

# Sustainability Strategy

Pathway to 2030





















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# About us



## About SSEN Transmission

We are SSEN Transmission, the owner and operator of the high voltage electricity transmission network for the North of Scotland.

From the deep waters of the North Sea to high mountains of the Highlands, the abundant power from Scotland's natural resources is being harnessed through onshore and offshore wind-farms, hydro power stations and other generation assets. We transport that power across a vast network of underground and sub-sea cables, overhead-lines, wooden poles and steel towers, delivering safe, reliable, and secure electricity to millions of homes and businesses across Scotland, the UK, and beyond.

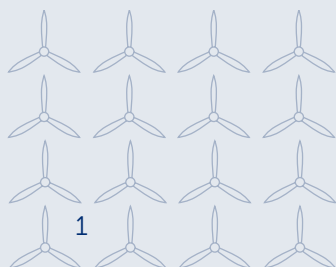
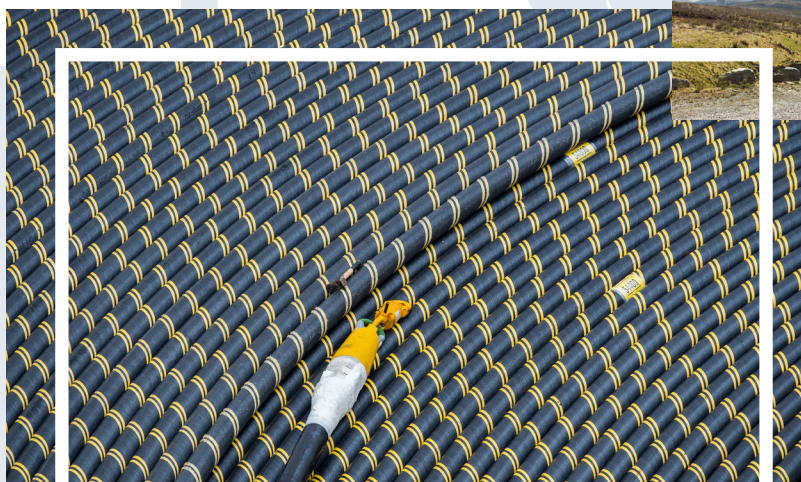
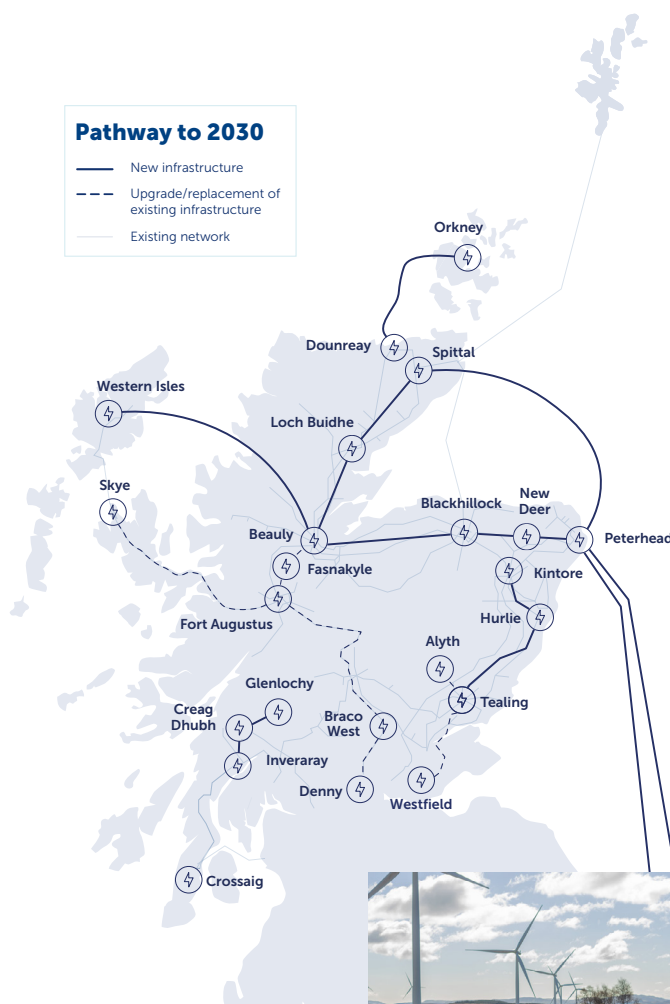
Electricity transmission is at the heart of the transition to net zero in the UK. We play a pivotal role in connecting and transporting the clean power needed to decarbonise the UK's energy system and, in doing so, power the UK's net zero ambition. We are rapidly growing, in order to deliver the largest investment package that Scotland's electricity system has ever seen. This growth will more than double the renewable generation connected to our network, delivering the capability to meet 20% of the GB demand for clean power by 2030.

This network development is making a significant positive contribution to meeting net zero targets in Scotland and the UK. It offers unique opportunities for SSEN Transmission to act on our core value of sustainability, and to play our part in delivering a transition that is fair and sustainable, and that leaves a positive legacy for generations to come.

# Welcome to SSEN Transmission

## Pathway to 2030

- New infrastructure
- - - Upgrade/replacement of existing infrastructure
- Existing network





# About Us



## Our ambition

Our goal is to deliver a network for net zero and to do so in a just and sustainable way. Our ambition is for our network to have the capability to meet 20% of the GB demand for clean power by 2030. Through our unprecedented investment in the network, we will deliver a positive, transformative legacy for local communities across the north of Scotland, for the economy, and for the natural world.

This Sustainability Strategy sets out how we will deliver on this ambition. From tackling climate change, to restoring nature, and from leaving a positive legacy for communities, to growing our workforce, this Strategy sets out our commitment and vision for doing the right thing for people and the planet.



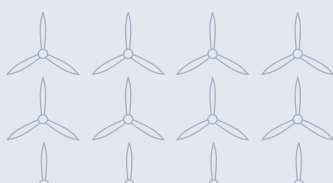
## About this document

This Sustainability Strategy sets out our focus areas and priorities for the period up to and including 2030. It is intended to inform stakeholders about what matters most to SSEN Transmission as we deliver a network for net zero.

The Strategy overview section details the aims and focus areas as well as giving an overview of the enablers.

The purpose and principles section shares our vision, mission, and values, and provides details of our materiality assessment.

The rest of the document provides further details of our aims and objectives in each of the six focus areas, shares how we will measure progress, and provides information on how we will enable our Strategy.





# Strategy overview



At SSEN Transmission, our mission is to deliver a network for net zero, unlocking the north of Scotland's potential as a renewable energy powerhouse.

The Pathway to 2030 and clean power depends upon a safe, reliable and resilient electricity transmission system that connects home and businesses with renewable generators. The north of Scotland, with its vast renewable energy resource, plays a critical role in the energy transition. Our goal is for our network to have the capability to meet 20% of the GB demand for clean power by 2030. This means investing to grow the network, while working with our stakeholders to ensure the transition is fair and sustainable.

We recognise that the unprecedented pace and scale of network expansion will have impacts – on communities hosting our infrastructure, on the natural environment, and on the climate. The approach we take to delivering a network for net zero will determine whether those impacts are positive or negative.

We are committed to leaving a positive legacy, for people, the environment, the economy, and our wider world.

This Sustainability Strategy sets out our priorities for a transition that is fair and sustainable. Developed through an inclusive and evidence-based process, this Strategy informs our decision making and action up to and including 2030. It aims to:



**Build** on strong foundations, evolving our ambition on climate change, nature, and communities.



**Power** sustainability leadership through a focus on procurement, people, and performance, and



**Connect** to global sustainability ambition, best practice standards, and the latest science.



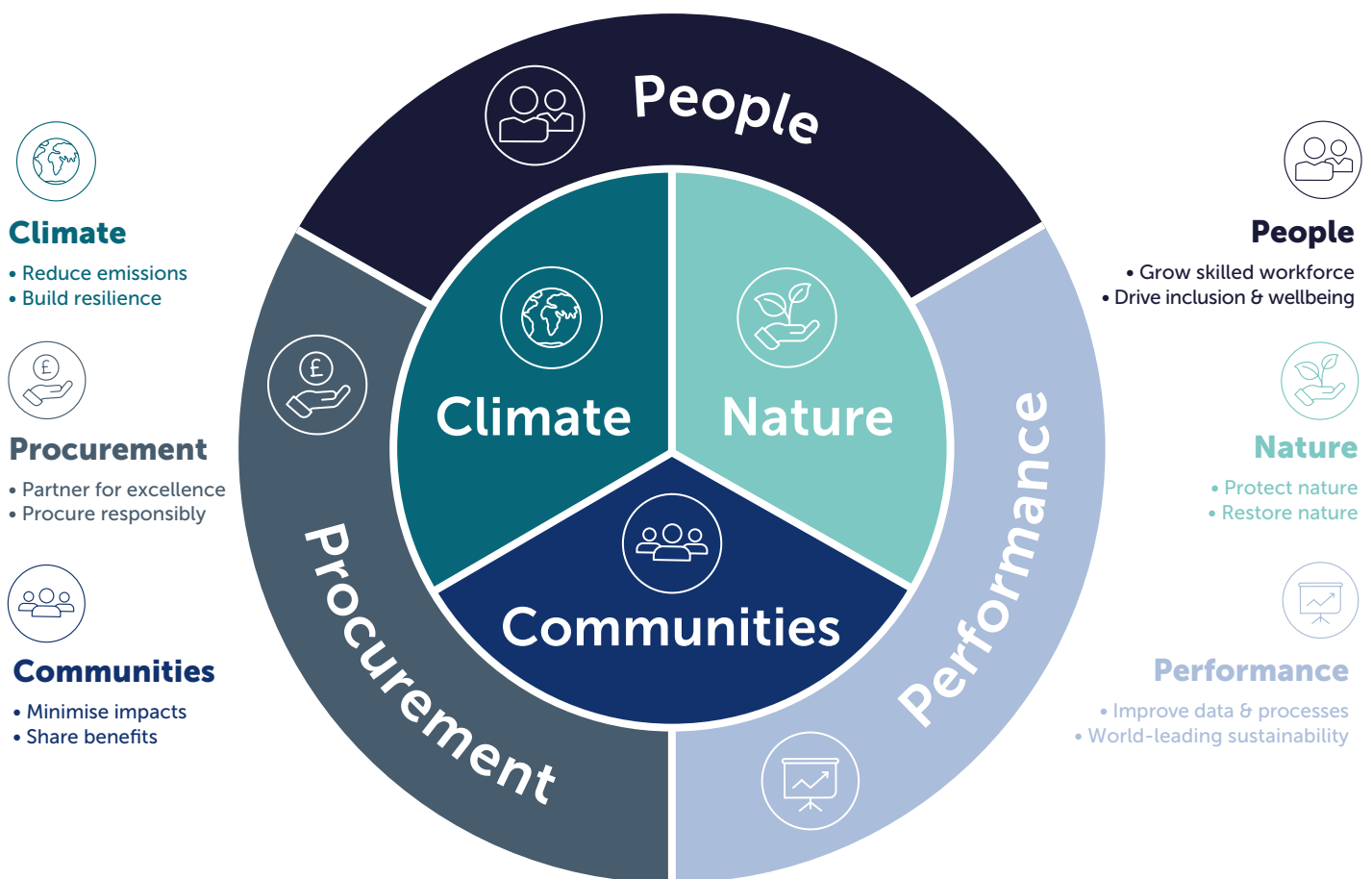


# Strategy overview

At the core of our Sustainability Strategy are three focus areas that build on our strong foundations in tackling climate change, protecting and restoring nature, and engaging with communities. In each of these areas, we aim to leave a for transformative, lasting benefits, ensuring our network is resilient to the impacts of climate change, helping the natural environment to thrive, and leaving a positive legacy for communities.

We will power the next phase of our sustainability leadership through a stronger focus on people, procurement, and our performance. That means growing our skilled workforce in a just and sustainable way, whilst driving an inclusive wellbeing culture. It means partnering with our supply chain to deliver excellence together, while procuring responsibly for people and planet. And it means strengthening our data, systems, and processes to better manage our performance.

Together, these elements of our Sustainability Strategy empower us to connect with world leading sustainability practices and to deliver on our ambition.



# Responsibilities and Enablers



A set of responsibilities act as a sense-check for all other actions and targets in this Strategy. These responsibilities are:



**Safety.** The safety, health and wellbeing of our people, partners and community is our primary responsibility and determines everything we do.



**Reliability.** Providing a reliable electricity supply is our core activity and of critical importance to homes and businesses.



**Affordability.** The importance of affordability of energy, as an essential service, means we have to demonstrate value for money in our actions.

In developing our detailed Sustainability Action Plan, we reviewed the potential impact of each action against these responsibilities to minimise negative impacts and maximise benefits. The six focus areas of the Strategy are also underpinned by a series of enablers:



Good governance



Innovation



Stakeholder engagement and partnership



Risk management

The Enabling our Strategy section provides further detail on each of these areas. In addition, our Strategy is underpinned by the principle of materiality. The Materiality section provides an overview of our most material topics.





# Purpose and Principles



## Our vision: A legacy of thriving people and places

As sustainability leaders, we are committed to supporting people and places to thrive, while doing the right thing for our planet.



## Our mission: Delivering a network for net zero in a fair and sustainable way

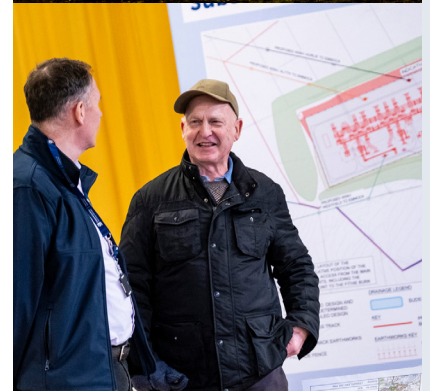
The network growth needed to achieve net zero and deliver clean power brings social, environmental, and economic consequences, impacting people, places, and our planet in many different ways.

This can include both positive and negative impacts. We have a responsibility to minimise potential negative impacts while at the same time seizing the opportunities to build resilience, restore nature, increase value and share the benefits of this transition with communities.



## Our values: We do the right thing for people and the planet

Our actions and decisions are informed by our values. As part of SSE, sustainability is one of our core values. To us it means doing the right thing for people and the planet. In doing so, we also aim to create and share value with our stakeholders and wider society.



# Materiality

This Strategy was developed in 2023/24, in alignment with best practice at the time. As such, the Strategy is underpinned by a double materiality assessment. The process examined both the impacts of SSEN Transmission on the outside world (on people, the economy and the environment) and the ways that the outside world impacts on us and on our financial sustainability.

The materiality assessment included a detailed impact assessment of over 60 environmental, social, economic, and governance-related topics, engagement with both internal and external stakeholders, and a desktop review. The process follows global best practice for double materiality assessments and is designed to inform both this Sustainability Strategy and our focus areas for sustainability reporting.

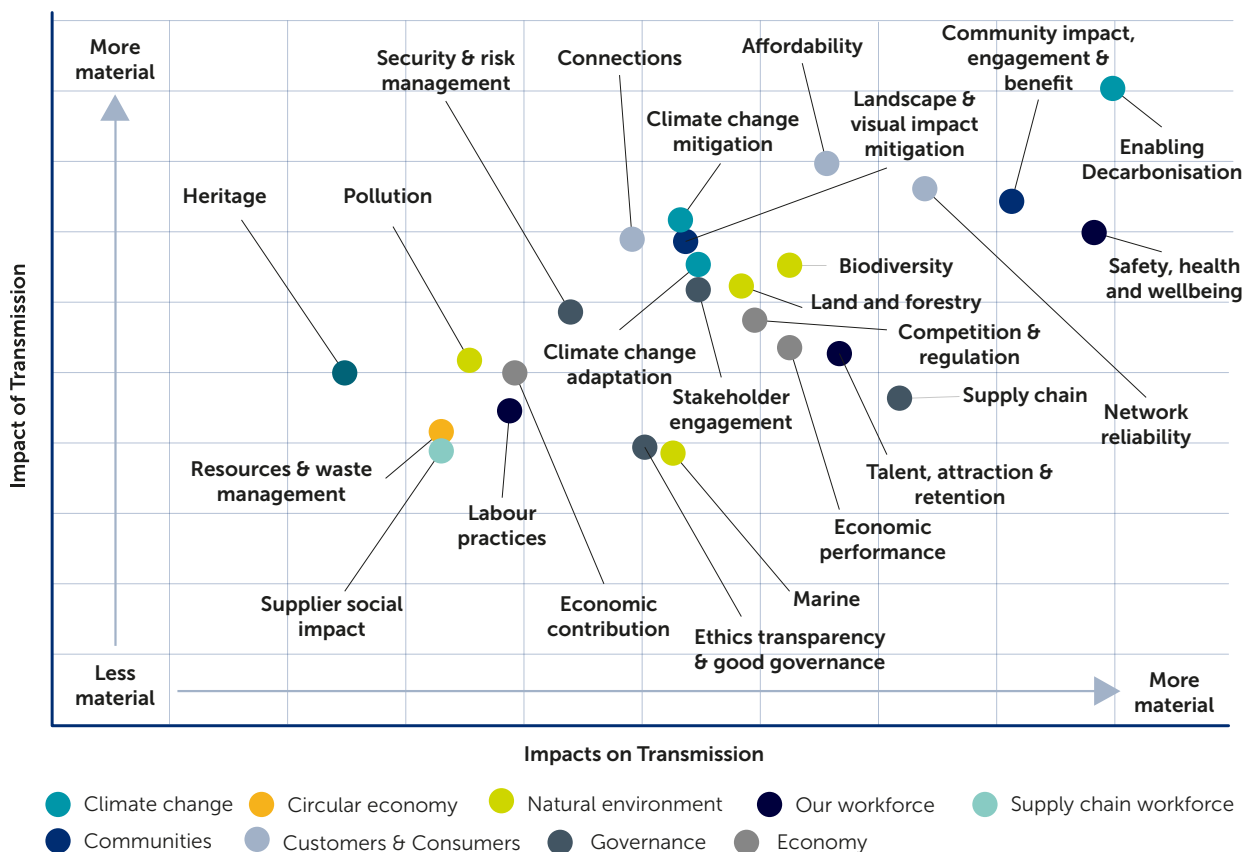
The findings of our materiality assessment emphasised that our focus on delivering a reliable, and affordable network for net zero, and on doing so safely, aligns with our most material impacts, risks, and opportunities.

Community impacts, engagement and benefit were shown to be highly material, alongside our climate impacts, both in how we manage and reduce our greenhouse gas (GHG) emissions, and in how we adapt to the impacts of climate change. Nature-related topics including biodiversity, land and forestry, and our impacts in the marine environment are also highly material, with the latter expected to grow in materiality in the coming years.

Areas of high impact on SSEN Transmission include securing and managing our supply chain, and attracting and retaining our skilled workforce. The materiality assessment also highlighted the impacts we have, and the risks and opportunities presented by our approach to customer connections and stakeholder engagement. Our economic performance and how we meet our regulatory obligations are also material.

Topics of lower materiality include pollution, resources and waste management, and heritage. These are still material topics, but to a lesser extent than the other topics noted above. Our materiality matrix is shown below, showing the relative materiality of 25 topics.

We will revisit our materiality assessment each year and undertake a full double materiality assessment every two years, whilst ensuring that we continue to align with global best practice.





# Climate



Urgent action is needed to address the climate crisis. At SSEN Transmission, we are already playing a vital role in decarbonising the UK's energy system, connecting renewable energy to our network to power growing demand for clean electricity. Enabling decarbonisation is our most material topic and the area where we can and do have the greatest impacts.

We also recognise that we have a responsibility to reduce our own carbon emissions as much as possible, whilst we deliver our overarching aim of a network for net zero.

We were the first networks company to set a science based target to reduce our own emissions in line with a 1.5° warming limit. Since then, we have led innovative work to trial alternatives to insulation and interruption gases like sulphur hexafluoride (SF6) which have a major impact on climate change, and we have worked with our supply chain to encourage them to adopt science based targets.

We are committed to reducing our emissions in line with the Paris Agreement. Our work to reduce Scope 1 and 2 emissions mean that we have already decoupled these emissions from the growth of our network. We recognise that our Scope 3 emissions are likely to increase as we grow the network, but we will work in partnership with our supply chain to realise emissions reduction opportunities wherever we can.

Finally, as the impacts of climate change are increasingly felt around the world, we will strengthen our approach to climate risk, resilience and adaptation.



## Our priorities



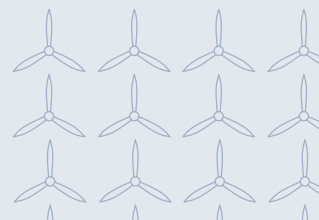
### Reduce emissions

We will continue to reduce our emissions in line with the Paris Agreement, including setting a new target to manage our Scope 3 emissions in line with best practice. Adopting high standards like the PAS2080 standard for carbon management in buildings and infrastructure will help us achieve this. We will also work with other Transmission Owners to better understand the carbon impacts of our activities on land and in the marine environment and seek collaborative ways to minimise these.



### Build resilience

We will evolve our approach to climate risk, resilience, and adaptation, in recognition of the increasing impacts of climate change. This will include maturing our assessment, management, and reporting of climate risk in line with global best practice. We will work in partnership with experts to better understand the cumulative impacts of climate change on SSEN Transmission, and how we should build our resilience and adapt to these impacts.



# Nature



We are privileged to operate in the unique natural environment of the north of Scotland and its islands, and this has motivated our ambition to protect biodiversity and restore nature. In our first Sustainability Strategy, we made a commitment to no net loss of biodiversity and to start delivering biodiversity net gain by 2025, leaving the natural environment in a better state than we found it. We have exceeded those targets, bringing forward our biodiversity net gain (BNG) target by two years, and embedding BNG in all our major projects.

Alongside our commitment to nature restoration, we have also followed a mitigation hierarchy for irreplaceable habitats like ancient woodland and peatland, avoiding impacting such habitats wherever possible, and restoring these vital habitats across Scotland. Our compensatory planting program also replaces every tree we have to remove through our construction and maintenance activities, and we have built partnerships with local conservation and environmental groups such as the Orkney Skate Trust and Argyll Conservation Trust.

Over the rest of this decade, our approach to protecting and restoring nature will continue to grow from these strong roots. We will align our approach with global best practice and support global goals such as the Global Biodiversity Framework which aims for 30 per cent conservation of land, sea and inland waters and 30 per cent restoration of degraded ecosystems by 2030.



## Our priorities



### Protect nature

We will continue to deliver excellent environmental management, and evolve our approach to minimising impacts on nature. We will assess the cumulative impacts of our activities on nature and take steps to minimise these through the materials and construction methods we use. We will continue to follow the mitigation hierarchy for irreplaceable habitat and deliver no net loss of woodland through compensatory planting. In the coming years we will also develop nature reporting in line with global best practice and assess the natural capital of assets on land owned by SSEN Transmission.



### Restore nature

Grounded in the success of our biodiversity net gain (BNG) approach, we will deliver BNG on all projects gaining consent. We will improve monitoring and maintenance approaches to ensure restoration projects are maintained and continue to undertake works in relation to contaminated land. We will also expand our restoration efforts beyond habitats to include location-specific initiatives including species protection and restoration projects. In the marine environment, we will continue to lead on the development and adoption of marine biodiversity metrics and build partnerships to undertake restoration at scale. Finally, we will work in partnership with others across the energy and environment sectors to grow the nature workforce of the future.



# Communities



The north of Scotland's abundance of renewable resources means we have a vital part to play in helping deliver energy independence, securing future electricity supplies with homegrown low carbon energy, reducing our dependence on imported power from often volatile global markets.

Our electricity network will play a leading role in harnessing Scotland's clean energy potential and delivering Scotland's and the UK's climate change targets through a significant investment in new electricity transmission infrastructure.

The communities of the north of Scotland are at the heart of our ambition for 2030. As we saw with the first renewable electricity revolution in the 1950s, the investment in the energy transition is an opportunity for people and communities to thrive and realise a lasting legacy in jobs, inward investment, and community regeneration. We are committed to make that happen.

We acknowledge that this new infrastructure will have impacts on communities. Some of these impacts are unavoidable but we are committed to minimising and mitigating local impacts wherever we can. That means avoiding population centres, historical landmarks and Scotland's most precious landscapes.

As we build the infrastructure needed to transport our clean, homegrown energy, we are set to deliver one of the biggest investment programmes the north of Scotland has ever seen. We will ensure the benefits of this major investment programme are shared with host communities.



## Our priorities



### Minimise impacts

We aim to maximise the positive outcomes and minimise any negative impacts of our assets and development on communities. This means delivering excellent community and stakeholder engagement, based on a genuine willingness to listen and collaborate for positive outcomes. We are also committed to better understanding the impacts we have on communities, both positive and negative. In particular, we will work to understand the cumulative impacts of our developments and to identify new and innovative ways to minimise negative visual impacts.



### Share benefits

We commit to sharing benefits from the expansion of our network with communities in our operating area. We will do this in a number of ways. Firstly, our Community Benefit Fund will support communities across our operating areas to access funding to support local priorities. The fund will both enable local priorities to be realised, as well as delivering focused funding for a range of areas focused on the themes of people, place, and tackling fuel poverty. Secondly, our Housing Strategy will both deliver the accommodation needed to house workers as we expand our network and help to tackle the housing and depopulation crises across the north of Scotland. We will work with housing sector partners to deliver hundreds of homes in our operating area. Finally, we will work with our supply chain to deliver community benefit in partnership. See the Procurement section of this Strategy for further detail on supply chain requirements.

# Procurement



Around the world, businesses and governments are seeking ways to build supply chains that are more resilient to economic, political, or climate-related shocks. Investors and other stakeholders are also looking to businesses like ours to better understand, manage, and report on the social, environmental, and economic impacts of what we buy, who we buy from, and who we partner with across our supply chain.

At the same time, we understand that the planet's resources are finite. As we grow our network, our demand for raw materials will increase. We recognise the need to find circular economy solutions to our resource needs, and to consider the whole life impacts of the assets and materials we buy.

As part of SSE, we operate a Sustainable Procurement Code which underpins all our contracts. We also require suppliers to ensure that the people who work for them are paid fairly through our Living Wage commitment, and that their human rights, including rights at work, are protected.

SSE's Powering Net Zero Pact puts many of our commitments on sustainability into practice, working with our supply chain partners to deliver a fair and just transition to net zero carbon emissions. The Pact focuses on five areas of ambition: achieving net zero carbon emissions; protecting and enhancing the natural environment; transitioning to a circular economy; guaranteeing fair work and sustainable jobs; and adding value to local communities.



## Our priorities



### Partner for excellence

Our supply chain partners are central to the investment we are making to our network over the coming years. We will engage with our suppliers on sustainability, seeking opportunities for collaboration and learning from each other on what works. We will prioritise sustainability and social value in our procurement processes and improve our own practices through alignment with sustainable procurement best practice and streamlined data collection and analysis.



### Procure responsibly

We will maximise the social, economic, and environmental benefits of what we buy, and who we buy from. To maximise the social and economic benefits of procurement, we will require all suppliers on large capital projects to demonstrate local social and economic benefits, and to work with local suppliers, investing in jobs and local economies. To minimise waste and maximise circular economy opportunities, we will seek to reuse or repurpose existing assets and materials wherever possible, and work with our supply chain to design out waste at source, seeking cost and material efficiencies in the process. Where residual waste remains, we will deliver zero waste to landfill and increase the proportion of waste that is recycled.



# People



Delivering a transition that is fair and sustainable is critically important work and it relies on the efforts of the people who work for SSEN Transmission.

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 deliver network reliability and value for billpayers, all while staying safe, healthy, and well.

The pace and scale of network growth requires a significant growth in the size of our workforce. That makes recruiting, retaining and developing our people an essential part delivering a network for net zero. Our Sustainable People Strategy has four ambitions – a healthy, happy, and safe workplace, the right people with the right skills, being one inclusive and engaged team, and empowered inspirational leaders.

As we look ahead towards the 2030s, these areas remain crucial to delivering on our sustainability ambitions and to supporting our people to thrive. There will be challenges such as increasing competition for skilled people to join SSEN Transmission, as well as opportunities like the chance to engage our team on sustainability like never before, and to develop the workforce of the future.



## Our priorities



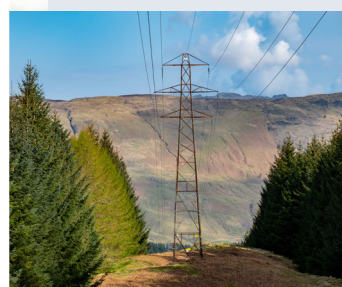
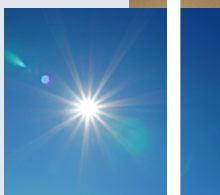
### Grow skilled workforce

We will nearly double the size of our workforce in the short- to medium-term. To achieve this, we will develop a Just Transition Workforce Plan. We will also build our capacity and capability in sustainability, delivering enhanced learning and development opportunities and refreshing our volunteering program to engage more people than ever before in activities that help communities and support our sustainability ambitions.



### Drive inclusion and wellbeing

We will continue to deliver employee-led inclusion and diversity campaigns to engage and support colleagues across SSEN Transmission. At the same time, we will continue to improve the diversity of our workforce by strengthening our targets, and we will drive a wellbeing culture through alignment with global best practice whilst working with suppliers to do the same.





# Performance



Achieving our mission requires excellent systems, processes, and data to enable us to better understand our impacts, to monitor and measure our performance, and to refine and improve how we deliver against our goals.

This focus area aims to improve data and processes to enable improved performance against our goals, and it connects our ambition with our impacts at a global level.

To monitor, measure, and enhance progress against our commitments, we will refresh our approach to sustainability data and our supporting processes. Our detailed Sustainability Action Plan will be supported by these new data approaches and processes, ensuring we can more accurately track and share our progress, and adjust our actions where necessary. In addition to regular updates and action plans, we will report on our progress in our Annual Report and ensure that our reporting processes continue to align with global practices for sustainability reporting.

We have a strong track record as leaders in sustainability, as the first networks company in the world to set a science based target to cut our emissions. As we move into this next phase of our sustainability journey, we are committed to continuing to be leaders, both through strong delivery against our ambitions, and through alignment with global best practice.



## Our priorities



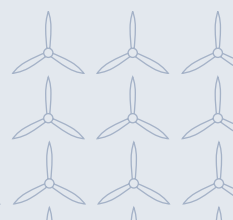
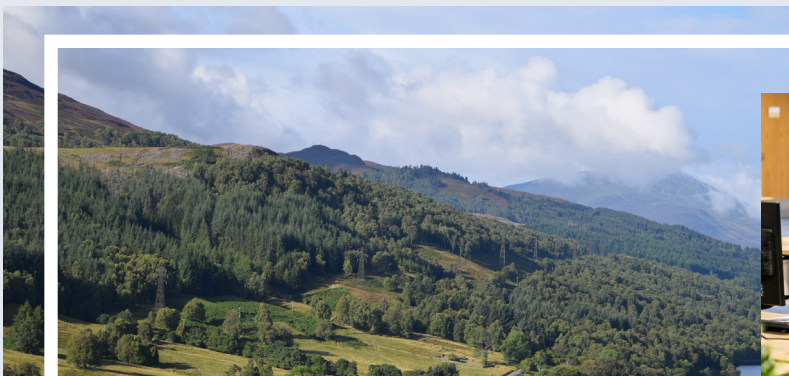
### Improve data and processes

We will streamline our sustainability data platforms and introduce new processes and resources to drive sustainability action. This will include improvements to our sustainability reporting, as well as the processes we use to assess the sustainability impacts of our large capital projects.



### World-leading sustainability


Planetary boundaries are the processes vital to how Earth functions, and therefore vital to life on earth. They describe the limits of what the Earth can endure, including in relation to climate change, freshwater depletion, and impacts on biodiversity. First developed in 2009, the science behind the idea of planetary boundaries has developed significantly, with data showing what a "planetary boundaries budget" could look like for different geographies, and for individual businesses. We will partner with experts to quantify a fair budget for SSEN Transmission, and to assess our performance against this budget, and ultimately our impacts on planetary boundaries.





# How we will measure progress

We will measure progress towards this Strategy against a set of nine “hero commitments” as shown below. These exemplar goals focus on our most material topics, and the areas where we can make the most significant impacts.

 <b>Climate</b>	
<b>Hero commitment</b> <ul style="list-style-type: none"> <li>Reduce Scope 1 and 2 GHG emissions by 46% by 2029/30 in line with a 1.5° warming limit</li> <li>Reduce Scope 3 GHG emissions in line with best practice standards</li> </ul>	<b>KPI</b> <ul style="list-style-type: none"> <li>% change in Scope 1 and 2 GHG emissions from a 2018/19 baseline</li> <li>Scope 3 target to be set in 2025/26</li> </ul>
 <b>Nature</b>	
<b>Hero commitment</b> <ul style="list-style-type: none"> <li>Deliver 10% biodiversity net gain and leave a positive legacy for nature</li> <li>Be industry leaders in marine habitat monitoring and restoration by 2030</li> </ul>	<b>KPI</b> <ul style="list-style-type: none"> <li>Average % BNG achieved on all projects gaining consent</li> <li>No. of marine restoration projects a) initiated, and b) completed; No. of marine monitoring projects a) initiated, and b) completed.</li> </ul>
 <b>Communities</b>	
<b>Hero commitment</b> <ul style="list-style-type: none"> <li>Deliver our community benefit fund from 2024 and support communities to access funding for local priorities</li> <li>Leave a positive community legacy by delivering hundreds of homes by 2030</li> </ul>	<b>KPI</b> <ul style="list-style-type: none"> <li>Community benefit fund established (y/n); £ allocated per year, and since launch.</li> <li>Number of homes delivered through our investment program</li> </ul>
 <b>Procurement</b>	
<b>Hero commitment</b> <ul style="list-style-type: none"> <li>By 2027, deliver local social and economic benefits on every project, and strive to maximise suppliers located in the north of Scotland.</li> </ul>	<b>KPI</b> <ul style="list-style-type: none"> <li>% of projects delivering social and economic benefits.</li> <li>% of approved suppliers located in the north of Scotland</li> </ul>
 <b>People</b>	
<b>Hero commitment</b> <ul style="list-style-type: none"> <li>Develop and implement a Just Transition Workforce Plan by 2026</li> </ul>	<b>KPI</b> <ul style="list-style-type: none"> <li>Just Transition Workforce Plan developed (y/n); Just Transition Workforce Plan implemented (y/n);</li> </ul>
 <b>Performance</b>	
<b>Hero commitment</b> <ul style="list-style-type: none"> <li>By 2030, assess our impacts on planetary boundaries</li> </ul>	<b>KPI</b> <ul style="list-style-type: none"> <li>Planetary Boundaries impact assessment completed (y/n)</li> </ul>

# Enabling our Strategy

The delivery of this Sustainability Strategy depends on a range of enablers, including sustainable procurement approaches, empowered sustainability leadership amongst our people, and performance enhancements such as improved data and processes. In addition to these, we have identified four enablers for our success. We will report on these topics in Annual Reports as they relate to this Sustainability Strategy.



## Good governance

This Strategy will be reviewed every two years, informed by a materiality assessment and stakeholder engagement. Our Sustainability Action Plan covering the period 2026-2031 meets our regulatory obligations, and we will develop annual action plans for internal use. These action plans will set out the steps we will take to deliver on the aims and commitments detailed in this Strategy.

Our sustainability governance body, consisting of Directors, senior leaders, and subject matter experts, is responsible for monitoring performance and approving annual action plans for recommendation to our Transmission Executive Committee (TEC). The Transmission Executive Committee is responsible for approving our Strategy and associated action plans, and for related financial decisions.



## Stakeholder engagement and partnership

We engage with our stakeholders in line with AccountAbility's AA1000 Stakeholder Engagement Standard. This is a principles-based framework, used globally by businesses to demonstrate leadership and performance in accountability, responsibility, and sustainability. We will continue to apply this Standard to our stakeholder engagement on sustainability, and seek to forge genuine and mutually beneficial partnerships in support of our goals as we deliver this Sustainability Strategy.



## Innovation

At SSE Transmission, we recognise that innovation is essential for delivering a reliable and resilient network, and for delivering it safer, smarter, greener, and faster. The Innovation Strategy has four focus areas - safer, smarter, greener, and faster. The Greener focus area is particularly relevant for this Sustainability Strategy. It aims to apply the test of sustainability to everything we do, and to use innovation to quantify and communicate our contribution to net zero, reducing environmental harm throughout the lifecycle of our assets.



## Risk management

SSE's established Risk Management Framework and our wider system of internal control inform our strategic decision. Effective identification, understanding and mitigation of Principal Risks underpins our approach to setting strategic objectives for SSE and informing strategic decision making. In relation to climate risk, we have established Asset Management practices in place under ISO 55001 certification. Climate risks and impacts are identified, assessed, and documented in accordance with best practice.

Our approach to managing all aspects of risk, including climate risk, will continue to evolve in line with best practice and in accordance with SSE Group frameworks.





