during 2023/24 SSE has responded and is engaging with the Scottish Government's Heat in Buildings Bill. Sustainability Report – page 26 to 27
14. Establish a framework for supplier collaboration on net zero action	SSE continued to engage its supply chain on climate change through the Powering Net Zero Pact and its partnership with the Supply Chain Sustainability School. In February 2023, SSE published its new medium-term Sustainable Procurement Plan that outlines its future ambitions and climate action for SSE suppliers. Annual Report – page 27 Sustainability Report – pages 49 to 51
15. Partner with the CDP supply chain engagement programme	SSE continued to collaborate with the CDP Supply Chain engagement programme in 2023/24 with 248 of suppliers providing climate disclosures representing 77% of SSE's supply chain spend. SSE was awarded an 'A' in the CDP Supplier Engagement Rating assessment in 2023. With SSE entering a new partnership with EcoVadis, going forward this platform will be the main tool SSE will use to engage suppliers on carbon and monitor performance. Sustainability Report – page 50

Cross cutting actions	
Actions	Key progress in 2022/23
16. Continuous review of adaptation plans at business unit level, whilst participating fully in national adaptation frameworks	During 2023/24, SSEN Distribution published a strategic update and progress report against its Climate Resilience Strategy. Sustainability Report – page 28 to 29
17. Publish annually, progress against the 20 Principles for a Just Transition, outlined in SSE's Just Transition Strategy	With a just transition at the heart of its approach to delivering net zero, SSE revisited the principles of its Just Transition Strategy in early 2024 to ensure they remained appropriate and relevant, with a basket of 10 key performance indicators identified to monitor progress. Sustainability Report – pages 63 to 66

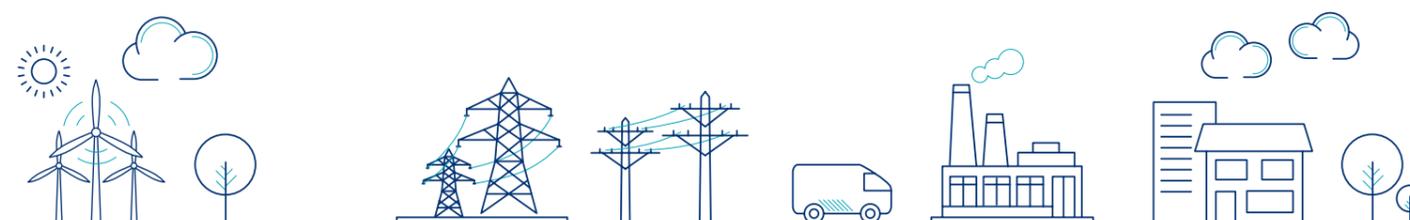
Governance and accountability

The shareholder-approved framework for reporting progress against its Net Zero Transition Plan commits SSE to update annually on the key measures and information relating to its performance in meeting its climate objectives. Confirmation against those key measures is outlined in the table below.

Key measure to disclose	2023/24 progress
The measures the Company uses to evaluate the consistency of its economic activity with the Net Zero Transition Plan	SSE ensures that its economic activity is aligned with net zero and a 1.5oC pathway through its Net Zero Acceleration Programme Plus – a fully-funded £20.5bn strategic capital investment plan to 2027. In 2023/24 SSE assessed its economic activity, including capital expenditure against the Technical Screening Criteria of the EU Taxonomy. Net Zero Acceleration Programme Plus – see page pages 12 to 13 of SSE’s Annual Report 2024 Aligning to taxonomy definitions – see pages 30 and 107 of SSE’s Annual Report 2024
The measures the Company uses to align its public policy engagement and external communications with the Net Zero Transition plan	SSE proactively advocates for more ambitious climate change policy to achieve net zero and conducts advocacy in line with the goals of the Paris Agreement and its own net zero strategy. In 2023/24 SSE’s continued to advocate for the acceleration of renewables deployment, transforming the electricity networks, clear commitments for low carbon flexible generation and a just transition. In 2023/24 SSE publicly supported the European Commission’s proposal for an EU climate target to cut emissions by at least 90% by 2040 from 1990 levels. In addition, SSE reviews its trade association memberships annually to ensure that the organisations of which it is a member also advocate in line with the ambitions of the Paris Agreement. Trade Association Climate Review 2022/23 – see sse.com/sustainability Detail of climate advocacy activities – pages 30 and 31 of the Sustainability Report 2024
Information regarding the governance of the Net Zero Transition plan and any link between the Company’s targets and executive remuneration	SSE’s approach to Executive Director remuneration reflects sustainability and climate-related criteria with sustainability linked metrics and targets forming an element of both short and long term performance-related pay. While SSE’s 2030 Goals have been used since between 2019 and 2022 to incentivise short-term sustainable performance, the updated Directors’ Remuneration Policy, approved by shareholders at the 2022 AGM, links these Goals to the longer-term Performance Share Plan, which will vest for the first time in 2025. Remuneration Committee Report – see pages 58 to 159 of SSE’s Annual report 2024 Sustainability Report – pages 100

How the Company has evaluated and mitigated the impact of the net zero transition on the Company’s employees, communities in which it operates and other stakeholders in the context of a just transition to being a net zero business	SSE’s Just Transition Strategy outlines 20 principles for a just transition to help ensure that the impacts from the decisions it takes are fair and that it maximises the opportunities for communities to benefit from net zero. In 2023/24 SSE reviewed its Just Transition Strategy to ensure that it remained appropriate and relevant. The review found that the 20 existing principles remain relevant and a basket of 10 key performance indicators have been identified to monitor progress. The updated strategy is available on sse.com/sustainability/just-transition . Annual Report 2024 - see page 38 Sustainability Report – pages 63 to 66
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Key measure to disclose	2023/24 progress
Confirmation of the extent to which the Company’s overall climate risk reporting is consistent with the Final Recommendations of the Task Force on Climate-related Financial Disclosures	Since 2018, SSE has been aligning its disclosures to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. In 2023/24 SSE has integrated its disclosures against the TCFD recommendations throughout this years’ Annual Report, providing stakeholders with a holistic picture of how it is thoroughly embedded through its business processes. Annual Report 2024 – TCFD-aligned disclosures, see page 29 and pages 98 to 105
Any applicable updates to the frameworks, relevant methodologies, timescales for goals and targets and core assumptions used in relation to the Net Zero Transition Plan	SSE’s Net Zero Transition Plan was published in March 2022 and updated in October 2022. The Plan was updated to take account of additional material issues identified by its stakeholders including: <ol style="list-style-type: none"> scope 3 ‘investments’ to recognise SSE’s joint acquisition of Triton Power; providing further explanations on the role of neutralisation technologies in achieving net zero; and adding cross-cutting issues to recognise the importance that climate adaptation and the just transition play in the transition to net zero. SSE’s interim climate targets are approved by the Science Based Targets Initiative (SBTi). <p>No updates have been made to the SBTi framework against which SSE’s targets have been approved. SSE is committed to updating its climate targets in line with the SBTi framework which requires a review once every 5 years or in the event that there are material changes to the business SSE is required to update its targets at that point. For the first time, SSE has set out its scope 1 and 2 transition pathway that clearly presents the key levers required to meet its 2030 science-based targets and 2040 net zero commitment in the Sustainability Report 2024.</p> <p>The methodologies, frameworks and assumption SSE uses to report its GHG performance is published annually in its GHG and Environment Criteria.</p> <p>Net Zero Transition Plan – see sse.com/sustainability Sustainability Report 2024 – pages 20 to 22 GHG and Water criteria 2024 – see sse.com/sustainability/policies-and-assurance EU Taxonomy alignment – see pages 30 and 107 of SSE’s Annual Report 2024</p>



Appendix A Shareholder Resolution

Framework for annual 'say on climate' shareholder resolutions: approved July 2021

Resolution 19: Net Zero Transition report Resolution 19: that, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, shareholders accept and approve the Company's proposal to adopt a plan to become a net zero business in its scope 1, 2 and 3 greenhouse gas emission by 2050 or sooner, consistent with limiting the average global temperature increase to 1.5°C with low or no overshoot, in line with the goals of the Paris Agreement ("Paris Goals")*.

That, the Company shall hereafter:

(a) propose a resolution at each Annual General Meeting of the Company for shareholders to receive, consider and express non-binding advisory approval of SSE's Net Zero Transition report.

(b) report annually within the Company's annual Sustainability Report (or such other place as any or all of this information may be required by applicable rules or laws) on the terms and implementation of the Net Zero Transition plan, and in accordance with the Final Recommendations of the Task Force on Climate-related Financial Disclosures (the "Net Zero Transition report").

(c) using the latest developments in scientific understanding, regularly update the Company's interim greenhouse gas emission reduction targets (including scopes 1, 2 and 3) to ensure ongoing alignment with the Paris Goals.

* Nothing in this Resolution shall limit the Company's nor its Directors' powers to take any action which it believes in good faith would best promote the success of the Company

Notes to Resolution 18: Net Zero Transition report

SSE believes that both the Company and its shareholders benefit from ongoing engagement on climate-related issues. SSE proposed an enabling resolution to its AGM in 2021 that established a framework for annual advisory votes on its Net Zero Transition Report. This year, shareholders are asked to receive the Net Zero Transition Report for the year ended 31 March 2024, and in doing so, consider and approve it on a non-binding advisory basis.

SSE's Net Zero Transition Report for 31 March 2024 provides a navigation aid to climate-related disclosures in both the Annual Report 2024 and throughout the Sustainability Report 2024. The Net Zero Transition Report 2024 is available on [sse.com](https://www.sse.com).

The Net Zero Transition Report includes the following information:

(a) the measures the Company uses to evaluate the consistency of its economic activity with its Net Zero Transition Plan;

(b) the measures the Company uses to align its public policy engagement and external communications with the Net Zero Transition Plan;

(c) information regarding the governance of the Net Zero Transition Plan and the link between the Company's targets and executive remuneration;

(d) how the Company has evaluated and mitigated the impact of the net zero transition on the Company's employees, communities in which it operates, and other stakeholders in the context of a just transition to being a net zero business;

(e) confirmation of the extent to which the Company's overall climate risk reporting is consistent with the Final Recommendations of the Task Force on Climate-related Financial Disclosures;

(f) any applicable updates to the frameworks, relevant methodologies, timescales for goals and targets, and core assumptions used in relation to the Net Zero Transition Plan; and

(g) the Company's progress on the implementation of matters that are the subject of the reporting requirements set out in paragraphs (a) to (f), above.

The scope of the above information is updated and revised from time to time, in line with any mandatory requirements and best practice. These updates do not include commercially confidential or competitively sensitive information, and are carried out at a reasonable cost.

Given that shareholders may have multiple motives when voting on such a matter, the Company wishes to clarify that if there is a significant vote against, it would hold discussions with shareholders through its Investor Relations and environmental, social and governance (ESG) engagement programme and seek information from them about why they did not support the proposed resolution, informing all shareholders about the results of that process and announcing its intended measures aimed at taking them into account.

This resolution represents the third annual advisory resolution on SSE's Net Zero Transition Report. The Company continues to monitor market practice and consider stakeholder expectations in this area to ensure the regularity of the advisory vote enhances climate-related engagement. The Company notes the Transition Plan Taskforce guidance on Net Zero Transition Plans, and the guidance to review plans on a three-yearly cycle. SSE will consult with shareholders through 2024/25 to gauge opinion on the cadence of such resolutions being proposed, and any amendment to the framework for annual net zero transition report resolutions will be proposed to shareholders at the AGM in 2025.



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