# SUSTAINABILITY **STATEMENT**

For the six months to 30 September 2021

# PROVIDING SOLUTIONS **FOR PEOPLE AND PLANET**

SSE understands that a purpose-led business is one that offers profitable solutions to the world's problems; and in fulfilling its purpose, it is more likely to be a sustainable business in the long run. In building a better world of energy for tomorrow, SSE seeks to create value simultaneously for both shareholders and society.

The UN's Sustainable Development Goals (SDGs) are the blueprint for addressing global challenges, including climate change, and therefore SSE's four 2030 business goals are aligned to the SDGs most material to its business.

This short statement reports SSE's sustainability impacts over the first six months of financial year 2021/22, including detail of progress against its 2030 Goals. It is intended to complement SSE's interim results statement covering the same period. More information about SSE's sustainability performance can be found at **sse.com/sustainability**.

SSE welcomes and encourages feedback on this statement and its approach to sustainability. You can get in touch with feedback and comments by emailing **sustainability@sse.com**.

## PROUND PRINCIPAL PARTNER OF COP26

SSE was a proud Principal Partner to the COP26 UN climate summit, which was held in Glasgow in November 2021. As a Principal Partner, SSE supported the UK Government in its efforts to drive more urgent and ambitious international action on climate change. While COP26 took place after the first half of 2021/22, SSE undertook extensive activities and engagement in the run up to the climate summit, some of which is outlined in this statement. For more detail on the activity SSE has undertaken to support COP26 see **sse.com/COP26**.

PRINCIPAL PARTNER UN CLIMATE CHANGE CONFERENCE UK 2021 IN PARTNERSHIP WITH ITALY

### Measures of progress

SSE's 2030 Goals provide important interim milestones on the journey to net zero in 2050. SSE has aligned a significant proportion of executive remuneration to the achievement of these 2030 Goals and good progress was made against them in the first half of 2021/22. With the setting of SSE's new 1.5°C-aligned carbon targets and the publication of its new Net Zero Acceleration Programme, SSE will be reviewing its 2030 Goals ahead of the next financial year to ensure they remain stretching to the end of the decade. Executive performance will continue to be assessed against the current Goals for the remainder of the 2021/22.

## SSE'S 2030 GOALS: PROGRESS IN THE FIRST HALF OF 2021/22

### Cut carbon intensity by 60%

**Reduce the carbon intensity of electricity generated by 60% by 2030, compared to 2017/18 levels, to around 120g$CO_2$e/kWh.**

SSE's carbon intensity of electricity generated increased to 292g$CO_2$e/kWh in the first half of 2021/22, from 275g$CO_2$e/kWh in the same period of 2020/21. Contributing factors to this increase are outlined on page 4. Despite this increase, overall progress is a 4.3% decrease in carbon intensity against the 2017/18 baseline.

### Treble renewable energy output

**Develop and build by 2030 more renewable energy to contribute renewable output of 30TWh a year.**

Good progress was made on construction of SSE Renewables flagship developments which, when operational, will make a significant contribution to the achievement of this 2030 Goal. SSE's renewable generation output* for the first half of 2021/22 was 2,938GWh. See page 5.

### Help accommodate 10m electric vehicles

**Build electricity network flexibility and infrastructure that helps accommodate 10 million electric vehicles in GB by 2030.**

SSEN Distribution published its draft RIIO-ED2 business plan, one of the key goals of which is to facilitate the connection of an additional 1.3 million electric vehicles in its license areas by 2028. It also joined the National Grid-led project CrowdFlex – the largest domestic flexibility study ever held in the UK which will examine how households could use low-carbon technologies, including EVs, in a cost-effective transition to net zero. See page 6 for more information.

### Champion Fair Tax and a real Living Wage

**Be the leading company in the UK and Ireland championing Fair Tax and a real Living Wage.**

**Fair Tax:** SSE continued to champion Fair Tax and expects to gain its Fair Tax Mark accreditation for the eighth year in the coming weeks, when it will also publish its Talking Tax 2021 report.

**Living Wage:** SSE aligned wages to the annual real Living Wage rate increase and continues to Chair the Living Wage Scotland Leadership Group and be a member of the Living Hours Steering Group. SSE's Living Hours accreditation was announced in April 2021.

* SSE's total renewable generation for the Group includes SSE Renewables total generation output of 2,901GWh (inc. pumped storage (97GWh) and constrained off wind in GB (48GWh)) and a further 37GWh of output from biomass (which sits within Distributed Energy).

# ACCELERATING PROGRESS **TOWARDS NET ZERO**

### The imperative to limit global warming to 1.5°C

In August 2021, the Intergovernmental Panel on Climate Change's (IPPC) Sixth Assessment Report delivered the starkest warning yet – that limiting warming to well below 2°C will not be enough to avoid the worst impacts of climate change, increasing the urgency to work towards limiting to 1.5°C warming.

The new pledges to come from the COP26 climate negations in November 2021 represent the most stretching commitment to global carbon reductions yet, however they fall short of limiting global warming to 1.5°C above pre-industrial levels. The world's 1.5°C ambition is moving dangerously out of reach in light of the significant gap between climate commitments and the action being taken. More ambitious action is urgently needed by governments and business to support the delivery of net zero.

### Setting 1.5°C-aligned science-based targets

In April 2020, SSE set medium-term carbon targets, approved by the Science Based Targets Initiative (SBTi), aligned to a 'well below two-degree' pathway – which was the most stretching pathway for the power sector available from SBTi at the time. Since then, the SBTi has published a new pathway for the power sector, allowing electric utilities to set science-based targets in line with limiting warming to 1.5°C. This pathway requires the power sector to decarbonise at a much faster rate than others, due to the rapid technology cost reductions and the important role that the power sector will play in helping other sectors reduce emissions as they move from fossil fuels to electricfication.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Using the SBTi's new power sector 1.5°C-aligned science-based target criteria, SSE submitted updated targets to the SBTi for approval in September 2021. The SBTi approved these more stretching targets in November 2021 and SSE's renewed science-based carbon targets for scopes 1 and 2 on the 1.5°C pathway are to:

- Reduce scope 1 GHG emissions intensity by 78.2% per $gCO_2e/kWh$ between 2017/18 and 2030
- Reduce absolute scope 1 and 2 GHG emissions by 72.5% between 2017/18 and 2030.

These targets are supplemented by SSE's existing interim Scope 3 targets, also verified by the SBTi, which are to:

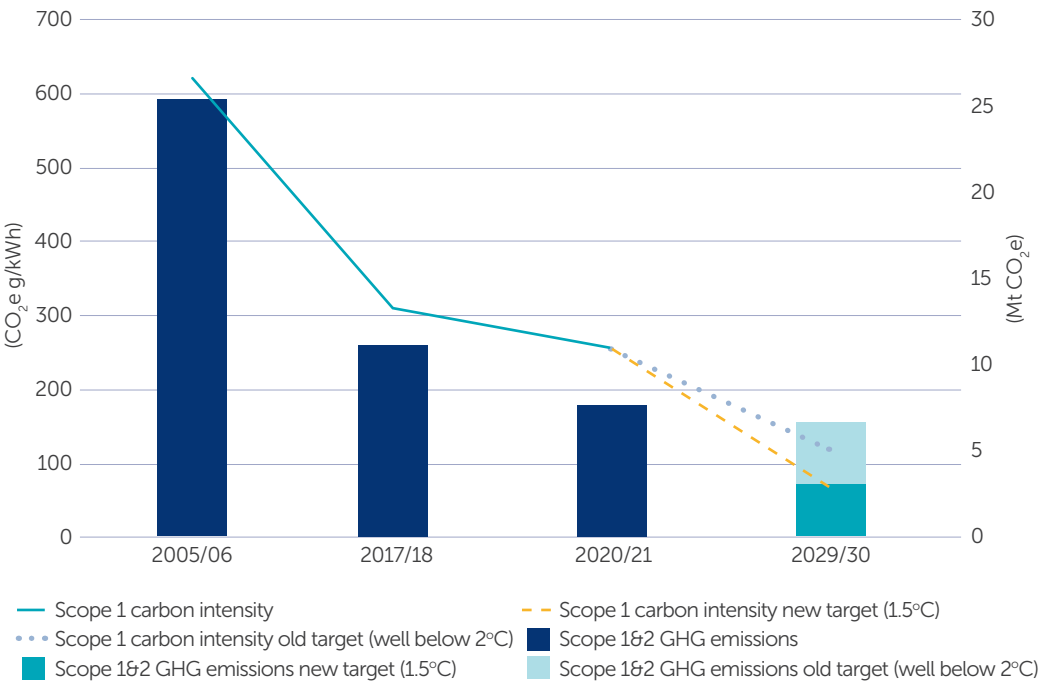
- Engage with 50% of suppliers by spend to set an SBT by 2024.
- Reduce absolute GHG emissions from use of products sold by 50% by 2034 from a 2017/18 base year.

These targets are aligned with government and stakeholder demands to achieve net zero emissions and are fundamental to SSE's capital investment and allocation plans outlined in its Net Zero Acceleration Programme.

### SSE's accelerated carbon target pathways

SSE's more stretching 1.5°C-aligned carbon targets commit the company to deep reductions in emissions which will play a vital role in the energy system transition. The graph outlines the pathways of the new targets, alongside the pathway of SSE's previous targets which were aligned to a 'well-below two degree' pathway.

**SSE's scope 1&2 GHG emissions and scope 1 carbon intensity performance and targets**




### Supporting the Group's net zero ambitions

In October 2021, SSEN Distribution became the first UK Distribution Network Operator to set science-based targets in line with a 1.5°C pathway, verified by the SBTi. These targets play an important role in supporting the SSE Group's net zero ambitions, alongside the 1.5°C-aligned, SBTi-approved carbon targets set by SSEN Transmission in August 2020.

Detail of SSEN Distribution and SSEN Transmission's targets can be found at **ssen.co.uk/sustainability** and **ssen-transmission.co.uk/sustainability-and-environment** respectively.

*The target boundary includes biogenic emissions and removals from bioenergy feedstocks

# TAKING MEANINGFUL **CLIMATE ACTION**

## Net zero transition reporting

SSE believes that both the company and its investors will benefit from enhanced engagement on climate-related issues. Having worked closely with investor group Climate Action 100+ over 2020/21, SSE proposed an enabling resolution to its 2021 Annual General Meeting (AGM) that asked shareholders to 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 emissions by 2050 or sooner. The resolution also set out a framework for annual votes on its Net Zero Transition report at future AGMs.

The resolution received near unanimous support, with 99.96% of the votes cast in favour. As a result, SSE is now committed to publish a Net Zero Transition report annually, which sets out how SSE is implementing of its Net Zero Transition Plan. SSE will propose a resolution at each AGM for shareholders to receive, consider and express non-binding advisory approval of SSE's Net Zero Transition report.

SSE welcomes the recent announcement in November from the UK Treasury that UK financial institutions and listed companies will be required to publish net zero transition plans, detailing how they will adapt and decarbonise as the UK moves towards to a net zero economy by 2050. It is expected that the Government and regulators will take steps to incorporate these into the UK's Sustainability Disclosure Requirements by 2023. In line with its existing commitment through its shareholder resolution, SSE's first Net Zero Transition report will be disclosed in its Sustainability Report published in June 2022.

## SSE's carbon intensity performance

SSE's carbon intensity of electricity generated in the first half of 2021/22 was 292g$CO_2$e/kWh, compared to 275g$CO_2$e/kWh in the same period in 2020/21 – an increase of 6%. Output for both renewables and thermal generation was lower in the first half of 2021/22 compared to the first half of the previous year. The reduction in output for renewables was driven by unfavourable weather conditions for SSE's renewables assets over the summer (see page 5). Whilst for SSE's thermal generation assets scheduled and unscheduled outages at SSE's gas fired power stations contributed to a reduction in output. While thermal generation output fell, the carbon intensity of the output was slightly higher because of the need to ensure security of supply using more carbon intensive technologies. The reduction in output from SSE's thermal generation plant meant that SSE's total electricity generation carbon emissions fell in the first half of 2021/22 in comparison to the same period in 2020/21 by around 14%.

**292g$CO_2$e/kWh**

**Carbon intensity of SSE's generated electricity in the first half of 2021/22**

## Advocating for ambitious climate action

SSE has been a long-standing advocate of climate action and continues to call for bold and decisive policymaking to unlock the kind of investment needed to deliver net zero ambitions, tackle climate change and help spur a green resilient recovery from coronavirus. In the run up to COP26, SSE continued this advocacy, with specific activity including partnering with KPMG in June 2021 to call for collaboration at a global level, underpinned by rapid progress by individual countries to cut emissions over the next decade and establish a credible path to reaching net zero emissions. SSE also hosted Greenpeace's Rainbow Warrior at Scotland's largest operational wind farm, Beatrice, to call for a just transition to net zero. To increase transparency around its advocacy activity, SSE will publish a review of its trade association memberships and their positions on climate change before the end of the calendar year.

## A new net zero standard

In October 2021, the SBTi released its new Corporate Net Zero Standard, the first global science-based standard for companies to set net zero targets. The Standard requires companies to reduce Scope 1, 2, and 3 emissions to zero or to a residual level that is consistent with reaching net zero emissions at the global or sector level, as well as neutralizing any residual emissions at the net zero target year and onwards.

SSE has a long-term ambition to achieve net zero carbon emissions across all its operations by 2050 at the latest, covering Scope 1, 2 and 3 GHG emissions and it is currently working to understand what would be required in order to meet the new longer-term criteria to achieve a SBTi-validated net zero target.

# PROVIDING AFFORDABLE **AND CLEAN ENERGY**

### Renewable generation output

SSE's renewable generation output* for the first half of 2021/22 was 2,938GWh compared to 4,030GWh in the first half of the previous year. The reduction in output for renewables was driven by unfavourable weather conditions over the summer, which was one of the least windy across most of the UK and Ireland and one of the driest in SSE's Hydro catchment areas in the last 70 years.

SSE Renewables is leading the construction of more offshore wind than any other company in the world right now and continued to make good progress on key flagship offshore wind projects over the first half of 2021/22. Dogger Bank A and B (each 1,200MW, SSE Renewables share 40%) remain on track with onshore works for cables and substation continuing, and the first turbine jacket foundations have been installed at Seagreen 1 (1,075MW, SSE Renewables share 49%). Dogger Bank C (1,200MW, SSE Renewables share 50%**) remains on track to reach financial close by the end of this calendar year.

In relation to its onshore wind projects, construction is progressing well on Viking wind farm (443MW) in Shetland and on Lenalea wind farm (30MW, SSE Renewables share 50%) in Ireland. In addition, Gordonbush Extension (38MW) became fully operational in August 2021.

## 2,938GWh

**SSE's renewable generation output* in the first half of 2021/22**

### SSE Renewables driving growth through overseas expansion

Over the last 12 months SSE Renewables has begun to export its capabilities in offshore wind development, construction, and operation to international markets where it sees growth opportunities. Spain, Portugal and Denmark are already markets where SSE Renewables is actively looking to develop offshore wind projects, and in the first half of 2021/22 it added Japan and Poland to this list.

In July 2021, SSE Renewables announced the creation of a 50/50 joint venture with ACCIONA Energía to develop offshore wind opportunities in the Polish energy market, as the country seeks to progress the deployment of around 6GW of offshore wind energy by the end of the decade. In addition, in September 2021, SSE Renewables signed an agreement to create a joint ownership company Pacifico Energy, one of Japan's largest developers of renewable energy, that will pursue offshore wind energy development projects in Japan. These partnerships will help support the further expansion and diversification of SSE Renewables' longer-term growth pipeline.

### Improving EV accessibility for disabled motorists

Ensuring a focus on equality of access to green technology, SSEN Distribution became the first electricity network to explore electric vehicle (EV) accessibility for people with disabilities as part of its project Equal EV. With 2.4 million motorists with disabilities in the UK, it is vital that they are supported in the transition to EVs. Alongside Disabled Motoring UK, SSEN has been examining the challenges and barriers in EV uptake for vulnerable and disabled motorists, which it outlined in a report published in July. SSEN has now embarked on the second phase of the project which will see it working with Energy Systems Catapult to map out driver journeys, and how available and emerging technologies can mitigate the barriers and challenges identified in the project's first phase.

### Providing green energy solutions for businesses

Supporting large businesses to switch to green energy will play an important role in supporting UK government's net zero ambitions. In the run up to COP26, SSE Energy Solutions launched a new and simplified Corporate Power Purchase Agreement (CPPA) in May 2021, which could help thousands of businesses in Britain significantly reduce their carbon emissions. The new product joins SSE Energy Solutions' growing line of green offerings that help businesses access a greater level of traceability and to reduce their carbon footprint. Access to CPPAs will enable customers to buy 100% renewable energy direct from wind farms operated by SSE Renewables.

In addition to this, in September 2021, it launched SSE Green EV – a new electric vehicle (EV) tariff that supports businesses running, or those thinking of switching to, EVs to cut costs and carbon emissions. The SSE Green EV tariff allows customers to power their company vehicles and fleets with 100% renewable electricity generated by SSE's own hydro and wind generation assets. The tariff also incentivises businesses to reduce costs by charging their EVs at reduced rates during off-peak hours.

*Including biomass, pumped storage and constrained off wind in GB.

**Dogger Bank C is currently jointly owned 50/50 by SSE and Equinor. On 2 November, SSE announced it had entered into an agreement to sell a 10% stake in Dogger Bank C to Eni. Equinor has also sold a 10% stake to Eni as part of this transaction, so once complete, the new overall shareholding in Dogger Bank C will be – SSE Renewables (40%), Equinor (40%) and Eni (20%).

# INVESTING IN INDUSTRY
# INNOVATION AND INFRASTRUCTURE

### Investing to accelerate net zero

SSE's 'Net Zero Acceleration Programme' announced in November 2021 will accelerate clean growth, lead the energy transition and maximise value for all stakeholders. It includes a significantly enhanced, fully-funded capital investment plan to 2026 alongside ambitious 2031 targets, aligned with net zero. The programme represents the optimal pathway for SSE to build on its position as the UK's clean energy champion, enabling delivery of over 25% of the UK's 40GW offshore wind target and over 20% of UK electricity networks investment, whilst deploying flexibility solutions and exporting renewables capabilities overseas.

This is an ambitious but deliverable roadmap for how SSE will allocate capital and seize the fantastic opportunities the Group has created over the next decade. And, importantly, it contains the investment needed to meet a 1.5°C pathway. It will maximise both earnings and asset value growth, while remunerating shareholders with a new growth-enabling dividend plan.

### A business plan to power communities to net zero

In July 2021, SSEN Distribution published its draft RIIO-ED2 business plan for 2023 to 2028, with a planned total expenditure of £4.1bn to deliver improvements for customers and accelerate investment in its networks to power communities to net zero. Local electricity networks will be a key enabler in the transition to net zero, as the electrification of heat and transport gathers pace alongside new smart flexible energy solutions. The stakeholder-led plan aims to balance the need to accelerate investment in the smart and flexible electricity networks that will meet new decarbonisation demands, while keeping costs down for consumers.

**£4.1bn**

**Planned investment of SSEN Distribution's RIIO-ED2 draft business plan for 2023 to 2028.**

SSEN's plan has six key goals focused on resilience, customers, and working towards net zero – one of which is to facilitate the connection of an additional 1.3m electric vehicles in its license areas by 2028. This supports SSE's core 2030 Goal to build electricity network flexibility and infrastructure that supports increasing numbers of EVs in GB. You can read the full plan at **ssenfuture.co.uk.**

### Demonstrating the future of smart grids

SSEN Distribution is one of the founding partners, along with Low Carbon Hub, of a new global smart grid partnership called International Community for Local Smart Grids (ICLSG). The new project will see community energy groups and electricity networks share key learnings from innovation projects, facilitate discussions around challenges and support a collaborative transition to a decarbonised future.

In addition, SSEN Distribution has joined the largest domestic flexibility study to ever be held in the UK, Crowdflex, with National Grid ESO, Octopus Energy and Ohme. With over 25,000 households taking part, the study will examine how low-carbon technologies, like electric vehicles (EV) and heat pumps, can be used in a cost-effective transition to net zero.

### Repurposing thermal generation assets for net zero

In the first half of 2021/22, SSE Thermal made important progress towards its ambitions to repurpose its fleet for a net zero world. It announced a number of projects in partnership with Equinor to co-develop low-carbon thermal generation options:

- Keadby Carbon Capture Power Station: a c.900MW gas-fired power station with carbon capture.
- Peterhead Carbon Capture Power Station: a c.900MW gas-fired power station with carbon capture.
- Keadby Hydrogen: a 900MW low-carbon hydrogen-fired power station, with a peak demand for hydrogen of 1,800MW.

In addition, it announced it plans with Equinor to develop one of the world's largest hydrogen storage facilities at its co-owned Aldbrough site on the East Yorkshire coast.

SSE was pleased that in October the UK Government announced support for the East Coast Cluster, in which Keadby and Aldbrough sit. As a 'Track 1' cluster, the East Coast Cluster will be supported to deploy $CO_2$ transport and storage infrastructure by the mid-2020s, accelerating decarbonisation and maximising the benefits of the net zero transition for workers and communities. The Scottish Cluster, in which Peterhead sits has been designated as a 'reserve cluster'.

### Taking steps towards a $SF_6$-free transmission network

SSEN Transmission has continued to work with suppliers to use new, more environmentally friendly gas insulated equipment by installing $SF_6$ alternatives across its network. In the first half of 2021/22, progress included: energising the first g3 gas-insulated substation, which is $SF_6$ free, on its network at New Deer; and energising its new substation, Glen Kyllachy, which will be home to the first $SF_6$-free Siemens Clean Air Power Voltage Transformers on the GB transmission network. In June 2021, SSEN Transmission also began construction of the world's first 400kV green gas substation (g3) at Kintore.

### On the road to a fully electric fleet

SSE is ahead of schedule to meet its EV100 commitment to switch to a fully electric vehicle fleet and install charging points for its 10,000 employees. It has taken delivery of more than 400 fully electric vehicles meaning 30% of its car fleet is now fully electric. There are currently another 225 fully electric vehicles on order meaning SSE will be moving to 47% of its car fleet being fully electric by early 2022.

### Exploring hydrogen options for SSE Renewables

SSE Renewables and Siemens Gamesa Renewable Energy announced an agreement in July 2021 to explore the opportunity to produce and deliver green hydrogen. The partnership aims to co-locate hydrogen production facilities at two onshore wind farms in Scotland and Ireland, from which production and delivery of green hydrogen through electrolysis will begin. This partnership will contribute to both companies' decarbonisation commitments as well as support the UK and Irish Governments in reaching their net zero targets, including in the UK reaching 5GW of low-carbon hydrogen production by 2030.

# COMMITTED TO DECENT **WORK AND ECONOMIC GROWTH**

### Leading on the just transition

SSE published its second report on promoting a fair and just transition to net zero in September 2021. This new report looks specifically at actions to support workers move from high to low-carbon careers and follows SSE's publication of its world-first business Just Transition Strategy in November 2020.

After almost a year of consultation with a wide range of stakeholders – including its employees, policy makers, trade union partners, investors, academics, suppliers, and industry and skills bodies – the new report uses these insights to outline 20 commitments from SSE and 20 recommendations for industry and government which all aim to promote a smooth, fair and just transition to net zero for workers. As part of this engagement activity, SSE undertook primary research with its employees and found that 1 in 5 of its entire workforce have already made this transition from a high to low carbon career. Full details of this engagement activity, key findings and the actions and recommendations can be found in the 'From principles to action' report, available on sse.com/sustainability/reporting alongside SSE's Just Transition Strategy.

## 1 in 5

**of SSE's employees have already transitioned from a high to low carbon career**

In November 2021, it was announced that SSE was ranked the top company in the world in the World Benchmarking Alliance's new just transition benchmark. SSE achieved the highest score of 14/16 points compared to a mean score across all 180 assessed companies of just 2.7/16.

SSE is committed to progressing its leading approach on the just transition. It set the tone for its COP26 activity by hosting its first event on 'Creating a Just Energy Transition for Working People', with a panel including a Scottish Government Minister and a Louisiana State representative. A focus on just transition continued throughout COP26, for more details see **sse.com/COP26.**

### Embedding sustainability in procurement practices

SSE has been progressing its new sustainable procurement strategy across 2021, which included the launch of its new Sustainable Procurement Code and accompanying Supplier Guidance in April 2021. These documents replace SSE's Responsible Procurement Charter and set out SSE's expectations of the companies that supply SSE with goods and services, including minimum standards and the role of suppliers in delivering common sustainability goals, from paying a real Living Wage to helping SSE achieve net-zero carbon emissions by 2050. SSE has been embedding scored sustainability criteria into its Procurement and Contracts sourcing strategy, as well as engaging with its strategic suppliers on sustainability topics and opportunities for collaboration. SSE has also begun work to embed the Living Hours requirement through its supply chain contracts.

### Advancing SSE's approach on modern slavery

SSE published its 2021 Modern Slavery Statement in August. The Statement is SSE's most detailed yet, reflecting continued advancement in its approach. Over the first half of 2021/22, SSE has continued to work with human rights experts, Stronger Together, following the gap analysis they undertook last year which led to creation of SSE's Modern Slavery Action Plan.

SSE is focused on delivering this action plan, and has prioritised: developing its approach to human rights training for employees through its partnership with the Supply Chain Sustainability School; embedding a robust process for sustainability, including human rights, through its Large Capital Projects Governance Framework; Stronger Together undertaking a detailed risk analysis for major projects; continuing to collaborate across the sector through the Utilities Modern Slavery Working Group; and being pro-active in developing a joint approach on human rights in solar supply chains.

### Engaging employees on COP26

In the run-up to the COP26 conference, SSE wanted to give its employees the opportunity to be involved in powering change. This included SSE partnering with Do Nation to create a dedicated climate pledge portal where SSE employees could choose commitments to reduce carbon emissions, from washing clothes at a lower temperature to becoming a part-time vegan. Over 1,800 employees took part, with more than 500,000kg $CO_2$ savings pledged so far as a result.

SSE also launched an all-employee "Climate Academy" in partnership with the Supply Chain Sustainability School. The programme delivered training on climate change issues – from net zero, to the impact of climate on nature and people – and what they can do, as individuals and as a company, to combat them. Around 2,000 employees joined each of the five sessions.

### Expanding the STEM Returners programme

Following a successful pilot in 2020/21, SSE rolled out its STEM Returners scheme across the business with jobs now being offered across its Renewables, Transmission, and Distribution businesses, whilst a separate programme runs concurrently in its Thermal business. The STEM Returner programme targets professionals who have been out of a STEM career for five or more years, who are typically from diverse, underrepresented groups, to return to STEM.

### Investing in communities

SSE's community investment funds play a key role in funding transformative local and regional projects. SSE Renewables published its Community Investment Annual Reviews for GB, NI and Ireland in August 2021. The reports detail projects funded from the £10.2m investment in communities over 2020/21, supporting 1,023 community projects across these countries. SSE is continuing to invest in communities close to its assets, and in the first half of 2021/22 also announced that a £1m investment by Dogger Bank offshore wind farm will go towards supporting STEM learning for more than 25,000 young people in the North and Northeast of England.

# ESG RATINGS AND **INDICES PERFORMANCE**

SSE actively engages with key environment, social and governance (ESG) ratings agencies and investor-led ESG ratings. These ratings demonstrate SSE's performance to its stakeholders, while also allowing it to identify areas for improvement in its operations and disclosure. The table below outlines SSE's current performance in ratings and indices, alongside the previous year's performance.

| | 2021 | 2020 | Stable/improved/decreased |
|---|---|---|---|
| MSCI ESG RATINGS AAA | AAA | AAA | **Stable**<br>SSE is in the top 8% of 139 global utilities (Sep 2021) |
| SAM Now a Part of S&P Global | 67/100 | 56/100 | **Improved**<br>SSE has a 79th percentile ranking (Nov 2021) |
| CDP DISCLOSURE INSIGHT ACTION | A- | A- | **Stable**<br>SSE scored as 'Leadership' (Feb 2021) |
| CDP DISCLOSURE INSIGHT ACTION | B | B | **Stable**<br>SSE scored as 'Management' (Feb 2021) |
| WDI Workforce Disclosure Initiative | Included | Included | **Stable**<br>SSE is in the top decile for disclosure in the WDI (Mar 2021) |
| V.E | 67/100 | 63/100 | **Improved**<br>SSE scored as 'Advanced' (Oct 2021) |
| FTSE4Good | Included | Included | **Stable**<br>SSE has been included in the index series since 2001 (Jun 2021) |
| Bloomberg Gender-Equality Index 2020 | Included | Included | **Stable**<br>SSE has been included in the index since 2018 (Jan 2021) |

**Embedding sustainability principles**

SSE works with, and is a member of, a number of initiatives that help embed sustainability principles throughout its business and supply chain. Some of SSE's key memberships and partnerships are shown here, with further detail provided on **sse.com/sustainability/partnerships**.

WE SUPPORT UN GLOBAL COMPACT · We are a Living Wage Employer · SUPPLY CHAIN SUSTAINABILITY SCHOOL · LIVING WAGE IRELAND · RACE TO ZERO · We are a Living Hours Employer · BUSINESS WORKING RESPONSIBLY · Fair Tax · Social Mobility PLEDGE · #Equalby30