

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

17th August 2022

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 2021/22, disclosed in detail within our Annual Report 2022 and Sustainability Report 2022, 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 42 to 57, Sustainability Report pages 86 to 97;
- Labour Annual Report pages 60 to 65, Sustainability Report pages 76 to 83, and see also SSE's Sustainable Procurement Code, Just Transition Strategy and workers report Just Transition: From Principles to Action;
- Human Rights Annual Report page 62 and 63, Sustainability Report pages 13, 52 to 55, and see also SSE's Modern Slavery Statement 2022; and
- Anti-Corruption Annual Report page 62 and 63, Sustainability Report page 13, and see also SSE's Doing the Right Thing Guide 2022.

I would also like to highlight that in February 2022, SSE refreshed its four fundamental business goals for 2030, aligned to the UN's SDGs which are most material to its business, making them more ambitious and ensuring they remain stretching to the end of the decade. (See more on page 10 of the Sustainability Report). SSE's 2030 Goals are directly linked to SSE's executive performance measures (see from page 168 of the Annual Report) – putting sustainability right at the heart of SSE's strategy and operations.

SSE's 2030 Goals are:

- Cut carbon intensity by 80% by 2030, aligned to SDG 13: Climate action.
- Increase renewable energy output fivefold, aligned to SDG 7: Affordable and clean energy.
- Enable low-carbon generation and demand, aligned to SDG 9: Industry, innovation and infrastructure.
- Champion a fair and just energy transition, aligned to SDG 8: Decent work and economic growth.



At SSE, we understand the imperative to put net zero at the centre of our business strategy. SSE has committed to being operationally net zero by 2040 across scopes 1 and 2, subject to security of supply, and by 2050 at the latest for remaining scope 3. This year SSE published its <u>Net Zero Transition Plan</u> and <u>Net Zero Transition Report</u>. As communicated last year, SSE has revised its carbon targets as intended, and now has a new set of Science Based Targets Initiative (SBTi) approved carbon targets, firmly placing SSE on the more stretching 1.5°C pathway.

Finally, I would like to note several other key developments over the last 12 months which we believe demonstrate our commitment to building a better world of energy for tomorrow:

- In November, SSE set out its £12.5bn Net Zero Acceleration Programme, which will see SSE double its renewables capacity by 2026.
- SSE was a principal partner to COP26 in November, which included a variety of activities
 including supplying 100% renewable energy for the event, contributing to debates, demonstrating
 new technology, hosting delegates, and holding conferences. SSE also delivered a five-part
 Climate Academy to 4,000 employees in advance, aiming to increase broad climate literacy and
 develop understanding of the social and environmental impacts of climate change.
- Progressing work on Just Transition; SSE published a 'worker' report, following months of internal research and stakeholder engagement. SSE's Just Transition strategies, plans and actions, were also recognised as world leading by the World Benchmarking Alliance this year.
- In May, 6 months after COP26, the Powering Net Zero Pact was launched, a unique partnership between SSE and 10 of its most powerful suppliers, designed to collaborate on some of the trickiest and most intractable sustainability challenges.
- With an increased strategic focus on driving greater inclusion and diversity across the business and supply chain, SSE published its first standalone <u>Inclusion and Diversity Report</u>, including new diversity targets.

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

ir - Mill - Love