

His Excellency António Guterres Secretary-General **United Nations United Nations Secretariat** New York, NY 10017 U.S.A.

20 August 2021

SSE plc Inveralmend House 200 Dunkeld Road Perth Scotland UK PH1 3AQ

Dear Secretary-General,

I am pleased to confirm that SSE plc reaffirms its support of the Ten Principles of the United Nations Global Compact.

In this annual Communication on Progress, I would like to highlight SSE's actions over its financial year 2020/21, disclosed in detail within our Annual Report 2021 and Sustainability Report 2021, to continually improve the integration of the Global Compact and its Ten Principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders.

Disclosure on progress against the Ten Principles of the UN Global Compact:

- Environment (Annual Report pages 36 to 43, 111 and 140 to 143; Sustainability Report pages 18
- Labour (Annual Report pages 45 to 50; Sustainability Report pages 82 to 93; and see also SSE's new Sustainable Procurement Code and Just Transition Strategy);
- Human Rights (Annual Report page 45 to 51; Sustainability Report page 75; and see also SSE's Modern Slavery Statement 2021); and
- Anti-Corruption (Annual Report page 47 and Sustainability Report page 83).

I would also like to highlight that SSE's four fundamental business goals for 2030 are aligned to the UN's SDGs which are most material to its business (see page 17 of the Sustainability Report) and directly linked to SSE's executive performance measures (see page 152 of the Annual Report) - putting sustainability right at the heart of SSE's strategy and operations. Despite the challenges of the coronavirus pandemic, excellent progress was made against our 2030 Goals over 2020/21 (see pages 14 and 15 of the Annual Report).

SSE's 2030 Goals are:

- Cut the carbon intensity of the electricity we generate by 60%, aligned to SDG 13: Climate
- Treble renewable energy output, aligned to SDG 7: Affordable and clean energy.
- Help accommodate 10m electric vehicles, aligned to SDG 9: Industry, innovation and infrastructure.
- Champion Fair Tax and a real Living Wage, aligned to SDG 8: Decent work and economic growth.



As a Principal Partner of COP26, we understand the imperative to put net zero at the centre of our business strategy. That's why over 2020/21 we committed to being operationally net zero across all scopes by 2050 at the latest, and signed up to the 'Race to Zero' campaign. As communicated last year, SSE has set Science Based Targets Initiative (SBTi) approved carbon targets on a 'well-below 2-degree pathway', the most ambitious pathway scenario available at the time. SSE is wholly committed to aligning with a 1.5-degree scenario and this year we expect to revisit our science-based targets, so that we can shift to the more stretching '1.5-degree pathway' which is now available through SBTi.

Finally, I would like to note several other key developments which we believe demonstrate our commitment to building a better world of energy for tomorrow:

- We are on track for our five year £7.5bn capex investment plan, and are currently building more offshore wind generation than anyone in the world;
- SSEN Transmission was the first electricity network company in the world to set SBTi approved carbon targets aligned to a 1.5-degree pathway.
- We were the first company in the world to publish a Just Transition Strategy, outlining 20
 principles for considering the social impact of the transition to net zero;
- We became one of the first companies in the UK to become a Living Hours employer, guaranteeing secure hours alongside the real Living Wage; and
- Finally, throughout the coronavirus pandemic, the safety of the people that work for us was our
 first priority. Thanks to a highly resilient business model and the commitment and flexibility of its
 employees, we were able to maintain the safe and reliable supply of electricity and did not draw
 on furlough or rates relief in doing so.

We firmly believe that, through the SDGs and the Global Compact, the UN has created a blueprint for a sustainable world. It's one which SSE has put front and centre of our business.

Yours sincerely,

Alistair Phillips-Davies

Chief Executive Officer

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