



Sustainable Workforce Strategy

September 2019

A foreword from Rob McDonald

The climate emergency is undoubtedly one of the greatest challenges of our generation. As the transmission owner for the north of Scotland, we have a huge part to play in helping the UK and Scottish Government deliver their Net-Zero targets. In our RIIO-T2 Business Plan, we have set out a pathway for how we will play an important role in keeping global temperature increases below 1.5 degrees. To deliver this strategic aim, we will rely heavily on our largest single resource, our people. We know that we have a great challenge ahead of us to achieve our Net-Zero ambitions, however, we believe our hard-working and engaged workforce will help us on this journey and turn our ambitious plan into a success.

Investing in our people resource is not a new phenomenon to SSE, Networks or the Transmission business, nor is it constrained to the cyclical nature of price controls. We have been putting our workforce at the heart of what we do for many years. As part of the wider SSE group, we draw down on a wide range of initiatives to support and develop our employees. We belong to an innovative and progressive FTSE 100 company, one which encourages the development of our people.

I'd like to thank all of you who have engaged with us to help us develop our people ambitions. We believe that by investing effort into the development of these ambitions, we will grow our business and our people, and we will ensure the successful delivery of our RIIO-T2 network investment plans and stretch targets.

I am excited to be leading the team through this period of significant opportunity and growth and I look forward to continuing to adapt to the needs of our customers and the energy industry.

What we do within our business is nationally vital work and it all depends on the efforts of the people who work for us. We have a significant opportunity as we move forward with our ambitious RIIO-T2 plans to not only grow our business, but to also grow our people. We are committed to ensuring our people have the skills, knowledge and behaviours to manage and develop the Transmission network of the future, whilst also retaining the wealth of capabilities necessary to continue to operate our current safe and reliable system. This will deliver the business needs of today, and those of tomorrow.

To achieve this, recruiting, retaining and developing our people is paramount. We want all of our employees to not only be equipped and enabled, but also motivated and inspired as we move into this next phase of our journey. The future will bring about new challenges and opportunities but we believe that by placing a high level of focus on our four people ambitions, we are both prepared and committed to delivering against the RIIO-T2 Business Plan and are ready to face the future with enthusiasm.



Rob McDonald,
Managing Director, SHE Transmission



Allie Walker,
HR Business Partner

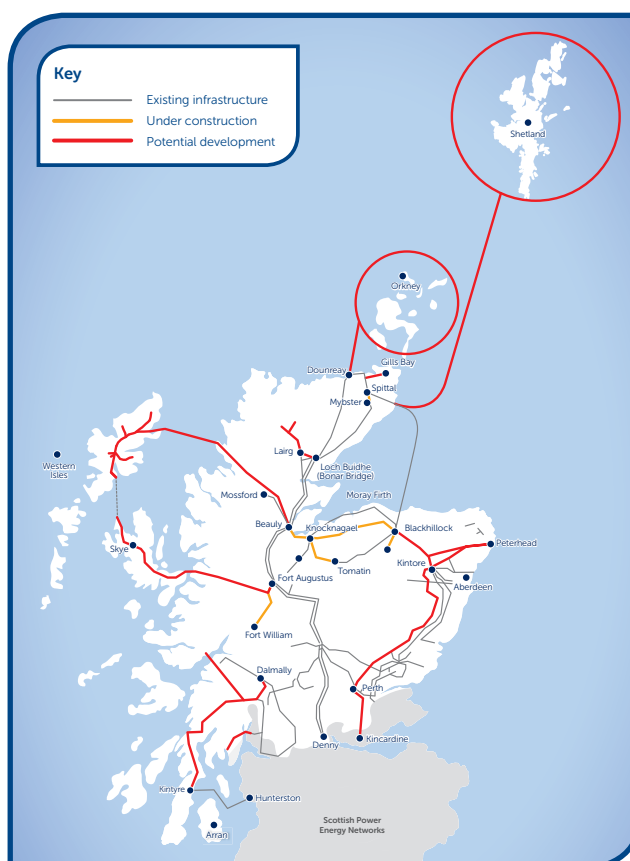
Who we are

We are Scottish Hydro Electric Transmission (SHE Transmission), part of the SSE Group, responsible for the electricity transmission network in the north of Scotland.

We operate under the name of Scottish and Southern Electricity Networks, together with our sister companies, Scottish Hydro Electric Power Distribution (SHEPD) and Southern Electric Power Distribution (SEPD), who operate the lower voltage distribution networks in the north of Scotland and central southern England.

As the Transmission Owner (TO) we maintain and invest in the high voltage 132kV, 220kV, 275kV and 400kV electricity transmission network in the north of Scotland. Our network consists of underground and subsea cables, overhead lines on wooden poles and steel towers, and electricity substations, extending over a quarter of the UK's land mass crossing some of its most challenging terrain.

We power our communities by providing a safe and reliable supply of electricity. We do this by taking the electricity from generators and transporting it at high voltages over long distances through our transmission network for onwards distribution to homes and businesses in villages, towns and cities.



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Investment in our people and society

The SSE Group is a leader in innovative people practises – we strive to lead the way, rather than follow the pack. As a provider of an essential service, funded by energy consumers across GB, we recognise that we have an increased responsibility to do the right thing. This extends to sustainable business practices, ensuring that all our employees and contractors receive a fair wage and that we pay our fair share of tax, two areas of significant importance to our stakeholders. To illustrate this, we have outlined some of our progressive people initiatives below, which form part of our wider Sustainability Strategy and our commitment to growing careers:



Living Wage

We are a living wage employer. Since 2014, SSE has been at the heart of the development of the Living Wage, championing it with our peers. By committing to paying both our direct and sub-contracted workforce a wage that enables them to afford life's essentials, we are making a strong statement about how important our employees are to the future of our business. We value them and will do what we can to ensure they want to continue to work with us.



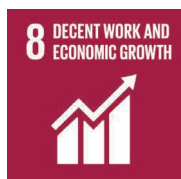
Fair Tax

We are at the forefront of paying our fair share of tax with SSE being the only FTSE 100 company with the Fair Tax Mark. We are committed to paying the right amount of tax, at the right time and in the right place. The Fair Tax Mark is our commitment to contributing to the society where our people and their families live.



Living Hours

We are supporting a new Living Wage campaign to tackle the impact on employees from unpredictable and irregular working hours. While our workforce almost universally benefits from regular hours and a stable wage, being part of this initiative allows us to make a statement about how we value our employees. Where this assurance does not exist within our sub-contracted workforce, we will send a strong signal to drive change for the better.



Contributing to Society

We also recognise that our operations support and create economic growth across the country. We value the contribution that we make every year to society through our investment in our assets and by having a large and diverse workforce. Every year since 2011/12 the SSE group has commissioned analysis of the value we add as a group; over eight years this amounts to over £75bn (2018/19 prices). We will continue to be a very significant part of this economic benefit.



Closing it together

Inclusion and Diversity

Diverse and inclusive organisations are more likely to be innovative and commercially successful. Our action to embed inclusion and attract and retain a truly diverse workforce have been included in our Sustainable Workforce Strategy and Sustainable Workforce Action Plan.

Gender Pay Gap

We currently have one of the most significant gender pay gaps in the SSE Group at 27%. Targets and supporting actions to address this have been set and will continue throughout the RIIO-T2 period.

Growing our business; growing our people

Our people vision for SHE Transmission

Our people are equipped, engaged and empowered to deliver our strategic objectives in an innovative and positive way.

In Transmission, we attract, retain and develop a talented, diverse and engaged workforce, that are led and supported in a way that allows them to effectively contribute to the delivery of plans and strategic commitments.

Our Sustainable Workforce Strategy is underpinned by the values we promote within our business:

Our SSE values



Safety

If it's not safe, we don't do it



Service

We are a company customers can rely on



Efficiency

We focus on what matters



Sustainability

We do things responsibly to add long term value



Excellence

We continually improve the way we do things



Teamwork

We work together, respect each other and make a difference

Our commitment

We want our workforce to:

- Be empowered to do what's right for SSE, for our customers and stakeholders
- Feel that our safety and personal wellbeing is supported and valued and that if it's not safe, you don't do it
- Continue to feel committed and motivated to do their job to the best of your ability
- Have leaders who inspire, communicate and engage and who seek feedback
- Be treated fairly and inclusively – no barriers, no excuses
- Feel informed and engaged by the opportunities the growth of our Transmission business will continue to bring
- Have the skills, knowledge and behaviours to deliver our strategic objectives
- Be recognised and rewarded for innovations and contributions to Transmission's success

What will success look like?

- Our people will feel engaged and communicated with
- Our people will have continued to develop and grow their careers as our business develops and grows
- Our behaviours will reflect our SSE and Transmission values
- We will pay a fair rate for the job you do
- We will have an inclusive culture which is supportive and encouraging of different view points and perspectives
- We will have clear roles and responsibilities and will be accountable to them
- We will be happy and productive at work
- We will feel supported and valued
- We will do the right thing

Development of our Strategy

As a leader in the energy and utilities sector, we recognise the role we play in building future prosperity for the UK. We know that to deliver our responsibilities both safely and sustainably, we need a skilled and productive team of people. We recognise the challenges we face in maintaining that capability including:

- Intense competition for skills;
- Rapidly evolving technological advances;
- An ageing workforce;
- Difficulties in attracting new talent into our sector.

Currently only 1% of those leaving education choose to work in the energy and utilities sectors and we know that we need to work with our colleagues across the industry to ensure this changes.

Within SSE, our business model has changed significantly over the last year with the creation of Transmission as one of seven SSE business units in January 2019. This Group Operating Model change has brought increased empowerment and accountability for our business through a separate Executive Management Committee and increased decision-making powers. In response to these changes, and in preparation for the needs of RIIO-T2, we have updated both our SSE overarching and wider Networks People Strategies. These support the delivery and embedding of the Operating Model with inclusive and fair practices to take care of our employees and ensuring that we **attract, retain and develop** a talented, diverse and engaged workforce, that are led and supported in a way that allows them to effectively contribute to the delivery of our RIIO-T2 plan.

Engagement and feedback

Whilst ensuring clear alignment to our SSE Group and Networks People Strategies as well as our commitments against our RIIO-T2 Business Plan, we have also taken the opportunity to fully engage with our people in the development of our Transmission Sustainable Workforce Strategy including internal technical specialists in the fields of Learning and Development, Health and Safety and Inclusion and Diversity. The SHE Transmission Executive Committee, as well as trade union and employee representatives were engaged at an early stage prior to inviting all staff members to have their say.

A number of focus groups have been held in different geographies to offer everybody the opportunity to contribute to the development of this strategy. The feedback we have received has been positive and has helped us shape our strategy with key themes from our engagement centred around having:

- A planned approach to recruitment,
- Development for our leaders at all levels,
- An increased focus on skills development, training and career paths,
- Building our early years pipelines.

Our Strategy has been reviewed with members of two external user groups – the Stakeholder Engagement User Group and the RIIO-T2 User Group. Further insights from our sector peers have been gained through our active participation in the National Skills Academy for Power, and Energy and Utility Skills.

Our four People Ambitions

As a result of the feedback we have received, we have now identified four key people ambitions for the our business:



A Healthy, Happy and Safe Workplace



Right People, Right Skills



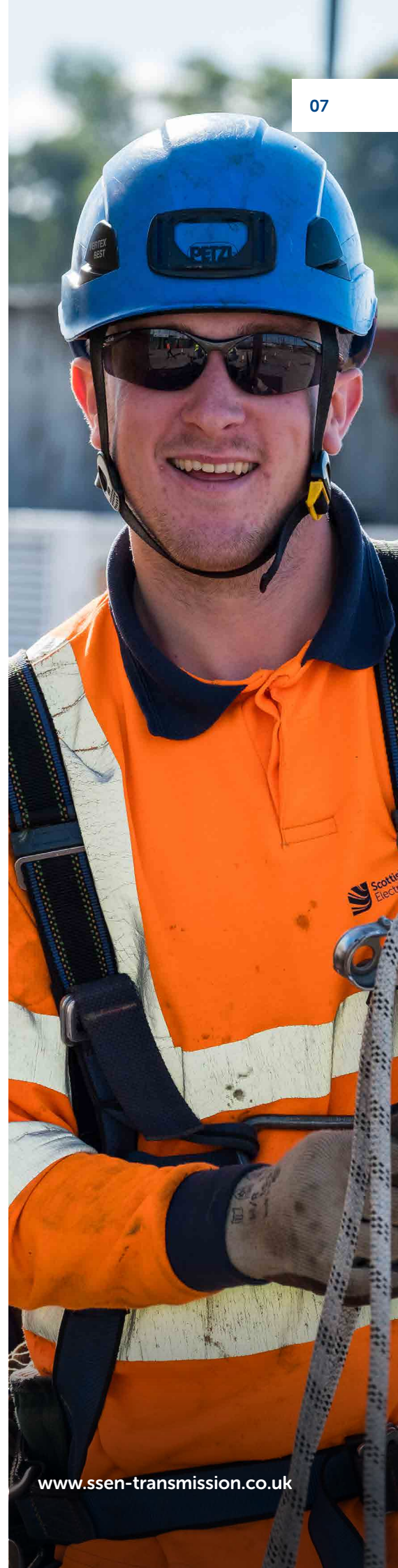
One Inclusive and Engaged Team



Empowered Inspirational Leaders

We have received positive feedback from the engagement we have undertaken on our strategy and are encouraged that this will add real value to growing both our business and people. The RIIO-T2 User Group highlighted the need for us to demonstrate how the Sustainable Workforce Strategy will add value to our business. This will be measured through the four key themes and supporting Workforce Action Plan that have been developed and aligned to our Sustainability aspirations around growing careers. Through the development of a rolling 5 year resource plan and Strategic Workforce Plan we understand our current workforce and are able to forecast and react to our future needs in a measured and planned way. We will also ensure that our Business Plan commitments are linked to colleagues performance through both personal objectives and the introduction of a recognition scheme, which are clearly linked to the delivery of our strategic commitments

Ongoing engagement both internally and externally with our supply chain and peers will be maintained throughout the RIIO-T2 price control and beyond to keep our strategy relevant and focussed. This will be supported through our new Sustainable Procurement Strategy and wider stakeholder engagement plans.



Our people ambitions

A Healthy, Happy and Safe Workplace

If it's not safe, we don't do it. This underpins everything we do. As one of our six SSE values, safety sits at the heart of our business. As we attract new skills into our, we want one of the draws to be how we look after each other, both in and outside of the working environment. We want to create a workplace that is healthy, happy and above all else, safe.



We will continue to manage health and safety by caring for our people – If our employees face challenges with physical or mental health, we will be there to support their wellbeing.

Through:

- Continuation of our **50 by 20 initiative** – targeting not only a step reduction in our employee injury rate, with a 50% reduction by end 2020, but also seeking a step increase in the health and activity of our workforce
- Roll out of a **communication programme** to raise awareness of our wellbeing offering – Employee Assistance Programme, Nuffield Back to Work programme and our mental health first aiders
- Ensuring our people have the **tools and understanding** to do their job safely
- Offering **change management and resilience training** to all of our people to ensure they feel mentally equipped to deal with our changing and growing business
- The launch of **The Way We Work flexible working programme** to encourage and support different working patterns to help allow people to carry out work in a way that meets both their own needs and the needs of the business
- Continued commitment to **raising mental health awareness** within the business. Across SSE, 200 Mental Health First Aiders are now in place and a further 150 planned
- Ensuring all managers complete **mentally healthy workplace** training, enabling individual needs to be met and encouraging employees and managers to be flexible and supportive of each other
- Undertake quarterly reviews of our **absence data** to understand better the drivers for mental and physical health issues and act upon them.

Our people ambitions

Right People, Right Skills

The past decade has been a period of rapid change in the energy sector and, huge growth. Our team has grown significantly to support this. With an ageing workforce and, set against a projected future industry skills gap, our expanding network requires an increasing number of skilled employees to keep it running effectively, and to manage the transition to an increasingly decarbonised and decentralised system. Retirement and attrition impact our workforce numbers and make-up, and the critical skills and capabilities we need to continue to evolve in response to developments in the energy sector. We have a responsibility to ensure that our workforce has the required skills and opportunities to both meet our future business requirements, and to grow careers within the our business and wider SSE group.



We will take a considered and proactive approach to workforce planning having the right people, right place, right time and the right skills to ensure the successful delivery of our Business Plan, whilst investing in our employees and adding value through the creation of good jobs, training and development for all.

Through:

- The creation of a comprehensive **strategic workforce plan** to ensure that we have the resource and capability to deliver today and in the future
- The introduction of a **5 year rolling resource plan** to ensure we plan and consider our hiring so that we are staffed to deliver
- The promotion of **inclusive recruitment** including adopting a **strengths based recruitment approach** looking at strengths rather than skills. Ensuring **job advertisements** are as open as possible to attract a diverse pool of talent
- Expanding our **early years talent pipeline** by ensuring further investment in our graduates, apprentices, technical and non-technical trainees to further future proof our workforce
- Job specific training – a **training needs analysis** review to be undertaken to ensure our people are fully equipped and comfortable to deliver
- The launch of **vulnerable customer care training** to ensure employees are proficient in recognising signs of consumer vulnerability and understand the support services available
- The launch of a positive action campaign through **university and career fair engagement**. Working closely with the employability and education outreach team to ensure quality interactions with all education bodies to promote us as a great place to work
- The embedding of the **Engineering Continuous professional development forum** – a company-wide engineering support initiative focused on continued professional development and engineering competencies for colleagues, through to attainment of Incorporated (IEng), Chartered (CEng) or Engineering Technician status.



Our people ambitions

One Inclusive and Engaged Team

One Transmission family where all individuals are equal. We want the best people to be part of growing the business and will continue focusing on encouraging more difference **IN**, and creating a culture where people want to stay **ON** and progress **UP**. An engaged team is a productive team, and we will ensure we place increased focus on communicating; celebrating our successes, and recognising and rewarding our people. We will work closely with our employee consultative forums, trade union partners and other formal groups to create an inclusive, productive and engaging environment in which to work.



We will look for opportunities to continually improve our engagement with our people, ensuring that everyone has the opportunity to become part of the Transmission family – no barriers, no excuses.

Through:

- The embedding of the **Transmission Shadow Board** – our forum to encourage diverse viewpoints to inform key business decisions
- Establishing and adopting **diversity targets** based on 2021 census demographics – ensuring teams are representative of the areas they work in
- Delivering an **inclusive behaviours programme** to help us all to create an inclusive working environment. This includes rolling out an **online I&D hub** for all employees, **Inclusive Hiring manager training** and mandatory **Inclusion & Diversity e-learning** for all as part of our business ethics training and Inclusive meeting facilitation training
- The continuation of SSE **Enhanced paternity, maternity and adoption leave** including fully paid gradual return to work for returning mothers
- Maximising our **employee feedback mechanisms** with continued commitment to our **Great Place to Work** survey and the introduction of **exit interviews** to ensure effective leadership engagement and encourage employee feedback
- Increased **engagement with the Senior team** through the continued roll out of our recently launched **Managing Director Roadshows** to keep our people up to date with developments across our business and the introduction of a **Managing Director Meet and Greet with all new hires** – a meeting to welcome new hires to the team to ensure they feel valued and ensuring everybody has a voice
- Introducing an **employee recognition scheme** to reward outstanding contributions and excellence. This will be aligned to both our SSE core values and Business Plan commitments
- The launch of an **employee continual improvement and innovation suggestion scheme** to ensure we are innovative and forward thinking in all that we do and that the employee voice is heard
- Reinforcement of our commitment to the **Living Wage** – engaging with our supply chain to advocate accreditation as a **Living Wage Employer** and the upcoming Living Hours Employer movement.

Our people ambitions

Empowered Inspirational Leaders

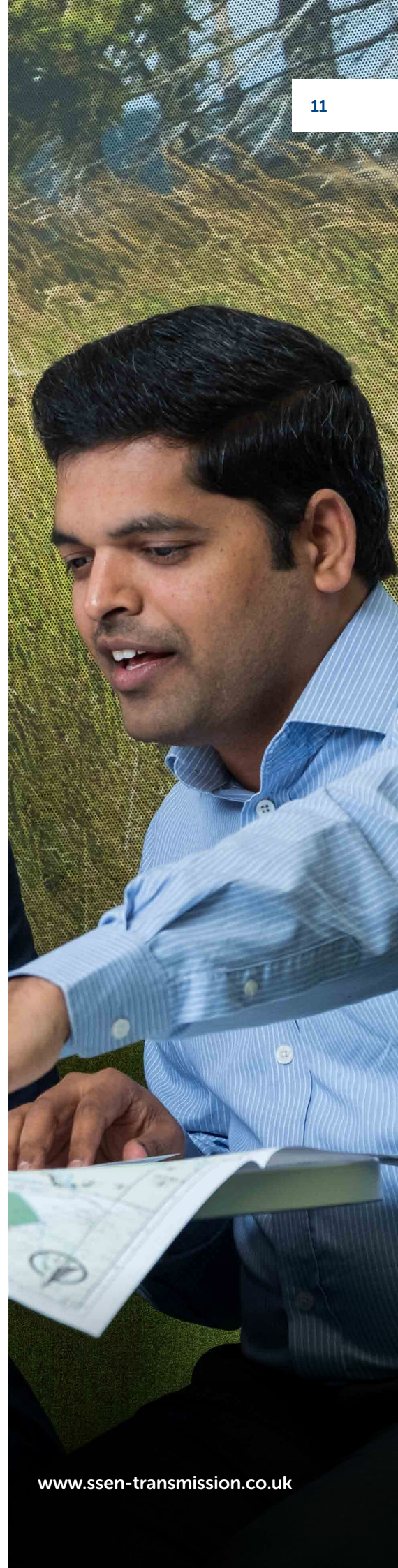
Leadership matters. We recognise the power of the positive, empowered and inspirational leaders. As part of our Group Operating Model assessment, we have reviewed our leadership structure and affirmed what we expect from our leaders. This includes how their roles share collective responsibility for ensuring that delivery of our RIIO-T2 commitments and how the ways in which we behave and engage with our workforce will build trust and empowerment to enable a step change in performance. The best leaders don't just get the job done well, they do it in the right way. As key decision makers within the business, our managers and leaders have significant opportunity to impact and influence our workforce and we are committed to helping all of our leaders achieve their potential and in turn create a great working environment for our people.



We will work with leaders at all levels to develop their leadership capabilities and encourage and support those who are seeking to move into leadership roles. We are committed to ensuring there are no gaps in leadership potential or practice.

Through:

- Reviewing **succession plans** for senior and critical roles annually to ensure we have a clear leadership pipeline and plan for the future now
- Establishing a **"Future Networks" leadership development framework** – to build leadership and project management capability for future network needs
- Rolling out **mentoring and coaching programmes** designed to build and test capability for future progression and support our employee's ongoing development
- Ensuring that all first line managers undertake the **Introduction to People Management** programme within their first six months in role, to enable an easier transition from being a sole operator to management
- Embedding the **Career Development Programme** into our business enabling us to assess capability and aspirations for business and functional leadership roles
- Revising and embedding the **updated Leadership Blueprint** – communicating the blueprint of expected behaviours for all those in leadership roles more widely across the business so that everyone knows what's expected of them
- Launching the **Inclusive Leadership Programme** to support those at an early career stage who are budding leaders
- Embedding **Inclusive Hiring Training** for all managers to ensure an inclusive approach to recruitment
- Rolling out of **Insights personality profiling** to ensure greater levels of self awareness and a better understanding of how to get the best from teams and interact with one another.



Next Steps

We want to hear from you

This document covers the RII0-T2 period, from 1 April 2021 to 31 March 2026. Our approach is one of continuous development. To support that, this is a living document which you can directly influence by challenging and amending areas to increase its effectiveness. Please contact us if you would like to provide input on our proposed actions.

Information provided in response to this document may be used in future SHE Transmission documents. Responses will be generalised and not attributed to specific people. If you would prefer the information you provide to be confidential, please let us know.

If you would like to post us your feedback, please send it to: alison.walker@sse.com or shelley.kay@sse.com

If you have any queries on this document, please get in touch with us at: YourPlanOurFuture@sse.com



SSEN Community



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Fair Tax