



Great Place To Work

Results 2017

The purpose of this short report is to disclose additional detail about the engagement of SSE's workforce and – more importantly – to describe the actions that are being taken as a result of the findings. SSE's Great Place to Work survey was undertaken shortly after the annual reporting period and, rather than wait until the year end, SSE committed to disclose this information outside of the usual reporting period.

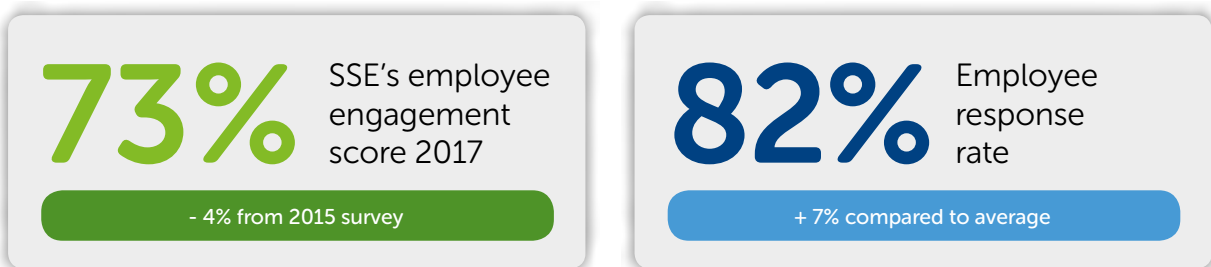
This enhanced reporting is in response to increasing interest from stakeholders and shareholders, with SSE undergoing a year-by-year improvement to the quality and quantity of its workforce disclosure. Feedback and comments on the nature of any of its enhanced disclosure is very welcome by emailing sustainability@sse.com.

Employee engagement

Employee engagement is about more than just satisfaction. It's a mutually beneficial relationship between employees and their employer. Engagement is a good indicator of how connected employees are to the organisation and in helping it to achieve its goals.

SSE carried out its most recent Great Place to Work (GPTW) employee engagement survey with ORC International in June 2017, achieving a response rate of 82% and an overall engagement score of 73%. The average response rate for companies with 10,000-30,000 employees surveyed by ORC International over the past two years is 75%.

The 2017 engagement score was a reduction of 4% from the previous survey in 2015, with the ORC benchmark at 74%. This survey was undertaken following a period of organisational change and restructure at SSE. The lowest scoring response, "Change is managed effectively within SSE" (34% positive) provides some insight into why there is an overall lower engagement score compared to previous years. SSE is committed to listening and acting on the results of this survey.



Keeping employees safe

With an overall positive score of 85%, this was the highest scoring section of the survey and contained the highest scoring statement, "I understand that if it's not safe we don't do it" (96% positive). Safety is SSE's number one core value, and it was reassuring to see that the importance of safety to the company is shared by its employees. SSE has developed a new strategy for health and safety up to 2020, which aims to generate even better safety outcomes and focus more on wellbeing issues such as mental health.



What is it like to work at SSE?

This section of the survey is comprised of 16 questions, designed to provide a robust overview of what it's like to work at SSE. Scoring 64%, the top three highest scoring answers received 86%, 84% and 80% positive, and the lowest three received scores of 34%, 42% and 49%. The wide range of scores within this section shows that SSE has a significant amount of work to do in this area. Positive scores tended to be awarded for questions around purpose within the company, fairness, teamwork, work-life balance and positive behaviours towards customers, communities and the environment. Negative scores tended to be provided for questions around change management, the use of technology, innovation and efficiency.

Since receiving the results of the survey, SSE has made three new eLearning modules on managing change available for all employees. For leaders and managers, SSE is also developing a refreshed Leading Change Workshop as part of the new learning curriculum for our Management Development programme. In terms of taking action to improve technology, innovation and efficiency, SSE has made a substantial investment in a new "Connected Working" programme for its workforce, designed to make better use of the technology we have and to introduce new improved digital tools. This includes things like the introduction of Skype for Business, the upgrade of hardware, and technology loans for employees to allow more remote working.

79%

"I believe SSE acts in a responsible way, having a positive impact on communities and the environment"

34%

"Change is managed effectively within SSE"

What do employees think about our managers and leaders?

Results within this section of the survey were relatively polarised, with the highest score achieved for "I feel like my manager trusts me" (81% positive) and the lowest score given to "Senior managers are open and honest" (46% positive). Good scores around manager trust, feedback and motivation imply SSE's employees have positive relationships with line managers. However, this healthy engagement with line managers is not translated into engagement with senior managers. This suggests SSE needs to do more to communicate the company vision with its employees.

Live webinars have been held with SSE's CEO and its managing directors on topics such as our inclusion in the workplace, financial results or shareholder meetings, allowing employees to directly ask questions to top management and provide feedback on what's going on within the company. Employees have also been invited to join local-level advisory and strategy groups at various levels and stages across the business. This has included the creation of Shadow Boards for the Wholesale business and the Irish business, where employees from a diverse range of backgrounds, stages and seniority together review real Board-level business decisions and directly provide their recommendations back to senior management.

81%

"I feel like my manager trusts me"

Focus on inclusion and diversity

Overall this section achieved a 59% positive response from employees. Since 2014, SSE has been implementing initiatives which aim to promote greater gender diversity within its workforce by getting more women in to its business, supporting women to stay on at SSE, and helping them to progress up in the organisation. As part of this strategy, SSE was the first FTSE company to publish its UK gender pay gap statistics in line with new UK Government regulations, firmly believing that open and transparent disclosure will help drive change within the organisation. It's possible that SSE's substantially increased focus internally and externally around this area has raised awareness of the challenges the company faces in terms of promoting a more inclusive and diverse workforce, which in turn may have partly contributed to a relatively low score.

In 2017, SSE worked with external inclusion and diversity specialists Equal Approach to review the progress made in this area. As well as a better understanding of the effectiveness of its actions to date, the process led SSE to develop a new wider Inclusion Strategy for 2017-2020 which aims to create a truly inclusive culture at SSE; going well beyond gender initiatives alone. The launch of this strategy was communicated with employees at the start of National Inclusion Week in September 2017, along with SSE's 'Valuing Difference' report which detailed the process and findings of SSE's work with Equal Approach to calculate the business benefits of investing in inclusion and diversity initiatives.

69%

"I feel confident that SSE respects and appreciates individual differences"

Doing the right thing

'Doing the right thing' is a core focus for SSE, and the company published its the 'Doing the Right Thing' employee guide to ethical business conduct in September 2016. This section of the GPTW survey achieved a 74% positive response, and provided one of the most highly scored statements of the whole survey with "If I had a concern regarding wrongdoing or unethical behaviour within SSE I would speak up" (86% positive). The lowest score within the section was "I would report misconduct without worrying that it would have a negative impact on me" (69% positive). SSE has already been working to improve by taking action like entrenching the externally-hosted 'Speak Up' phone line where employees can anonymously report wrongdoing within the company and introducing a new after-care service to support people who have done so.

86%

"If I had a concern regarding wrongdoing or unethical behaviour within SSE I would speak up"

Engagement at work

This section was designed to get an understanding of whether employees enjoy and are proud to work for SSE, and gauge whether employees see themselves having a long-term career within the organisation. With an overall score of 71%, 80% of employees said they intend to be working for the company in a year and 76% said SSE makes them want to do the best work they can. There is room for improvement with 63% of employees saying they would actively recommend SSE as a great place to work. SSE firmly believes that business value comes from attracting, retaining and developing the right people within the organisation, and the results show the organisation clearly has a lot to do in this area. Action has started with the roll-out of a number of enhanced employee benefits in 2017, ranging from sector-leading parental leave offerings, a Group-wide focus on promoting agile working and connected working through the uptake of new technology, and new benefits like employee assistance with issues such as financial planning.

80%

"I intend to be working here
in one year's time"

Listening to employees

In response to the statement "I am confident that action will be taken on issues identified in this survey", just 42% of employees replied favourably. Action planning for improvement on the low-scoring areas within the survey therefore began across the business as soon as the results were made available. All core business areas identified and shared 1-3 key themes and have pledged to share actions and consequent changes and/or successes on a quarterly basis. Group-wide action planning is focused on three key themes: managing change effectively, the use of tools and technology, and using employee feedback to take action. It is hoped that this approach, along with the new or improved initiatives outlined within the other sections above will help to drive a higher score within SSE's next Great Place to Work Survey in 2019.

42%

"I am confident that action
will be taken on issues
identified in this survey"